

# **AGENDA**

## **Palm Beach County Housing Finance Authority**

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**FRIDAY, AUGUST 14, 2020**

**9:00 A.M.**

**Palm Beach County Airport Center  
Complex**

**100 Australian Avenue**

**4th Floor (#4-790) Training Room**

**West Palm Beach, FL 33406**

## TABLE OF CONTENTS

**Agenda – August 14, 2020 regular meeting**

**Executive Director - Report on agenda items**

<b>Agenda attachments:</b>	<b>TAB</b>
<b>Consent _____</b>	<b>1</b>
<b>Old Business _____</b>	<b>2</b>
<b>New Business _____</b>	<b>3</b>
<b>Other Matters _____</b>	<b>4</b>



# Meeting Agenda

August 14, 2020

PBC Airport Center – Human Resources Training Room 4-790  
100 Australian Avenue, West Palm Beach, FL 33406

## Housing Finance Authority of Palm Beach County

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### Chairperson

Gary P. Eliopoulos

### Vice Chair

Bobby "Tony" Smith

### Secretary

Robin B. Henderson

Clark D. Bennett

Patrick J. Franklin

James H. Harper, Sr.

Charles V. St. Lawrence

### Executive Director

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## I. Call to Order

- a. Governor's Executive Order 20-179
- b. 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. Minutes of the June 19, 2020 regular meeting
- b. General Fund Requisitions 6-2020 and 7-2020
- c. Multifamily project occupancy reports for May and June
- d. Third quarter programs and financial updates
- e. FY 2019/20 general fund budget amendment resolution

## V. Old Business

- a. Consideration of loan to Habitat for Humanity of South Palm Beach County

## VI. New Business

- a. Presentation of multi-family bond application and inducement resolution for "Christian Manor" apartments
- b. Presentation of multi-family bond application and inducement resolution for "San Marco Villas" apartments
- c. Preliminary Fiscal Year 2020/2021 General Fund budget and proposed fund allocations

## 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., Friday, September 11, 2020  
PBC Airport Center, Fourth Floor - Human Resources  
Training Rm. 4-790

## VIII. Adjournment

To: Housing Finance Authority

From: Executive Director

RE: August 14, 2020 regular meeting

Dated: August 6, 2020

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Due to limitations imposed by Palm Beach County in response to the COVID 19 emergency, in-person participation will be limited to 10 persons in Room 4-790 with appropriate social distancing and mouth/nose masks required. A notice has posted on the Authority's website that advises the public may also participate in the meeting via a GoToMeeting link and/or the toll free telephone number provided. Authority board members may participate this way as well under the Governors Executive Order 20-179, which expires September 1, and still count towards the required quorum necessary to conduct the meeting.

## **V. "Old Business" items:**

### **Item (a.) Continued discussion of potential loan to Habitat for Humanity of South Palm Beach County**

The Authority considered a letter from HFHSPBC at the June 19 meeting asking if the board would consider either a purchase of a portion of their owner occupied zero percent interest, level principal-only payment first mortgage loans (general counsel wasn't comfortable with the statutory ability to do so without further research) or a 30-year loan with a repayment schedule tied to a pool of said loans pledged as loan collateral. The board directed staff to come back with a more detailed loan proposal for HFHSPBC, and to reach out to the northern HFH affiliate to see if the loan program could be made countywide rather than just limited to the southern half of PBC. At this time HFHSPBC plans to submit an application for a 36-month revolving construction for homes they are beginning shortly in the Glades and consideration of this should be ready for inclusion on the September 11, 2020 Authority meeting agenda.

Subsequent discussions between staff and HFHSPBC resulted in the August 4 letter included in the agenda materials outlining terms for a long-term loan backed by seasoned

mortgage loans the proceeds of which would be used by HFHSPBC to construct and finance eight (8) new homes for buyers at 30% to 80% of area median income two of which are expected to be under construction before the end of the month. The initial loan amount would be \$1M with the ability to increase at a future date as approved by the Authority; the interest rate would be set by the Authority at a rate not to exceed 1%; and repayment of the principal amount of the loan would be based on principal payments of the mortgage loans pledged as collateral (not less than 100% of the loan amount, and any delinquent collateral would be substituted within a to be determined timeframe). The projected out-of-pocket cost to build these homes is approximately \$150K or less with buyer at 80% of AMI having a mortgage payment of around \$1,200 including real estate taxes and insurance.

There is no question of the Habitat for Humanity model providing a great benefit to their homebuyer/borrowers. It provides as much or more subsidy than most other governmental grant program, and unlike other deep subsidy assistance alternatives, this loan would be a win-win combination of highly leveraging of Authority funds and amortizing loan payments that can be recycled into other Authority programs over the life of the loan. I would recommend that the Authority charge interest, 1% in this case, and then decide from year to year whether and to the extent it could make a grant of the interest received.

**Staff recommends a motion to give preliminary approval for 1) a loan to HFHSPBC of \$1M for a term of up to 30 years, an interest rate of 1%, to be secured by a pledge and assignment of seasoned mortgage loans equal to not less than the outstanding loan amount, to be used by HFHSPBC for the construction and financing of up to eight new homes to be sold to homebuyers at 80% or less of area median income, and 2) authorize staff to prepare substantially final loan documents for approval at the next meeting.**

## **VI. “New Business” items:**

### **Item (a.) Presentation of multifamily bond application and consideration of approval of inducement resolution for “Christian Manor” apartments – acquisition/rehabilitation – Christian Manor**

Included in the agenda materials is the application prepared by SCG Development and submitted on behalf of current property owner PHASE Housing Corporation and co-developer Integrity Development Partners. They are requesting the consideration of the issuance of up to \$15M of tax exempt bonds for the acquisition and rehabilitation of the 200-unit “Christian Manor” senior apartments located at 325 Executive Center Drive (just

east of I-95 north of Okeechobee Blvd. and south of Congress Ave.) in the City of West Palm Beach. Jason Duguay of SCG Development, and Rhett Holmes and Steve Brooks of IDP, will be making the presentation or available for questions on behalf of the firm.

**Backgrounds of the owner and developer:** The project owner is *PHASE Housing Corporation, Inc.* a Florida not-for-profit, (“PHASE”) now located in Alpharetta, Georgia, acquired the property in June of 2019 for PBC official records indicated consideration of \$2,857,000. The “Total Market Value” per the PBC Property Appraiser records shows \$5M from 2015 to 2017, \$6.5M in 2018, and \$5.5M in 2019.

**The Owner:** The president and CEO is Paul Ponte of PHASE; he, Ernest Davis, and Charles McLeod of IDP Properties, are also the board of directors for all affiliated PHASE not-for-profit entities. PHASE is also the managing member of Christian Manor GP, the general partner of Christian Manor Restoration, LLC, which will be the new owner and borrower entity. PHASE through its affiliates owns eight apartment projects with 556 units; four in Georgia financed with tax credits, and the other four projects in three different states (including “Christian Manor”). I met with Mr. Ponte at the property on August 6 for a walk around, and to discuss physical needs as well as the tenant union concerns that I forwarded to the board member earlier that week (those items are included again in the agenda materials). He stated that all of PHASE’s properties have been acquired since the early 2000’s, and those needing rehabilitation have been done over just the past couple of years. He and the new property manager as of June 2020, Integrity Management Corporation an affiliate of one of the co-developers listed below, are working with all tenants to address all concerns that apparently were not being handled adequately by the former manager.

**The Co-Developers:** *SCG Development* of Tyson Corner, VA and Peabody, MA, is a privately held real estate development firm focused on affordable and workforce rental housing with a portfolio of 54 properties with over 5,000 apartment units in 12 states but predominately in the eastern seaboard states. Many of these properties have been finance with either 4% or 9% housing tax credits, as well as some with historic tax credits.

*Integrity Development Partners*, of Valdosta, GA, is full service real estate development firm that includes consulting, project development, and construction, asset and property management services. The twelve firm members have over 50 years of experience, and have owned and developed over 5,000 apartment units using among other sources housing tax credits, tax-exempt bonds, HOME, and CDBG funds.

**The project:** The project consists of four (4) three-story apartment buildings on 5.35 acres constructed in 1972 under the HUD 236 subsidized mortgage interest assistance program

which had a then 40-year term. The property has 56 one-bath studio units of 427 square feet and 144 1-bedroom/1-bath units at 537 square feet, a clubhouse/leasing office, pool/shuffleboard court, laundry on each floor and maintenance building. Current base rents range from \$525 to \$685 and less than 10% of the units appear to have tenants with Section 8 vouchers. The occupancy rate for July 2020 was 93.5%.

After closing of the financing, the project will be subject to IRS Code income and rent limits based on 60% of Area Median Income (“AMI”). For 2020, the maximum income limit is \$36,900 for a one-person household and \$42,180 for a two-person household. The gross rent numbers for 2019, as shown in the application, were \$871 and \$941 for the studio and 1-bedroom units less an allowance for tenant paid utilities; the 2020 limits are \$922 and \$988. If the bond financing had been in place for 2019, the maximum net rent that could have been charged to tenants would have been \$810 and \$868, which are approximately 50% and 25% higher, respectively, than current rents. The applicant indicated that 20 units will be restricted to 28% of AMI as the result of FHFC SAIL and Extremely Low Income funding tentatively awarded to the project. Those income and rent limits for 2020 are \$17,220 for one person and \$19,684 for a two-person household, and gross rental limits of \$430 and \$461 for a studio and 1-bedroom unit.

The rehab is expected to be performed with the tenants in place but this was not certain at the time of the application. The application indicates only that unit improvements are to include new kitchen and bathroom cabinets and countertops, and new flooring. I have requested from the applicant additional details on the rehab plan/budget that is expected to add electrical, plumbing, HVAC replacement of existing wall units, and appliances in all units, as well as the work to be done on the common areas, clubhouse and pool. In their SAIL application PHASE indicated they would include an “Energy Star” certified roof and windows, programmable thermostats, and daylight sensors/timers or motion detectors for all outdoor lighting. I have been advised the by SAIL credit underwriter that they have engaged a third party capital needs report. I have requested that I be notified and accompany the inspector when they conduct their site visit. The rehab work is expected to complete in 16 months.

**The financing:** The applicant, Christian Manor Restoration, LLC, has entered into a contract to purchase the project from PHASE for \$5,000,000. The Authority’s financing will be a not-to-exceed \$15M of short-term “AAA” rated tax exempt publically offered bonds that will be outstanding only during the rehab period or approximately two years, and underwritten through Stifel Nicolaus (one of three approved Authority multifamily bond underwriters). The permanent financing will be an approximate \$10.1M taxable FHA 221(d)(4) first mortgage loan underwritten and serviced by Bellwether Enterprise, Cleveland, Ohio, with a 40-year principal amortization and declining prepayment penalty

through year 10. The minimum debt service coverage ratio 1.1x, and a December 2019 expected interest rate of 4.0% including MIP but before on-going issuer and trustee's fees. The project pro-forma, with a 5% vacancy/collection loss, demonstrating a 1.11x debt service coverage on the permanent loan amount of \$10,100,000.

The following is a summary breakdown of all permanent phase sources and uses of funds including the purchase price of \$5M (\$25K per unit) and \$13.3M for rehabilitation of the property (approximately \$66.5K per unit):

<u>Uses of Funds:</u>		<u>Sources of Funds:</u>	
Purchase price	\$ 5,000,000	Low Income Housing Tax Credit equity	\$ 8,427,000
Construction costs & contingency	13,300,000	FHA 221(d)(4) taxable first lien mortgage	10,100,000
Financing costs	1,653,800	FHFC SAIL subordinate loan	5,000,000
General development costs	1,973,321	FHFC SAIL ELI sub. loan	600,000
Operating reserve	-0-		
Developer fee	<u>3,420,000</u>	Deferred developer fee	<u>1,220,121</u>
Total Uses	\$25,347,121	Total Sources:	\$25,347,121

Items not submitted with the application: the applicant has advised that the environmental assessment (Phase I) will be engaged in the near future.

The anticipating schedule for this project is application/inducement consideration at the August 14 meeting, a TEFRA hearing at the next meeting, with a bond authorizing resolution and a credit underwriting report presented/bond closing the first quarter of 2021. Board of County Commission approval of the TEFRA results and sale of the bonds will be scheduled for as soon as possible with the expectation of being in position to request 2020 private activity bond allocation that could be carried over into 2021. The form of inducement resolution to be considered at the August 14 meeting is included in the agenda materials.

**Staff recommends a motion: 1) to approve the inducement Resolution R-2020-12 declaring preliminary approval for the issuance of not exceeding \$15,000,000 multifamily housing revenue bonds for the "Christian Manor" apartments, 2) approve the applicants request to use First Housing Development Corporation as credit underwriter and Stifel Nicholas as bond underwriter; and 3) assign Bryant Miller Olive as bond counsel and Greenberg Traurig as disclosure counsel.**



**Item (b.) Presentation of multifamily bond application and consideration of approval of inducement resolution for “San Marco Villas” apartments – acquisition/rehabilitation – Southport Development**

Included in the agenda materials is the application from Southport Financial Services, Inc., of Tampa, Florida, requesting the consideration of the issuance of up to \$50M of tax exempt bonds for the acquisition and rehabilitation of the 400-unit “San Marco Villas” apartments located at 800 Venetian Isles Drive in Town of Lake Park off of N. Congress Avenue about midway between Silver Beach and Northlake Boulevard. It is anticipated that Brianne Heffner and Aaron Vargas of the firm will be making a virtual presentation on behalf of applicant.

**Background on the developer:** Southport Development was formed in 2012 by the same principals as Southport Financial Services founded in 1995, and has developed or acquired more than 15,000 apartment units using tax-exempt bond and low income housing tax credits. They have 11 projects in PBC including the following which at one time or are currently, financed with Authority bonds: “Chelsea Commons”, “Palms West”, “Mallards Landing”, “Azalea Place/Lake Mangonia”, “Wedgewood” and “Palm Gardens”.

**The project:** The project consists of 17 two-story and 22 three-story family garden apartments on 26.65 acres constructed in two phases by The Housing Trust Group of Florida and originally called Westlake Apartments, then renamed Venetian Isles upon completion of construction in 2003, and now known as “San Marco Villas”. The first phase consisting of 288-unit was financed by the FHFC in early 2002, and a 112-unit second phase financed through the Authority in late 2002. The Authority’s bonds for Phase II were redeemed in whole in 2015 and the “Qualified Project Period” ended around July 2019, however the Land Use Restriction Agreement has not been formerly terminated of record. The two phases were acquired by the principals of Southport Financial in 2012 and 2014.

The properties have 108 1-bedroom/1-bath units of approximately 700 square feet and 168 2-bedroom with 1/1.5/2/2.5 baths of 956 to 1,158 square feet, and 124 3-bedroom/2 or 2.5 bath units of 1,200 to 1,323 square feet. The project is subject to current Low Income Housing Tax Credit Rents and therefore will not change except as permitted annually upon the release of IRS Code authorized rents (by unit size). These gross rent numbers for 2019, as shown in the developer’s application, were \$941, \$1,129 and \$1,304 for 1, 2 and 3 bedroom units less an allowance for tenant paid utilities. The net rent actually paid by tenants are \$880, \$1,059 and \$1,230 respectively.

**The financing:** The newly created Southport entity San Marco Affordable LLC has entered into a contract (which for tax purposes is unrelated yet is another Southport controlled entity) to purchase the project for \$50M not later than January 30, 2021. The PBC Property Appraiser website lists a “Total Market Value” of the property of \$20M. The Authority’s financing will be a not-to-exceed \$50M tax-exempt first mortgage loan note through the Freddie Mac Targeted Affordable Housing Program with a 17-year term underwritten and privately placed by JLL Capital Markets with the assistance of RBC Capital Markets. The maximum loan-to-value ratio is 90%, the minimum debt service coverage ratio 1.15x, and an expected all-in interest rate of approximately 3.52% (as of October 31, 2019) excluding on-going issuer and trustee’s fees.

The following is a summary breakdown of all permanent phase sources and uses of funds including the purchase price (\$125K per unit) and \$16M for rehabilitation of the property (approximately \$40K per unit):

<u>Uses of Funds:</u>		<u>Sources of Funds:</u>	
Purchase price	\$ 50,000,000	Low Income Housing Tax Credit equity	\$ 25,804,919
Construction costs & contingency	16,020,800	Governmental first lien note	48,400,000
Financing costs	1,844,500	Seller subordinate lien note	3,000,000
General development costs	2,324,208		
Operating reserve	1,250,000		
Developer fee	<u>12,634,111</u>	Deferred developer fee	<u>6,868,700</u>
Total Uses	\$84,073,619	Total Sources:	\$84,073,619

The rehab will be performed with tenants in place as no plumbing or electrical work is expected beyond several hours during a workday. Rehabilitation would include hurricane windows and roofing as necessary, repair and exterior painting as necessary, new doors and locks as necessary, updates to common areas; and for each unit new kitchen cabinet, countertops and appliances, interior repairs and electrical panels/GFI outlets as necessary, and new plank flooring. Staff has deemed the application complete.

The anticipating schedule for this project is application/inducement consideration at the August 14 meeting, a TEFRA hearing at the next Authority (September 11) meeting, with a bond authorizing resolution and a credit underwriting report presented in January 2021. Board of County Commission approval of the TEFRA results and sale of the note would be by late October with a bond closing by January 30, 2021. Rehab construction would begin in February and be completed within 14 months. The form of inducement resolution to be considered at the August 14 meeting is included in the agenda materials.

Items not submitted with the application: the application has been deemed by staff to be complete.

**Staff recommends a motion: to 1) approve the execution of inducement Resolution R-2020-13 declaring preliminary approval for the issuance of not exceeding \$50,000,000 multifamily housing revenue bonds for the “San Marco Villas” apartments; and 2) assign Bryant Miller Olive as bond counsel.**

**Item (c.) Proposed fiscal year 2020/2021 general fund budget and fund allocations**

In accordance with Ch. 189 F.S., a proposed operating budget is to be posted to the Authority’s website at least 2 days prior to board consideration. The proposed general fund budget will be posted to the Authority website more than seven days prior to the September 20 Authority meeting when the final budget is scheduled to be approved.

**PROPOSED GENERAL FUND BUDGET FOR FY 2020/21**

**Operating Revenues:**

MF bond issue annual fee income	\$ 415,000	
SF loan origination income	<u>150,000</u>	
Total Operating Income		\$ 565,000

**Operating Expenses:**

Contract Services	\$ 375,000	
Accounting & auditing services	45,000	
Legal services	35,000	
Other expenses	<u>45,000</u>	
Total Operating Expense		<u>\$ 500,000</u>

**Income/(Loss) from Operations:** \$ 65,000

**Non-Operating Revenue/(Expenses)**

Interest income	\$ 150,000
Funding of down payment assistance second mortgages	(450,000)

**Change in Net Position** \$ (235,000)

**Operating Revenues:** The first line item are the annual on-going fees paid on outstanding multi-family bond issues (currently 15 basis points on initial issuance amount). Not included in this line item are any other potential multi-family bond related items such as one-time upfront application, inducement, TEFRA hearing or bond closing fees, nor any one-time prepayment of remaining on-going annual fees following a bond redemption. In keeping with prior practice, no anticipated fees for any multifamily bond transaction in the financing pipeline (currently Christian Manor, San Marco Villas and Village of Valor) were budgeted. The second line item is fees derived from first mortgage loans originated under the “Own a Home Opportunity” single family first mortgage loan program with the Lee HFA.

**Operating Expenditures:** The first line item is the Authority reimbursed costs of the office to Palm Beach County (“PBC”). The amount has been increased as the result of implementing PBC employee ATB raises for the past five fiscal years. The accounting and audit professional fees shown are in accordance with the respective engagement letters. The line item “Other” is a catch-all for such things as auto, travel, conferences, training, memberships and dues, publication of notices, overnight mailings and contributions such as the Sadowski Education Effort. Last year I proposed a contribution for SEE in the amount of \$20,000, and the board compromised on \$10,000. The board also made a \$5,000 contribution to the Housing Leadership Council of PBC.

**Non-operating Revenue/(Expenses):** This item consists of interest from short-term investment of surplus funds (PBC Clerk’s Investment Pool, Florida State Board of Administration Prime investment pool, and US Bank custodial money market funds) held for the Down Payment Assistance Second Mortgage Fund (\$2.8M) and Single Family Loan Purchase Fund (\$1.65M) reserve which was move to a tentative allocation for the “Brooks Subdivision” project, interest on loans under the Revolving Loan Fund (\$6.25M reservation), and interest income from Ginnie Mae and Fannie Mae mortgage backed securities (“MBS”) from prior single family bond issues have now paid-down to around \$500K. While it is anticipated that a portion of down payment assistance (“DPA”) second mortgage loans will be pre-paid in whole during the fiscal year, no amount has been budgeted here as revenue. The amount budgeted as a funding “Expense” for DPA loans is based on the projected level of funding under the “Own a Home Opportunity” program for the current fiscal year.

**Change in Net Position:** Net income from operations for FY 2015 to FY 2018 ranged from a low of \$119K to a high of \$137K, but jumped dramatically to \$387K for 2019 due to increased multifamily bond issuance and a doubling of fee income from single-family loan originations under the “Own A Home Opportunity” program. Net Position increasing by \$113K, \$240K and \$331K over the last three fiscal years.

**Fund allocations:** The Authority created or expanded upon three distinct programmatic funds in May 2014: the “Revolving Loan Fund” for making short-term construction/rehab type loans with funding increased to \$6.25M during the 2016/17 fiscal year; “DPA Second Mortgage Fund” to provide second mortgages in connection with the “Own a Home Opportunity” single family mortgage program which the board increased the allocation to \$2.8M for FY 2017/18; and the “Single Family Loan Purchase Fund” for the purpose of acquiring single family mortgage loans or mortgage backed securities originated under a single family mortgage program the allocation of which was increased to \$1.65M for FY 2017/18. Since the Authority currently did not have plans at that time for the purchase of single-family mortgage loans this latter allocation served as a general reserve. Then at June 14, 2019 meeting the board committed up to \$1.43M of this for DPA second mortgages for the “Brooks Subdivision” single-family project. With the board considering long-term single-family mortgage loan lending with the Habitat for Humanity affiliates, I would recommend that all but about \$500K of available surplus funds be allocated as follows:

**Recommended Fund allocations:**

1. Revolving Loan Fund to remain at \$6.25M;
2. Down Payment Assistance Second Mortgage Fund be increased by \$200K to \$3M;
3. Single Family Loan Purchase Fund be increased by \$2.35M to \$4M.

**Staff recommends a motion to: approve the recommended Fund allocations and posting of the proposed general fund budget for FY 2020/2021 in accordance with Ch. 189.016 F.S.**

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## **Tab 1**

### **IV. Consent Items - attachments**

- a.** Minutes of June 19, 2020 regular meeting
- b.** General Fund Requisitions 6-2020 and 7-2020
- c.** Multi-family project occupancy reports for May and June 2020
- d.** Third quarter programs and general fund updates
- e.** FY 2019/2020 general fund budget amendment - Resolution R-2020-11

**THE HOUSING FINANCE AUTHORITY**  
**OF PALM BEACH COUNTY**  
**MINUTES**

**Meeting Date & Time:**

9:00 A.M., Friday, June 19, 2020

**Location:**

PBC Airport Center  
100 Australian Avenue  
4<sup>TH</sup> Floor, Room 4-790  
West Palm Beach

**Attendance Sign-in Sheet/others**

Attending via web/phone:

Dorritt Miller – PBC administration  
Billy Kreinik – Fairstead Affordable  
Andrew Cribbs – Lincoln Avenue  
Hanna Jamar – Lincoln Avenue

**Staff and professionals:**

David Brandt, Executive Director  
Jennifer Hamilton, administrative assistant  
Skip Miller - general counsel – Greenspoon Marder  
Suzanne Cabrera – HLCPCB – web host  
Attending web/phone:  
Monique Spotts – bond counsel - Bryant Miller Olive  
Stephen Sanford – bond counsel – Greenberg Traurig  
Helen Feinberg – RBC Capital Markets – bond underwriter

Note: The Executive Director (“ED”) stated that per PBC COVID room occupancy limitations and the Governors Emergency Order 20-69, the website posted meeting notice advised that it would be both in-person as well as web/conference telephone available, and that virtual participation by board members was permitted.

## **I. Call to Order**

### **a. Roll call and establishment of quorum**

Chair Eliopoulos called the meeting to order at 9:00 a.m.

Gary Eliopoulos, Chairman, present  
Bobby “Tony” Smith, Vice Chair, present  
Robin Henderson – via phone/web  
Chuck St. Lawrence – present  
Clark D. Bennett - absent  
James H. Harper – absent during roll call  
Patrick Franklin – via phone/web

The five (5) members present at roll call constituted a quorum.

## **II. Public comment on Agenda Items**

No comment from the public.

## **III. Agenda Approval**

**Mr. Smith moved approval of the agenda. The motion was seconded by Mr. St. Lawrence and passed unanimously by a vote of 5-0.**



#### **IV. Consent Agenda**

**Mr. Smith moved approval of the Consent Agenda. The motion was seconded by Mr. Franklin and passed unanimously by a vote of 5-0.**

#### **V. Old Business**

##### **Item (a.) Gould House – approval of bond issuance authorizing Resolution #R-2020-8**

The ED stated that Billy Kreinik of Fairstead Affordable made a presentation at the February meeting for the acquisition and rehabilitation of the 101-unit Gould House senior apartments project located in suburban Boca Raton. The project has a renewed HUD HAP Section 8 contract for 100% of the units on it for a hundred percent of the units. The bond financing being provided through the Authority is a Freddie Mac Affordable Housing Program loan structure commonly referred to as a TEL and the transaction is expected to close on the June 25. The Authority, prior to a final authorization for the issuance of the bonds, is a credit underwriting report (“CUR”) for the bond amount subject only to those conditions that can be satisfied prior to closing. The CUR done by Seltzer Management Group and included in the agenda package, recommended a loan amount not to exceed \$33,760,000 with no outstanding conditions to close. Certain information including the source and use of funds, operating pro-forma and guarantors, used by the credit underwriter in their analysis is summarized in the ED’s agenda memorandum. The ED then asked Monique Spotts, bond counsel, to talk about the authorizing resolution and the accompanied bond documents. Ms. Spotts briefly discussed the authorizing resolution, Funding Loan Agreement, Borrower Loan Agreement and Land Use Restriction Agreement. She stated that the authorizing resolution delegates to the Chair and the assistant secretary the power to execute the documents based on certain parameters that are set forth therein. **The ED advised that it was the recommendation of staff to approve Resolution R-2020-08 authorizing the issuance of not to exceed \$33,760,000 multifamily housing revenue notes, Gould House, Series 2020. Mr. Smith moved approval of staff’s recommendation. The**

**motion was seconded by Mr. Franklin and passed unanimously by vote of 5-0.**

**Item (b.) Malibu Bay Apartments – approval of bond issuance authorizing Resolution #R-2020-09**

The ED reminded the board that the application for bond financing of this project was on the March meeting agenda. The developer was unable to attend that meeting for a presentation due to impending COVID travel concerns however the board went ahead following a discussion of the application with approval of the inducement resolution. There were several questions at that meeting from the board, and the ED advised that he had followed up with the developer and the answers were provided in the agenda materials. The ED then gave the representatives of Lincoln Avenue an opportunity to talk about the project. Hanna Jamar of Lincoln Avenue Capital stated that the firm is headquartered in Santa Monica, California, with an office in New York City. They currently have about 10,000 units located in ten states in their portfolio with the bulk of those actually located in Florida. She reviewed the Malibu Bay project location, amenities, general condition and projected rehabilitation. Following her comments that Chair thanked them for responding to the boards questions raised at the March meeting. [ED note: Mr. Harper arrived at 9:16 am at this point in the presentation]

The ED advised that the Board of County Commissioners (“BCC”) approved the issuance of the bonds for this project at the same May meeting as the “Gould House”. The credit underwriting report from Seltzer Management included in the agenda package and included several conditions that must be satisfied prior to the bond closing. Steve Sanford, with bond counsel firm Greenberg Traurig, made a presentation of Resolution #2020-09 that authorizes a not-to-exceed \$40M multi-family mortgage revenue note as a Citibank “Back-to- Back” tax exempt loan meaning they are both the construction and permanent lender as a private placement. He briefly reviewed the documents being approved in substantially final form, or accepted, as in the case of the credit underwriting report. **The ED stated that it was the recommendation of staff to approve Resolution #R-2020-9 authorizing the issuance of a not exceeding \$40M Multi-family Mortgage**

**Revenue Note, Series 2020, Malibu Bay Apartments. Mr. Smith moved approval of staff's recommendation. The motion was seconded by Mr. Harper, and passed unanimously by a vote of 6-0.**

## **VI. New Business**

### **Item (a.) Election of officers**

The Chair thanked the board for having recommended him as chair for the previous year but that he was open for a motion for someone else to serve for the coming year.

**Mr. Harper made a motion to nominate Mr. Smith as the Chairperson. The motion was seconded by Mr. St. Lawrence, and passed unanimously by a vote of 6-0.**

Mr. Smith commended Mr. Eliopoulos for his service saying that he led with great enthusiasm and thanked him for his knowledge and expertise on affordable housing. GC Miller advised that the new chair would not take effect until approved by the BCC in probably July or August, so Mr. Eliopoulos will continue to be the chair until then.

**Mr. Smith then made a motion to nominate Mrs. Henderson as the Vice Chair. The motion was seconded by Mr. St. Lawrence, and passed unanimously by a vote of 6-0.**

Mr. Smith moved to nominate Mr. Harper as secretary but he declined. **Mr. Harper then nominated Mr. Franklin for Secretary. The motion was seconded by Mr. St Lawrence and passed unanimously by a vote of 6-0.**

**Mr. Smith made a motion to approve all other board members and the executive director as assistant secretaries. The motion was seconded by Mr. Harper, and passed unanimously by a vote of 6-0.**

All new terms of office are to begin upon BCC approval of the Chairperson nomination. [ED note: Mr. Franklin left the meeting after this item]

## **VII. Other matters**

### **Item (a.) Matters of the Authority**

The Chair stated that although his term is expiring in the fall that if possible he would like to stay on the board. He commented that in a strange new world it was great to see everybody wearing masks, but that we need keep on promoting education and to try and to get the world to turn around and erase racism as it's long overdue, and so sad as it should not be this way. He said that organizations like ours, which he is proud to be a part of, are making a difference even though it may just a small a difference. Mr. Smith added that he had never seen such confusion and conflict in his lifetime, and said that in these perilous times he is praying for cohesion. Mr. Harper concurred with both board members statements, and said the board should seriously consider, later when things have improved with the COVID situation, having a workshop to see if we can pin point some things that we can do to let the community know that we are here and what we can legitimately do.

### **Item (b.) Matters of the Executive Director and Professionals**

The ED stated that both NALHFA and FL ALHFA had cancelled their respective in-person annual educational conferences. He added that FL ALHFA was preparing to start their virtual annual education conference with the scheduling of three lunch-hour seminars, and that association co-executive director Mark Hendrickson asked that those members who had already made sponsorship contributions toward the 2020 conference to leave them in place and for those that had not to do so. He stated that the board has been a \$2,500 Gold level sponsor for at least the last six or so years and he would recommend continuing at this level. Mr. Smith encouraged all board members to attend these education conferences.

**Mr. Harper moved approval of staff's recommendation to make a \$2,500 sponsorship contribution to FL ALHFA towards the 2020 virtual conference. The motion was seconded by Mr. Smith, and passed unanimously by a vote of 5-0.**

The ED briefed the board on the portion of the \$261M of CARES Act funding received by PBC of which \$40M has been allocated for housing purposes; \$20M is being used by Community Services for rental assistance relief and \$20M will be used by HES for mortgage foreclosure prevention and assistance. The one for homeowners is going to kick-off next week just before the end of June. The rental assistance program has been out for a while with a household income limit of 150 percent of the federal poverty level, which was relatively low, but two weeks ago, they increased the limit to up to 140 percent of area median income that is a very high number. He advised that he had contacted the Authority's major property developers and was amazed at the few number of people that were actually unable to make rent payments since the state stay at home order in March. While the governors emergency order stopped any eviction for non-payment there were a few tenants that were unable pay who worked out arrangements with management, but for the most part they experienced close to 95 percent payment which is a very good number considering circumstances.

The ED introduced GC Miller's memorandum on use of surplus funds that was included in the agenda materials. He stated that Mr. Smith had asked for such a memorandum addressing use of surplus funds particularly beyond the typical programs that we have been doing over the years. GC Miller stated that memo is a very generic list of what HFA's can do based on state law, attorney general opinions, and some of what other HFA's are doing. He came up with nine different categories of what you could theoretically use surplus funds for and then for each category added whether he thought it was clearly legal: the first would be loans to individuals to acquire or renovate single family homes which the Authority has been doing for years; next is grants to individuals to acquire or renovates single family homes which is one that would require some review as we're just not sure there's specific authority to do that; then loans to non-profits, yes; then grants to non-profits, yes; then purchase of mortgages from non-profits, which is what the ED is going to talk about in a couple of minutes, which is another one that we're not sure about; next grants to for-profit developers, no; next is loans to for-profit developers, yes; next grants to other governmental entities, which is another one we want to look into; and then loans to other governmental entities, yes. He pointed out one fairly recent AGO shows how broad the attorney general has

interpreted HFA authority where they agree that a HFA could make a donation to a Habitat for Humanity ReStore because the revenue from the store would be used to provide affordable housing.

The ED provided background on the source of the current surplus results from two activities. The vast majority was from the option redemption of many single-family mortgage revenue bond issues from the early 1980's through the end of 1990's. This was a period of historically high interest rates which have been in a gradual decline ever since. This created a release of the increased market value of the underlying mortgage bond assets when the bonds were called for redemption but those opportunities have all been taken. Because of that he has always encouraged the Authority to look at programs that were primarily in the form of repayable loans where regardless of whether the funds were earning interest the most important thing was that the money would come back to allow for recycling into new loans or programs. The only other contribution to surplus is the difference between annual net operating income and operating expenses, and over the last couple of years that has increased quite dramatically as the result the single family loan "Own a Home Opportunity Loan Program" with the Lee County HFA, and a fairly dramatically increase in the last couple of years of the issuance of multifamily bond issues for acquisition/rehab.

He then said that he had a recent conversation with Randy Nobles of Habitat for Humanity of South Palm Beach County ("HFH") about cancelling the 2017 revolving loan for land acquisition, and that Mr. Nobles also asked if the Authority would have an interest in funding either single family mortgage loans or single family home rehab loans. When HFH closes on a home sale they take back a first mortgage at zero percent with a mortgage loan amount/payment sized according the buyers income and ability to pay. Mr. Nobles stated that they periodically sell some of these loans to banks who purchase them a discount from face value in order to generating an investment return. They then use the proceeds from sale of loans for additional home construction. Their other loan program is for a homeowner rehabilitation program where for example they'll make say a \$15K loan for a roof and HVAC and take back, based on ability to repay, a 10 or 15 year interest free note and mortgage on the property. As this was a much longer term loan than the 36 month construction loan program the ED wanted see if the board would

be interested in something like either of these and then secondly what rate of turn if any would the board would want to see so they he could report back to Mr. Nobles.

Mr. Harper then asked for some additional detail about the CARES Act funds received by PBC for affordable housing and the process for getting that money out. The ED said that Suzanne Cabrera with the HLC of PBC had been talking recently with Community Services about their on-line application portal, and asked her to comment. Ms. Cabrera said she has been working with PBC Community Services Director James Green about outreach to not-for-profits like the Urban League to assist with getting help for people trying to apply for this assistance. Presently renters can get up to \$7K of rental payments for the period from March through August as well as electric and utility payments. The mortgage assistance program launching next week will help those who are having trouble making their mortgage payments including HOA payments. She said with the Governors eviction moratorium about to expire on July 1 the more than one thousand eviction notices filed since it went into effect will result in homelessness without these funds getting out quickly. Mr. Harper expressed his concern about having all of this funding and it not getting out quick enough. Ms. Cabrera said the funds have to be expended by December 30.

Following those comments, GC Miller stated that he was not entirely convinced that the Authority could buy mortgages from HFH but we can get to the same place by making a loan for the same purpose and use the mortgages as security. The ED added that with current long-term mortgage rates at historic lows of just of three percent any return would be reasonable, and in the bank transactions they agree to swap out a non-performing mortgage with a current mortgage therefore reducing risk of loss from a loan default. Mr. Smith asked staff if it would be possible to formalize the request from HFH for the board to review at the next meeting, and if the northern affiliate could be contacted about a similar program so that all of PBC could be included? Staff replied that they would formalize a draft proposal and present it to both HFA affiliates, and then report back to the Authority.

Mr. Smith then asked the board, if there was no objection, to allow him to work with staff, Ms. Cabrera and possibly others, to work on coming up with

some best uses of surplus in response to GC Miller's memorandum.

GC Miller asked the board members to contact the governor's office immediately to request that the governor to include full Sadowski funding in the budget. He added that the reason we were able to meet without a quorum physically present is because of the governor's executive order that expires at the end of the month unless extended. After discussion, the board agreed that a resolution to the governor requesting an extension would be best. **Mr. Smith then made a motion to direct GC Miller to prepare such a resolution to be sent to the governor. The motion was seconded by Mr. Harper, and passed unanimously by a vote of 5-0.**

Mr. Harper asked the ED to confirm that both he and Jennifer Hamilton work at the pleasure of the Authority board and to clarify if we are both PBC employees. The ED concurred stated that we are both "at will" employees of PBC with our positions and compensation determined by the Authority board. Mr. Harper then asked the ED to confirm that raises and across the board increase would have to be approved by the Authority board to which the ED concurred. Mr. Smith added that he did remember having done anything for in this regard for either and stated that staff should be getting cost of living allowances if everybody in the County is getting them. Mr. Harper asked how this could be accomplished to which the ED stated it would need to be addressed though the reimbursement budget for the coming fiscal year. He said he would have a draft budget for the Authority board to consider at the August meeting so that it approved at the September meeting before the start of the new fiscal year. ED stated that he was not aware of any county ATB increase proposal for the coming fiscal year but if the board wanted to include any as part of the Authority budget, he would include it in the draft budget. Mr. Smith asked if that would cover prior years' to which the ED said he would make an inquire through the county about doing that. Following further discussion **Mr. Harper made a motion that the Authority give its two employees any across the board increase that the County approves for their employees, and whatever they missed we want to consider making it retroactive.** The ED said he would make inquiry through the county about implementing a catch up of prior ATB increases. Mr. Smith also whether GC Miller's contract should be considered at this time to which the ED said he would investigate comparable fees and hourly rates with other HFA's in the



state and report back to the Authority board. **The motion was seconded by Smith, and passed unanimously by a vote of 5-0.**

**Item (c.) Matters of the Public**

None

**Item (d.)** Next meeting date: 9:00 a.m., Friday, July 17, 2020 PBC Airport Center, 4<sup>th</sup> Floor – Human Resources Training Room 4-790

**VIII.        Adjournment**

**Mr. Smith moved for adjournment of the meeting. The motion was seconded by Mrs. Henderson, and passed unanimously by vote of 5-0. The Chair announced the adjournment of the meeting at 10:23 a.m.**

Respectfully submitted,

\_\_\_\_\_  
**Executive Director**

\_\_\_\_\_  
**Secretary**



**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**

Gary P. Eliopoulos

**Vice Chair**

Bobby "Tony" Smith

**Secretary**

Robin B. Henderson

Clark D. Bennett

Patrick J. Franklin

James H. Harper, Sr.

Charles V. St. Lawrence

**Executive Director**

David M. Brandt

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**Administrative Assistant**


Jennifer M. Hamilton

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(561) 233-3656

"An Equal Opportunity  
Affirmative Action Employer"

Official Electronic Letterhead

**Date:** June 19, 2020  
**To:** Susan Fahimi  
U.S. Bank Corporate Trust  
**From:** David M. Brandt, Executive Director   
**Re:** General Fund Disbursement #6-2020

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

<u>PAYEE</u>	<u>AMOUNT</u>
Palm Beach County Board of County Commissioners (May)	\$ 19,495.27
Housing Leadership Council of PBC	5,000.00
Greenspoon Marder (May & other)	325.00
FedEx	7.88
David M. Brandt (May auto)	500.00
<b>Total General Fund Disbursement:</b>	<b>\$ 25,328.15</b>

Confirmed By:   
~~Chair/Vice Chair/Secretary/Assist. Secretary~~

Encls.

CC: Amanda Kumar, US Bank



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Official Electronic Letterhead

**Date:** July 10, 2020  
**To:** Susan Fahimi  
U.S. Bank Corporate Trust  
**From:** David M. Brandt, Executive Director   
**Re:** General Fund Disbursement #7-2020

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

<u>PAYEE</u>	<u>AMOUNT</u>
FL ALHFA (2020 Virtual Conference sponsorship)	\$ 2,500.00
United States Treasury (IRS 941 2nd qtr.)	248.51
State of Florida (RT-6 2nd qtr.)	1.62
Greenspoon Marder (June)	2,800.00
David M. Brandt (June auto)	<u>500.00</u>
<b>Total General Fund Disbursement:</b>	<b>\$ 6,050.13</b>

Confirmed via email

Encls.

CC: Amanda Kumar, US Bank

Housing Finance Authority of Palm Beach County  
Summary of Monthly Project Bond Program Reports  
May 2020

	Project:	Date	Per Rent Roll		Number of		Total	Total	Current	Last	2020
		Report	or FHFC Recap:		TICs included:						
		was	New	Annual	# of	# of					
		received	Move-in's	renewal	IC's (1)	AR's (1)					
							#	Occup.	months	months	average
							units	Units	occup.	occup.	occup.
1)	Azalea Place n/k/a Lake Mangonia) (#)(@)	6/15/20	1	8	1	8	150	149	99.3%	99.3%	98.8%
2)	Brenton At Abbey Park	6/10/20	2	n.a.	2	n.a.	160	151	94.4%	96.3%	96.5%
3)	Colonial Lakes	6/16/20	0	n.a.	0	n.a.	120	120	100.0%	100.0%	99.2%
4)	Courts at Village Square (*) (#)	6/15/20	0	n.a.	0	n.a.	84	80	95.2%	96.4%	96.9%
5)	Green Cay Village (d/b/a Palm Park)	6/11/20	3	7	3	7	160	159	99.4%	98.8%	99.4%
6)	Heron Estates Senior (#)	6/16/20	0	n.a.	0	n.a.	101	100	99.0%	100.0%	99.4%
7)	Indian Trace (@)	6/15/20	4	18	4	16	330	326	98.8%	98.8%	98.4%
8)	La Joya Villages (*)	6/15/20	0	n.a.	0	n.a.	55	54	98.2%	100.0%	98.5%
9)	Lake Delray (*) (#)	6/9/20	1	n.a.	1	n.a.	404	392	97.0%	97.5%	97.9%
10)	Malibu Bay (@) (*)	6/25/20	5	n.a.	5	n.a.	264	261	98.9%	97.7%	98.0%
11)	Mallards Landing	6/16/20	5	n.a.	5	n.a.	163	163	100.0%	99.4%	99.3%
12)	New South Bay Villas (#)	6/9/20	5	n.a.	5	n.a.	131	128	97.7%	96.9%	93.7%
13)	Palm Gardens	6/16/20	0	3	0	3	80	79	98.8%	98.8%	98.8%
14)	Palms West	6/16/20	3	n.a.	3	n.a.	290	285	98.3%	99.3%	99.1%
15)	Paul Lawrence Dunbar Senior (#)	6/16/20	1	n.a.	1	n.a.	99	98	99.0%	99.0%	98.2%
16)	Pine Run Villas	6/25/20	1	n.a.	1	n.a.	63	63	100.0%	100.0%	100.0%
17)	Pinnacle Palms (@) (*) (^)	6/15/20	1	n.a.	1	n.a.	152	149	98.0%	98.7%	98.3%
18)	Renaissance (at San Marino)	6/17/20	2	27	2	27	344	339	98.5%	98.5%	98.7%
19)	Riverview House	6/16/20	5	15	5	15	160	153	95.6%	96.3%	95.6%
20)	Royal Palm Place (#)	6/15/20	0	n.a.	0	n.a.	125	123	98.4%	99.2%	99.2%
21)	Venetian Isles II (d/b/a San Marco VI) (^) (@)	6/25/20	4	7	4	7	112	108	96.4%	93.8%	96.4%
22)	Westgate Plaza (#)	6/11/20	0	n.a.	0	n.a.	80	80	100.0%	100.0%	99.0%
23)	Woodlake (@)	5/15/20	5	n.a.	5	n.a.	224	224	100.0%	98.7%	98.8%
	Totals		48		48	83	3,851	3,784	98.3%	98.4%	98.2%
(1)	"IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.										
(2)	Reserved										
(3)	Reserved										
(4)	Reserved										
(^)	Has prepaid the remaining issuer fee.										
(@)	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".										
(#)	HAP contract.										

Housing Finance Authority of Palm Beach County  
 Summary of Monthly Project Bond Program Reports  
 May 2020

		2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016
	Project:	ave.	ave.	ave.	ave.	monthly	monthly	monthly	monthly	monthly	monthly	monthly	monthly
		occup.	occup.	occup.	occup.	high	high	high	high	low	low	low	low
1)	Azalea Place (d/b/a Palm Grove)	84.9%	87.5%	97.7%	99.6%	99%	92%	100%	100%	80%	83%	92%	99%
2)	Brenton At Abbey Park f/k/a Pinnacle	n.a.	98.2%	97.4%	97.5%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3)	Colonial Lakes	99.2%	97.8%	98.6%	99.9%	100%	100%	100%	100%	98%	95%	96%	99%
4)	Courts at Village Square (1)(*)(#)	98.8%	99.4%	n.a.	n.a.	100%	100%	n.a.	n.a.	98%	95%	n.a.	n.a.
5)	Green Cay Village (d/b/a Palm Park)	99.7%	99.9%	99.9%	99.4%	100%	100%	100%	100%	98%	99%	99%	99%
6)	Heron Estates Senior (2)	n.a.	n.a.	n.a.	n.a.	100%	n.a.	n.a.	n.a.	99%	n.a.	n.a.	n.a.
7)	Indian Trace	98.4%	98.3%	98.9%	98.6%	100%	100%	100%	100%	97%	98%	98%	98%
8)	La Joya Villages	98.8%	92.2%	94.2%	98.9%	100%	100%	98%	100%	96%	96%	86%	95%
9)	Lake Delray (3)	98.7%	95.0%	90.0%	n.a.	100%	99%	94%	96%	98%	87%	87%	96%
10)	Malibu Bay	95.3%	96.0%	96.9%	96.1%	99%	99%	98%	99%	93%	94%	95%	92%
11)	Mallards Landing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12)	New South Bay Villas (4)	97.6%	n.a.	n.a.	n.a.	100%	n.a.	n.a.	n.a.	95%	n.a.	n.a.	n.a.
13)	Palm Gardens	98.2%	99.0%	99.1%	99.1%	100%	100%	100%	100%	94%	96%	96%	98%
14)	Palms West	99.1%	99.3%	99.0%	98.6%	100%	100%	100%	100%	98%	97%	98%	98%
15)	Paul Lawrence Dunbar Senior (5)	99.4%	99.8%	n.a.	n.a.	100%	n.a.	n.a.	n.a.	98%	n.a.	n.a.	n.a.
16)	Pine Run Villas	99.6%	99.1%	98.9%	98.8%	100%	100%	100%	100%	98%	95%	94%	97%
17)	Pinnacle Palms	97.9%	97.6%	97.5%	98.6%	99%	99%	99%	100%	96%	95%	94%	97%
18)	Renaissance (at San Marino)	98.5%	97.4%	97.2%	97.9%	100%	99%	99%	99%	97%	96%	95%	96%
19)	Riverview House	94.7%	96.2%	96.4%	97.0%	98%	99%	100%	99%	91%	1%	92%	95%
20)	Royal Palm Place (6)	99.5%	n.a.	n.a.	n.a.	100%	n.a.	n.a.	n.a.	98%	n.a.	n.a.	n.a.
21)	Venetian Isles II (d/b/a San Marco VI)	96.7%	96.4%	98.1%	98.1%	100%	99%	100%	100%	91%	95%	96%	96%
22)	Westgate Plaza	99.0%	99.2%	99.8%	99.0%	100%	100%	100%	100%	98%	98%	99%	95%
23)	Woodlake	98.6%	99.1%	99.1%	99.4%	100%	100%	100%	100%	97%	96%	98%	98%
	Totals (7)	97.6%	97.2%	97.6%	98.5%								
(1)	First occupancy January 2018												
(2)	First occupancy September 2019												
(3)	All rehabilitation completed by May 2018.												
(4)	First occupancy of rehabbed units began on March 29, 2018 and fully occupied by March 2019.												
(5)	Rent up completed in October 2017												
(6)	First occupancy began December 2018 and fully occupied May 2019.												
(7)	Sum of the averages of each project												

Housing Finance Authority of Palm Beach County  
 Summary of Monthly Project Bond Program Reports  
 May 2020

			2018	2017	2016	2015
	Project:	Location:	occup.	occup.	occup.	occup.
			turn	turn	turn	turn
			over	over	over	over
1)	Azalea Place (d/b/a Palm Grove)	Australian Ave. south of 25st Street, WPB	0%	7%	9%	15%
2)	Brenton At Abbey Park	Forest Hill Blvd. west of Haverhill, WPB	18%	25%	29%	30%
3)	Colonial Lakes	Lake Worth Rd. west of Haverhill Rd., Greenacres	30%	18%	28%	31%
4)	Courts at Village Square	NE corner of SW8th Street & Auburn Ave., Del. Bch.	2%	n.a.	n.a.	n.a.
5)	Green Cay Village (d/b/a Palm Park)	Off Jog Rd. south of Woolbright, Boynton Bch.	19%	16%	17%	26%
6)	Heron Estates Senior	2003 W. 17th Street off Congress Ave, Riviera Beach	n.a.	n.a.	n.a.	n.a.
7)	Indian Trace	N. Military Trail south of SR 710, Riviera Bch.	20%	31%	28%	38%
8)	La Joya Villages	6th Ave S. just east of US 1, Lake Worth	9%	7%	5%	5%
9)	Lake Delray	Lindell Blvd. east of I-95/south of Linton Blvd. Del. Bch	20%	5%	n.a.	n.a.
10)	Malibu Bay	Executive Center Dr. south of PB Lake Blvd. WPB	31%	25%	22%	35%
11)	Mallards Landing	1598 Quail Drive off of Westgate Ave., WPB	n.a.	n.a.	n.a.	n.a.
12)	New South Bay Villas	MLK and Palm Beach Road, City of South Bay	n.a.	n.a.	n.a.	n.a.
13)	Palm Gardens	4th Ave N. south of 10 Ave. N., Lake Worth	14%	19%	15%	24%
14)	Palms West	1551 Quail Drive off Westgate Ave, suburban WPB	28%	11%	9%	13%
15)	Paul Lawrence Dunbar Senior	906 Grant St, corner of Division and Grant, WPB	n.a..	n.a..	n.a..	n.a..
16)	Pine Run Villas	6th Ave S./Melaleuca west of Haverhill Rd. Lk. Worth	14%	14%	14%	19%
17)	Pinnacle Palms	Executive Center Dr. south of Congress Ave. WPB	20%	15%	19%	25%
18)	Renaissance (at San Marino)	N. Military Trail north of Roebuck Rd., WPB	27%	26%	24%	34%
19)	Riverview House	Lake Worth Rd. east of S. Military Trail, Lake Worth	36%	28%	34%	48%
20)	Royal Palm Place (5)	808&906-17th St & 805&811-15th St, WPB	n.a.	n.a.	n.a.	n.a.
21)	Venetian Isles II (d/b/a San Marco VI)	N. Congress Ave. south of Northlake Blvd., Lake Park	14%	22%	22%	27%
22)	Westgate Plaza	Quail Drive and Westgate Ave., suburban WPB	4%	4%	14%	10%
23)	Woodlake	N. Jog Rd. south of Okeechobee Blvd., WPB	20%	18%	15%	21%
		Totals (7)	19%	17%	19%	25%

Housing Finance Authority of Palm Beach County  
 Summary of Monthly Project Bond Program Reports  
 May 2020

							Qualified			
<b>Most restrictive tenant set aside requirements per HFA bond or other subordinate/HTC financing</b>					<b>Approx. QPP start date</b>		<b>Project Period end (approximate)</b>			
100% HAP contract	1)	Azalea Place (d/b/a Palm Grove)			Apr-00		QPP for term of HAP			
4% @ 30% & 96% @ 60% AMI	2)	Brenton At Abbey Park								
25% @ 30%, 30% @ 50% AMI	3)	Colonial Lakes			May-13		2028			
100% HAP contract	4)	Courts at Village Square (fka Village Square Elder)			Jan-18		QPP for term of HAP			
100% @ 60% AMI	5)	Green Cay Village (d/b/a Palm Park)			May-07		2022			
50% HAP contract/10% @ 33% AMI	6)	Heron Estates Senior (1)			Oct-20		QPP for term of HAP			
20% @ 50% & 80% @ 60% AMI	7)	Indian Trace			Apr-03		QPP ends 2/28/2024			
25% @ 50% AMI per NSP2	8)	La Joya Villages			Feb-15		2030			
100% @ 60% AMI; 50% HAP	9)	Lake Delray			Dec-16		QPP end 11/30/2031			
100% @ 60% AMI	10)	Malibu Bay			Jun-05		QPP ends 6/6/2020			
100% @ 60% AMI	11)	Mallards Landing								
HAP contract all but 1 unit	12)	New South Bay Villas (2)			Apr-17		QPP for term of HAP			
17% @ 30% and 83% @ 60% AMI	13)	Palm Gardens			Nov-08		2023			
2% @ 50% and 98% @ 60% AMI	14)	Palms West			Sep-13		2028			
100% HAP contract	15)	Paul Lawrence Dunbar Senior			Oct-17		QPP for term of HAP			
25% @ 30%/30% @ 50%/45% @ 60%	16)	Pine Run Villas			Oct-13		2028			
100% @ 60% AMI	17)	Pinnacle Palms (3)			Jul-05		QPP ends not sooner than July 1, 2022			
25% @ 50% & 75% @ 60% AMI	18)	Renaissance (at San Marino)			2004?		2019			
100% @ 60% AMI	19)	Riverview House (4)			Aug-01		2016			
100% HAP contract	20)	Royal Palm Place (5)			Dec-18		QPP for term of HAP			
100% @ 60% AMI	21)	Venetian Isles II (d/b/a San Marco VI)			Jul-04		QPP ends 7/1/2019			
100% HAP contract	22)	Westgate Plaza			Nov-12		QPP for term of HAP			
100% @ 60% AMI	23)	Woodlake			Nov-13		2028			
	(1)	First occupancy was September 2019								
	(2)	First occupancy of rehabbed units began on March 29, 2018 and completed January 2019.								
	(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)	First occupancy December 2018								

Housing Finance Authority of Palm Beach County  
 Summary of Monthly Project Bond Program Reports  
 Preliminary June 2020

	Project:	Date	Per Rent Roll		Number of		Total	Total	Current	Last	2020
		Report	or FHFC Recap:		TICs included:						
		was	New	Annual	# of	# of					
		received	Move-in's	renewal	IC's (1)	AR's (1)					
							#	Occup.	months	months	average
							units	Units	occup.	occup.	occup.
1)	Azalea Place n/k/a Lake Mangonia) (#)(@)	7/9/20	1	3	1	3	150	150	100.0%	99.3%	99.0%
2)	Brenton At Abbey Park	7/10/20	7	n.a.	7	n.a.	160	154	96.3%	94.4%	96.5%
3)	Colonial Lakes	7/22/20	4	n.a.	4	n.a.	120	117	97.5%	100.0%	98.9%
4)	Courts at Village Square (*) (#)	7/15/20	0	n.a.	0	n.a.	84	80	95.2%	95.2%	96.6%
5)	Green Cay Village (d/b/a Palm Park)	7/13/20	1	17	1	17	160	160	100.0%	99.4%	99.5%
6)	Heron Estates Senior (#)	7/21/20	0	n.a.	0	n.a.	101	99	98.0%	99.0%	99.2%
7)	Indian Trace (@)	7/14/20	7	22	6	18	330	325	98.5%	98.8%	98.4%
8)	La Joya Villages (*)	7/1/20	0	n.a.	0	n.a.	55	54	98.2%	98.2%	98.5%
9)	Lake Delray (*) (#)	7/7/20	3	n.a.	3	n.a.	404	392	97.0%	97.0%	97.7%
10)	Malibu Bay (@) (*)	7/15/20	2	n.a.	2	n.a.	264	256	97.0%	98.9%	97.9%
11)	Mallards Landing	7/16/20	1	n.a.	1	n.a.	163	162	99.4%	100.0%	99.3%
12)	New South Bay Villas (#)	7/7/20	3	n.a.	3	n.a.	131	130	99.2%	97.7%	94.7%
13)	Palm Gardens	7/21/20	1	6	1	6	80	80	100.0%	98.8%	99.0%
14)	Palms West	7/16/20	3	n.a.	3	n.a.	290	285	98.3%	98.3%	99.0%
15)	Paul Lawrence Dunbar Senior (#)	7/14/20	1	n.a.	1	n.a.	99	99	100.0%	99.0%	98.5%
16)	Pine Run Villas	7/10/20	0	n.a.	0	n.a.	63	63	100.0%	100.0%	100.0%
17)	Pinnacle Palms (@) (*) (^)	7/15/20	3	n.a.	3	n.a.	152	150	98.7%	98.0%	98.4%
18)	Renaissance (at San Marino)	7/15/20	2	26	2	26	344	333	96.8%	98.5%	88.4%
19)	Riverview House	7/14/20	3	4	3	4	160	153	95.6%	95.6%	95.6%
20)	Royal Palm Place (#)	7/14/20	1	n.a.	1	n.a.	125	124	99.2%	98.4%	99.2%
21)	Venetian Isles II (d/b/a San Marco VI) (^) (@)	7/15/20	2	11	2	10	112	106	94.6%	96.4%	96.4%
22)	Westgate Plaza (#)	7/21/20	0	n.a.	0	n.a.	80	80	100.0%	100.0%	99.2%
23)	Woodlake (@)	7/15/20	0	n.a.	0	n.a.	224	220	98.2%	100.0%	98.7%
	Totals		45		44	84	3,851	3,772	98.2%	98.3%	97.8%
(1)	"IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.										
(2)	Reserved										
(3)	Reserved										
(4)	Reserved										
(^)	Has prepaid the remaining issuer fee.										
(@)	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".										
(#)	HAP contract.										



Housing Finance Authority of Palm Beach County  
 Summary of Monthly Project Bond Program Reports  
 Preliminary June 2020

		2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016
	Project:	ave.	ave.	ave.	ave.	monthly	monthly	monthly	monthly	monthly	monthly	monthly	monthly
		occup.	occup.	occup.	occup.	high	high	high	high	low	low	low	low
1)	Azalea Place (d/b/a Palm Grove)	84.9%	87.5%	97.7%	99.6%	99%	92%	100%	100%	80%	83%	92%	99%
2)	Brenton At Abbey Park f/k/a Pinnacle	n.a.	98.2%	97.4%	97.5%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3)	Colonial Lakes	99.2%	97.8%	98.6%	99.9%	100%	100%	100%	100%	98%	95%	96%	99%
4)	Courts at Village Square (1)(*)(#)	98.8%	99.4%	n.a.	n.a.	100%	100%	n.a.	n.a.	98%	95%	n.a.	n.a.
5)	Green Cay Village (d/b/a Palm Park)	99.7%	99.9%	99.9%	99.4%	100%	100%	100%	100%	98%	99%	99%	99%
6)	Heron Estates Senior (2)	n.a.	n.a.	n.a.	n.a.	100%	n.a.	n.a.	n.a.	99%	n.a.	n.a.	n.a.
7)	Indian Trace	98.4%	98.3%	98.9%	98.6%	100%	100%	100%	100%	97%	98%	98%	98%
8)	La Joya Villages	98.8%	92.2%	94.2%	98.9%	100%	100%	98%	100%	96%	96%	86%	95%
9)	Lake Delray (3)	98.7%	95.0%	90.0%	n.a.	100%	99%	94%	96%	98%	87%	87%	96%
10)	Malibu Bay	95.3%	96.0%	96.9%	96.1%	99%	99%	98%	99%	93%	94%	95%	92%
11)	Mallards Landing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12)	New South Bay Villas (4)	97.6%	n.a.	n.a.	n.a.	100%	n.a.	n.a.	n.a.	95%	n.a.	n.a.	n.a.
13)	Palm Gardens	98.2%	99.0%	99.1%	99.1%	100%	100%	100%	100%	94%	96%	96%	98%
14)	Palms West	99.1%	99.3%	99.0%	98.6%	100%	100%	100%	100%	98%	97%	98%	98%
15)	Paul Lawrence Dunbar Senior (5)	99.4%	99.8%	n.a.	n.a.	100%	n.a.	n.a.	n.a.	98%	n.a.	n.a.	n.a.
16)	Pine Run Villas	99.6%	99.1%	98.9%	98.8%	100%	100%	100%	100%	98%	95%	94%	97%
17)	Pinnacle Palms	97.9%	97.6%	97.5%	98.6%	99%	99%	99%	100%	96%	95%	94%	97%
18)	Renaissance (at San Marino)	98.5%	97.4%	97.2%	97.9%	100%	99%	99%	99%	97%	96%	95%	96%
19)	Riverview House	94.7%	96.2%	96.4%	97.0%	98%	99%	100%	99%	91%	1%	92%	95%
20)	Royal Palm Place (6)	99.5%	n.a.	n.a.	n.a.	100%	n.a.	n.a.	n.a.	98%	n.a.	n.a.	n.a.
21)	Venetian Isles II (d/b/a San Marco VI)	96.7%	96.4%	98.1%	98.1%	100%	99%	100%	100%	91%	95%	96%	96%
22)	Westgate Plaza	99.0%	99.2%	99.8%	99.0%	100%	100%	100%	100%	98%	98%	99%	95%
23)	Woodlake	98.6%	99.1%	99.1%	99.4%	100%	100%	100%	100%	97%	96%	98%	98%
	Totals (7)	97.6%	97.2%	97.6%	98.5%								
(1)	First occupancy January 2018												
(2)	First occupancy September 2019												
(3)	All rehabilitation completed by May 2018.												
(4)	First occupancy of rehabbed units began on March 29, 2018 and fully occupied by March 2019.												
(5)	Rent up completed in October 2017												
(6)	First occupancy began December 2018 and fully occupied May 2019.												
(7)	Sum of the averages of each project												

Housing Finance Authority of Palm Beach County  
 Summary of Monthly Project Bond Program Reports  
 Preliminary June 2020

			2018	2017	2016	2015
	Project:	Location:	occup.	occup.	occup.	occup.
			turn	turn	turn	turn
			over	over	over	over
1)	Azalea Place (d/b/a Palm Grove)	Australian Ave. south of 25st Street, WPB	0%	7%	9%	15%
2)	Brenton At Abbey Park	Forest Hill Blvd. west of Haverhill, WPB	18%	25%	29%	30%
3)	Colonial Lakes	Lake Worth Rd. west of Haverhill Rd., Greenacres	30%	18%	28%	31%
4)	Courts at Village Square	NE corner of SW8th Street & Auburn Ave., Del. Bch.	2%	n.a.	n.a.	n.a.
5)	Green Cay Village (d/b/a Palm Park)	Off Jog Rd. south of Woolbright, Boynton Bch.	19%	16%	17%	26%
6)	Heron Estates Senior	2003 W. 17th Street off Congress Ave, Riviera Beach	n.a.	n.a.	n.a.	n.a.
7)	Indian Trace	N. Military Trail south of SR 710, Riviera Bch.	20%	31%	28%	38%
8)	La Joya Villages	6th Ave S. just east of US 1, Lake Worth	9%	7%	5%	5%
9)	Lake Delray	Lindell Blvd. east of I-95/south of Linton Blvd. Del. Bch.	20%	5%	n.a.	n.a.
10)	Malibu Bay	Executive Center Dr. south of PB Lake Blvd. WPB	31%	25%	22%	35%
11)	Mallards Landing	1598 Quail Drive off of Westgate Ave., WPB	n.a.	n.a.	n.a.	n.a.
12)	New South Bay Villas	MLK and Palm Beach Road, City of South Bay	n.a.	n.a.	n.a.	n.a.
13)	Palm Gardens	4th Ave N. south of 10 Ave. N., Lake Worth	14%	19%	15%	24%
14)	Palms West	1551 Quail Drive off Westgate Ave, suburban WPB	28%	11%	9%	13%
15)	Paul Lawrence Dunbar Senior	906 Grant St, corner of Division and Grant, WPB	n.a..	n.a..	n.a..	n.a..
16)	Pine Run Villas	6th Ave S./Melaleuca west of Haverhill Rd. Lk. Worth	14%	14%	14%	19%
17)	Pinnacle Palms	Executive Center Dr. south of Congress Ave. WPB	20%	15%	19%	25%
18)	Renaissance (at San Marino)	N. Military Trail north of Roebuck Rd., WPB	27%	26%	24%	34%
19)	Riverview House	Lake Worth Rd. east of S. Military Trail, Lake Worth	36%	28%	34%	48%
20)	Royal Palm Place (5)	808&906-17th St & 805&811-15th St, WPB	n.a.	n.a.	n.a.	n.a.
21)	Venetian Isles II (d/b/a San Marco VI)	N. Congress Ave. south of Northlake Blvd., Lake Park	14%	22%	22%	27%
22)	Westgate Plaza	Quail Drive and Westgate Ave., suburban WPB	4%	4%	14%	10%
23)	Woodlake	N. Jog Rd. south of Okeechobee Blvd., WPB	20%	18%	15%	21%
		Totals (7)	19%	17%	19%	25%

Housing Finance Authority of Palm Beach County  
 Summary of Monthly Project Bond Program Reports  
 Preliminary June 2020

							Qualified		
<b>Most restrictive tenant set aside requirements per HFA bond or other subordinate/HTC financing</b>					<b>Approx. QPP start date</b>		<b>Project Period end (approximate)</b>		
100% HAP contract	1)	Azalea Place (d/b/a Palm Grove)			Apr-00		QPP for term of HAP		
4% @ 30% & 96% @ 60% AMI	2)	Brenton At Abbey Park							
25% @ 30%, 30% @ 50% AMI	3)	Colonial Lakes			May-13		2028		
100% HAP contract	4)	Courts at Village Square (fka Village Square Elder)			Jan-18		QPP for term of HAP		
100% @ 60% AMI	5)	Green Cay Village (d/b/a Palm Park)			May-07		2022		
50% HAP contract/10% @ 33% AMI	6)	Heron Estates Senior (1)			Oct-20		QPP for term of HAP		
20% @ 50% & 80% @ 60% AMI	7)	Indian Trace			Apr-03		QPP ends 2/28/2024		
25% @ 50% AMI per NSP2	8)	La Joya Villages			Feb-15		2030		
100% @ 60% AMI; 50% HAP	9)	Lake Delray			Dec-16		QPP end 11/30/2031		
100% @ 60% AMI	10)	Malibu Bay			Jun-05		QPP ends 6/6/2020		
100% @ 60% AMI	11)	Mallards Landing							
HAP contract all but 1 unit	12)	New South Bay Villas (2)			Apr-17		QPP for term of HAP		
17% @ 30% and 83% @ 60% AMI	13)	Palm Gardens			Nov-08		2023		
2% @ 50% and 98% @ 60% AMI	14)	Palms West			Sep-13		2028		
100% HAP contract	15)	Paul Lawrence Dunbar Senior			Oct-17		QPP for term of HAP		
25% @ 30%/30% @ 50%/45% @ 60%	16)	Pine Run Villas			Oct-13		2028		
100% @ 60% AMI	17)	Pinnacle Palms (3)			Jul-05		QPP ends not sooner than July 1, 2022		
25% @ 50% & 75% @ 60% AMI	18)	Renaissance (at San Marino)			2004?		2019		
100% @ 60% AMI	19)	Riverview House (4)			Aug-01		2016		
100% HAP contract	20)	Royal Palm Place (5)			Dec-18		QPP for term of HAP		
100% @ 60% AMI	21)	Venetian Isles II (d/b/a San Marco VI)			Jul-04		QPP ends 7/1/2019		
100% HAP contract	22)	Westgate Plaza			Nov-12		QPP for term of HAP		
100% @ 60% AMI	23)	Woodlake			Nov-13		2028		
	(1)	First occupancy was September 2019							
	(2)	First occupancy of rehabbed units began on March 29, 2018 and completed January 2019.							
	(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)	First occupancy December 2018							

## **Status report on Programs – end of Third Quarter FY 2019/2020**

### **Single Family**

#### **Mortgage Credit Certificate program**

The Authority has made a mortgage credit certificate (“MCC”) program available to first-time homebuyers since 2010. The MCC provides a homebuyer with a dollar-for-dollar federal income tax credit annually of up to 50% of the their mortgage loan interest paid capped at \$2K per year for as long as they live in the home as their principal residence. Any remaining interest expense above \$2K can be taken as an itemized deduction, and any unused credit amount can be carried forward for three years. The homebuyer must file an IRS 8396 with their federal income tax return to claim the credit. They are subject to potential recapture of the tax credit benefit if they sell the home during the first nine years of ownership. Implementation of a MCC program requires that the issuer/HFA have single-family private activity bond (“PAB”) allocation that is then converted to MCC authorization on a 4-to-1 ratio. Carry-forward PAB allocation has been used for each of the five MCC programs (issued in 2010, 2012, 2013, 2015 and 2018). The first four (4) programs resulted in the issuance of 274 MCC’s in connection with mortgage loans for first-time homebuyers.

The Authority makes the MCC program available through lending institutions that must sign a master participation agreement and pay a one-time fee of \$1K. Presently there are seventeen approved originating lenders that can reserve a MCC for a prospective homebuyer during the loan application process. The Authority has entered into program administration agreements with Housing and Development Services, Inc. d/b/a eHousingPlus to maintain the on-line electronic reservation system and to issue the actual certificate to the homebuyer after loan closing. The loan must be a 15 or 30 year fixed rate FHA/VA/USDA-RD, Fannie Mae or Freddie Mac product offered by the lender, or one of the loan products of the “Own A Home Opportunity” single family mortgage program with the Lee County HFA. The eligibility requirements for a MCC program are the same as a tax exempt single family bond program: 1) all persons on the deed must be a first-time buyer (cannot have had an ownership interest in their principal residence in the past three years), 2) currently have a total annual income of not more than \$87,800 for 1-2 person household and \$100,970 for a 3 or more person household, and 3) the home purchase price cannot exceed \$331,887. Homebuyers are required to take a HUD approved homebuyer education course to receive a MCC.

The 2018 MCC program used the last remaining \$50M of single-family bond carry-forward to make available \$12.5M of MCC allocation through December 31, 2020. The 2018 MCC

program start date was March 1, 2018. With a MCC credit rate of 50% the 2018 MCC program can be combined with up to \$25M of first mortgage loan proceeds. For illustrative purposes using the current average loan size of \$176.4K the \$12.5M of MCC allocation could assist about 140 first-time homebuyers.

The 2018 MCC allocation usage through June 30, 2019 was \$5,908,051 for 65 homebuyers, originated through nine (9) participating lenders, which is 47.3% of the available \$12.5M allocation.

### **Single family homeownership program with the Lee County HFA**

The Authority entered into an interlocal agreement with the Lee County HFA early in 2013 which allows for the origination of loans with down payment and closing cost assistance through participating lenders. The closed first mortgage loans are securitized into GNMA or Freddie Mac mortgage back securities (“MBS”) by US Bank as master servicer. The MBS are then sold through Raymond James, the program manager, which sets the interest rates daily for the various mortgage products offered under the program. There is a fee paid to the Authority when each MBS is sold. The program administrator for the “Own A Home Opportunity Program” (“OAHOP”) is eHousingPlus which maintains the on-line loan and MCC reservation system and works with the participating lenders.

The mortgage loan types presently available are 30-year fixed rate FHA, VA, USDA-RD and Freddie Mac HFA Advantage; minimum FICO scores are 660 for FHA loans, and either 640 for maximum debt-to-income ratios of 45% or 680 for DTI at 50%. There are now two forms of down payment and closing cost assistance provided: 1) a zero interest rate soft second mortgage (“DPA”) of up to \$10,000 funded by the Authority for first-time homebuyers only or 2) a grant loan product (the borrower does not have to be a first-time buyer) with assistance of up to 5% of the loan amount funded through the program from premium pricing. The Freddie “Affordable Income Subsidy Grant” for first-time homebuyers was no longer available after March 30, 2020, however homebuyers at or below 80% of area median income (\$51,680) receive special Freddie Mac HFA Advantage loan pricing. The current OAHOP home price limit in PBC is \$331,888, and income limits are \$51,680 for Freddie Mac HFA Advantage loans, \$111,450 for FHA/VA loans with a DPA second mortgage, and \$118,650 for grant loans.

There are approximately 70 approved participating lenders in the OAHO program covering not only Palm Beach and Lee counties but also Broward, Charlotte, Collier, DeSoto, Sarasota, St. Johns and Volusia.

## **Multifamily rental**

### **Status report on multi-family bond projects:**

The Authority approved an inducement resolution in the amount of \$17M in November of 2017 for the proposed 157-unit **“Village of Valor”** project. On June 18, 2019 the Board of County Commissioners approved NSP2 and other impact fee funding totaling \$2.38M towards the now projected total project costs of \$35.5M. The developer, a joint venture of Shelborne Development and the local not-for-profit Faith-Hope-Love-Charity, Inc. The project was originally structured to be 100% Low Income Housing Tax Credit eligible. After several failed attempts at FHFC 9% and SAIL competitive RFA’s in 2018 the developer restructured the project as an 80/20, i.e., 80% of the units at market rent and 20% at low income rents based on 60% of area median income.

The Authority approved inducement resolutions in 2019 for the acquisition/rehab of three existing properties, **“Brenton at Abbey Park”**, **“Mallards Landing”** and **“El Cid”**. The first two transactions closed in December 2019, with **“El Cid”** closing at the end of February 2020. Two additional acquisition/rehab projects were induced at the February and March 2020 meetings respectively, **“Gould House”** and **“Malibu Bay”**, with the former closing at the end of June and the latter expected to close by the end of August 2020. Rehabilitation of units has begun or will occur with tenants in place generally over a period of approximately twelve months.

There are two other multi-family transactions on the horizon besides Village of Valor. I expect to include on the August meeting agenda presentations on and inducement resolutions for **“Christian Manor”** and **“San Marco Villas”** apartments. Both are acquisition/rehabilitation acquisitions the former of an existing 200-unit seniors project on Executive Center Dr. in West Palm Beach consisting of studio and 1/1 bedroom units, and the latter 400-units (1/1 to 3 bedroom/2.5 bath) family rental units in Lake Park off N. Congress Avenue between Silver Beach and Northlake Blvd. The bond closing for Christian Manor is expected by the end of 2020, with San Marco closing in early 2021.

### **Florida Housing Finance Corporation competitive RFA’s for 2019**

There were three FHFC multifamily rental housing competitive “Request for Applications” in the fall of 2019 two of which include bonds to be issued by a local HFA.

The first was RFA 2019-102 “CDBG-Disaster Recovery” program with \$76M of funding available with applications due September 24, 2019. The “Berkeley Landing” apartments

project in Riviera Beach introduced by Allen Schnier at the August 9, 2019 Authority meeting was the only PBC project and one of 42 applications submitted in Hurricane Michael impacted areas of the State. Twelve projects were recommended for funding and Berkeley Landing was not one of those.

The second is RFA 2019-114 "Housing Credit" 9% tax credit program for the six large counties (Miami-Dade has its own RFA) which was due November 7. A total of three applications for projects in PBC were submitted: 1) "Island Cove" – 54 family units – Delray Beach; 2) "Wells Landing" – 124 family units – scatter sites; 3) "Edgewater Apartment" – 148 units. The "Wells Landing" project was the FHFC staff recommendation given preliminary approval by the FHFC board on March 6, 2020. The project is to be located on two sites in Boynton Beach, at E. Martin Luther King Jr. Boulevard east of Seacrest, and the second at the corner of NE 11 Avenue and NE 1<sup>st</sup> Street, and will be a total of four mid-rise buildings to consist of 24 - 1/1, 67 – 2/2 and 24 3/2 units with a total development cost of approximately \$30.8M. The City of Boynton Beach has provided \$625,760 of its own funds towards the cost of the project. Five (5) of the applicants for this RFA have filed "Notices of Intent to Protest" which have prevented any of the awardees to move in credit underwriting.

The third is RFA 2019-116 for about \$71M of SAIL loan funding the due date for which was extended several times until December 30. A total of five developers submitted applications to the Authority for issuance of multifamily housing revenue bonds: 1) "Calusa Pointe" – Southport Development – 120 1, 2 & 3 bedroom family units – Belle Glade; 2) "Christian Manor" – SCG Development - 200 studio and 1 bedroom senior units – West Palm Beach; 3) "Island Cove" – Smith Henzy/DBHA – (also applied under RFA 2019-114); 4) "Quiet Meadows" – McCurdy Senior Housing – 132 1 bedroom elderly and disabled adult housing – Belle Glade; and 5) "Village of Valor". All of the developers were provided with a "local HFA bond issuance application submitted" letter for inclusion in their respective application package for this RFA.

A total of 65 project applications were submitted under this RFA in Large and Medium sized counties throughout the state. FHFC staff recommended and the board gave preliminary approval to one PBC project at the March 6, 2020 board meeting. The "Christian Manor" acquisition/rehab project, located at 325 Executive Center Drive in the City of West Palm Beach, would receive \$5.6M of SAIL subordinate lien funding towards the estimated \$26.5M total project cost. Twelve (12) of the applicants filed "Notices of Intent to Protest" which prevented any of the awardees to move in credit underwriting until late July when the letter for "Christian Manor" was issued.

**Florida Housing Finance Corporation competitive RFA’s for 2020**

What has been announced so far for the fall 2020 competitive cycle includes RFA 2020-202, which is the 9% HTC allocation for Large counties (likely one project in PBC), and a smaller 9% HTC program for preservation of existing affordable rental housing, both expected to be issued in October. The other is RFA 2020-205 for \$89M of SAIL (\$28M for elderly and \$61M for family apartment projects) expected in November. A smaller Workforce housing loan program RFA is anticipated for release later this year.

**Status report on Revolving Loan Fund Program**

The Authority has reserved \$6.25M (the maximum committed amount at any one time since 2016) of surplus for its Revolving Loan Fund program. Presently Authority has reserved funds for the following short-term revolving loans:

Borrower:	Loan origination date:	Maturity date:	Original commitment amount:	Current commitment /loan amount	Outstanding loan amount:
PBC CLT – Davis Landings West	5/23/16	09/30/20	\$ 3,400,000	\$ 477,551	\$ 477,551
WPBHA – various projects	9/29/17	LOC for 36 months	250,000	250,000	-0-
PBC CLT – Kirk Rd. single family homes project	10/31/17	10/31/19 maturity extended to 01/31/22	1,000,000 original amount revised to \$500,000	500,000	-0-
PBC CLT – Master LOC	Expected June 2020	LOC for 24 months	250,000	250,000	-0-
Palm Beach Habilitation Center	4/20/18	4/20/20	1,000,000	-0-	Repaid in whole in December 2019
Delray Beach Housing Authority	6/26/19	7/7/22	2,450,000	2,950,000	269,923
Totals:			\$ 8,350,000	\$ 3,427,551	\$ 747,474



Community Land Trust of Palm Beach County – Davis Landings West: The Authority closed on the \$3.4M revolving construction loan on March 31, 2016 for this 24-unit single family detached and townhome project. The initial loan amount was \$1.5M with a future advance clause allowing for the additional \$1.9M that was requested and authorized in February 2017. The maturity date for the loan was extended several times and interest waived beginning with October 2018. The units are now complete and all but the two market priced homes without PBC DPA remain unsold. The final maturity date of the loan was extended to September 30, 2020 at the December 13, 2019 Authority meeting.

West Palm Beach Housing Authority: The Authority approved a \$250K master line of credit (“LOC”) with the WPBHA last fall. The purpose of the LOC is to provide funds the acquisition, construction, renovation and equipping of single or multifamily residential housing. The WPBHA used draws under the line of credit for grant reimbursable costs of the three (3) model homes for their for-sale 14-single family and 43-townhome “MerryPlace Estates” project. This portion of the project has been completed and the 3 draws totaling \$274,627 have been repaid in whole.

Habitat for Humanity of South Palm Beach County: The Authority approved a \$500K lot acquisition loan with HFH at the May 12, 2017 meeting, and the loan closed on October 5, 2017. Proceeds of the 36-month loan were to be used by HFH for the purchase of residential building lots initially in the Boca Raton area or anywhere within their service area north to the City of Lake Worth and west to unincorporated PBC. HFH was unable to find affordable building lots and elected to cancel the remaining term of the loan facility in April 2020.

Community Land Trust of Palm Beach County – Kirk Road/Palm Springs project: The Authority gave conceptual approval at the May 12, 2017 meeting to a loan with the CLT for the proposed construction of up to eight homes on lots previously donated by PBC on Kirk Road. Development of all eight homes was subject to the CLT being awarded approximately \$800K of HOME CHDO funds from PBC; the final award was in the amount of \$654,767 under an agreement issued by PBC Department of Housing & Economic Sustainability dated October 17, 2017. The PBC and Authority loans closed simultaneously on October 31. Construction of the first of six homes began in May of 2018 and the final home sale closed in July 2019. All six were sold and the final repayment under the original drawn down was made on July 31, 2019.

In December of 2019 the CLT was selected by the PBC HES Selection Committee to be awarded \$185K of HOME funds to allow for construction of the other two Kirk Road project homes. The HOME funds agreement is expected to be approved in August. The CLT requested and was given a \$500K extension (First Amendment to Construction Loan

Agreement) of the original Kirk Road loan by the Authority at the February meeting with a final maturity date no later than January 31, 2022.

Community Land Trust of Palm Beach County – Master Line of Credit Agreement: The Authority approved at the March 2020 meeting a \$250K master LOC agreement with the CLT to provide construction financing for in-fill home construction. The term of the LOC is for two years. The LOC agreement is expected to close prior to the first home(s) to be funded.

Palm Beach Habilitation Center, Inc.: The Authority gave preliminary approval for an up to \$1.5M revolving loan with PBHC at the March 9, 2018 meeting, and final approval of a \$1M loan at the April 13, 2018 meeting. Proceeds of the now 24-month loan (extended one year at the 3/15/19 meeting and interest rate increased to 2% retroactive to the first draw) are to be used by PBHC for the reimbursable funding of water and sewer connections at their JB Ranch group home in suburban Lake Worth, and the acquisition and new construction of a 6-unit group home in the City of Wellington. The loan closed on April 20, 2018 and there were two in connection with the JB Ranch project and a one for the acquisition of the group home site. The PBHC advised on November 19, 2019 that they no longer anticipate further draws on the loan as fundraising activities were to be used to construct the Wellington group home. In December 2019 they repaid the remaining outstanding loan balance.

Delray Beach Housing Authority: The Authority gave preliminary approval for an up to \$2.45M loan with the DBHA at the March 9, 2018 meeting with final approval at the April 13, 2018 meeting. The loan consists of a \$750K pre-construction loan and a \$1.7M revolving construction loan. The latter amount may be increased by an additional \$1.7M subject to availability of unreserved funding. The loan closed on June 26, 2019 and the first draw for reimbursement of pre-construction costs occurred on July 9. The loan has a term of 36 months at 1% interest. There have been three (3) draws to date under the pre-construction loan facility.

### **Status of other reservation/consideration of surplus funds loans**

Brooks Subdivision: The Authority reserved on June 14, 2019 a total of \$1.43M of the \$1.65M of surplus set aside for “Single Family Mortgage Backed Securities” purchase or investment. The “Brooks Subdivision” is a 22-lot single-family subdivision located in western are of the City of Riviera Beach. PBC had acquired 18 of the lots prior to the presentation to the HFA and advised that the other four (4) lots would have to be purchased from the private owner, and a development agreement entered into between the city and PBC, before any homes would be built. The presentation by director Jonathan

Brown of PBC Housing & Economic Sustainability included a description and cost estimate of the homes to be constructed and sold to buyers at 60% to 140% of area median income, and their request for “soft second” financing from the HFA. The board give conceptual approval to \$1.43M for an average of \$65K per home subject to more definitive home plans/specifications and cost estimates.

Habitat for Humanity loans: The Authority considered a letter from HFHSPBC at the June 2020 meeting asking if the board would consider either a purchase of a portion of their owner occupied zero percent interest, level principal-only payment first mortgage loans (general counsel wasn’t comfortable with the statutory ability to do so without further research) or a 30-year loan with a repayment schedule tied to a pool of said loans pledged as loan collateral. The board directed staff to come back with a more detailed loan proposal for HFHSPBC, and to reach out to the northern HFH affiliate to see if the loan program could be made countywide rather than just limited to the southern half of PBC. It is anticipated that this loan program would be in the range of \$1.5M-\$2M.

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## Own A Home Opportunity Program

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2018/2019	FY 2017/2018	FY 2016/2017	FY 2015/2016
Number:	18	13	16		62	53	29	26
\$ amount:	\$ 3,820,849	\$ 2,377,033	\$ 3,773,448		\$ 11,619,767	\$9,704,076	\$4,804,215	\$3,972,519
Lenders:	9	7	6		14	14	5	6
Second Mtg:	14	10	2		51	14	22	26
Grant loans	4	3	14		11	24	7	0
Interest rates:	4.125-4.875%	3.625-4.875%	2.875-3.875%		4.125-6.375%	4.25%-6.25%	4.125%-4.75%	4.125%-4.50%
FHA/VA:	89%	77%	88%		68%	68%	76%	100%
Conventional:	11%	23%	12%		32%	32%	24%	n.a.
Ave. Purchase:	\$217,211	\$188,423	\$241,406		\$192,699	\$187,445	\$169,755	\$156,900
Ave. loan size:	\$212,269	\$182,849	\$235,778		\$187,416	\$183,096	\$165,663	\$152,789
Ave. household	1	2	2		2	2	1	2
Ave. age	49	42	38		40			
Ave. Income:	\$70,826	\$61,016	\$71,150		\$67,317	\$60,194	\$50,380	\$56,375
Single family:	78%	62%	69%		58%	43%	48%	58%
Twnhome/condo:	22%	38%	31%		42%	57%	52%	42%

## Mortgage Credit Certificate Program

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2018/2019	FY 2017/2018	FY 2016/2017	FY 2015/2016
Number:	5	8	1		30	25	62	32
\$ amount:	\$1,046,552	\$ 1,353,538	\$ 104,080		\$5,417,698	\$4,409,884	\$11,300,738	5719322
# of lenders:	3	4	1		6	6	9	7
Interest rates:	3.6-4.125%	3.25-4.0%	3.00%		3.875-6%	4.25%-5.875%	3.50%-5.0%	3.25%-5.25%
FHA/VA:	80%	63%	100%		57%	64%	71%	66%
Conventional:	20%	37%	0%		43%	36%	29%	34%
Ave. Purchase:	\$214,600	\$186,000	\$212,000		\$198,583.00	\$188,780	\$193,142	\$186,138
Ave. loan size:	\$209,310	\$169,192	\$208,160		\$180,590.00	\$176,395	\$182,270	\$178,729
Ave, household	1	1	3		2	2	2	2
Ave. Income:	\$52,731	\$46,419	\$43,748		\$52,268.00	\$58,854	\$50,595	\$55,375
Single family:	40%	38%	100%		53%	44%	55%	56%
Twnhome/condo:	60%	62%	0%		47%	56%	45%	34%

FY 2014/2015

39  
\$5,774,809  
4  
  
38  
1  
4.25%-4.50%  
100%  
n.a.  
\$151,287  
\$148,072  
2  
  
\$56,290  
54%  
46%

FY 2014/2015

43  
\$6,566,952  
5  
3.25%-5.25%  
79%  
21%  
\$159,153  
\$152,720  
2  
\$54,952  
49%  
51%

	FY 2019/2020	FY 2019/2020	FY 2019/2020	FY 2019/2020
	Initial Budget	Budget adjustments	Projected Annual	Cash at 3/31/19
<b>Operating revenues:</b>				
Multifamily on-going fees	\$ 340,000		\$ 338,378	\$ 270,211
Multifamily one-time fees	\$ -		\$ -	\$ 260,526
Single Family Loan Origination Fees	\$ 100,000		\$ 100,000	\$ 204,482
Other	\$ -		\$ 65,231	\$ 65,231
<b>Total Receipts</b>	<b>\$ 440,000</b>	<b>\$ -</b>	<b>\$ 503,610</b>	<b>\$ 800,450</b>
<b>Operating expenditures:</b>				
Reimbursement to PBC	\$ 310,000		\$ 306,740	\$ 169,796
Accounting fees	\$ 15,000		\$ 14,000	\$ 14,000
Auditing fees	\$ 30,000		\$ 29,767	\$ 30,767
Legal	\$ 35,000		\$ 35,000	\$ 8,820
Other	\$ 45,000		\$ 45,000	\$ 24,484
<b>Total Disbursements</b>	<b>\$ 435,000</b>	<b>\$ -</b>	<b>\$ 430,507</b>	<b>\$ 247,867</b>
<b>Income/(Loss) from operations</b>	<b>\$ 5,000</b>		<b>\$ 73,103</b>	<b>\$ 552,583</b>
<b>Non-operating revenues/expenditures:</b>				
Interest Income:				
from short-term investment	\$ 175,000		\$ 180,000	\$ 132,245
from single family MBS	\$ 25,000		\$ 20,000	\$ 25,733
DPA funding net of prepayments	\$ (350,000)		\$ (150,000)	\$ (106,669)
<b>Total Non-Operating Revenues</b>	<b>\$ (150,000)</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 51,309</b>
<b>Increase/(decrease) in Net Position:</b>	<b>\$ (145,000)</b>		<b>\$ 123,103</b>	<b>\$ 603,892</b>
<b>Beginning cash balance:</b>	<b>\$ 7,614,859</b>		<b>\$ 10,170,492</b>	<b>\$ 10,170,492</b>
<b>Change in cash:</b>				
SF MBS principal payments	\$ 100,000		\$ 75,000	\$ 111,620
Net Revolving Loan funding	\$ -		\$ 498,827	\$ 498,827
Other	\$ (158,852)		\$ (98,707)	\$ (22,754)
<b>Ending cash balance:</b>	<b>\$ 7,411,007</b>	<b>\$ -</b>	<b>\$ 10,768,716</b>	<b>\$ 11,362,077</b>

			FY 2019/2020	FY 2019/2020	FY 2019/2020	FY 2019/2020
			Initial Budget	Budget adjustments	Projected Annual	Cash at 3/31/19
<b>Beginning cash balance:</b>			\$ 10,000,000		\$ 10,170,492	\$ 10,170,492
Increase in Net Position:			\$ (145,000)		\$ 123,103	\$ 603,892
Net change in cash			\$ (58,852)		\$ 475,121	\$ 587,693
<b>Ending cash balance:</b>			\$ 9,796,148		\$ 10,768,716	\$ 11,362,077
<b>Reservation of cash balance:</b>						
DPA Fund - beginning	(1)		\$ (2,800,000)		\$ (2,800,000)	\$ (2,800,000)
DPA loans previously funded	(2)		\$ 1,728,851		\$ 1,728,851	\$ 1,728,851
Net change during fiscal year	(3)		\$ -		\$ (150,000)	\$ (106,669)
DPA Fund - remaining available			\$ (1,071,149)		\$ (1,221,149)	\$ (1,177,818)
Revolving Loan Fund - beginning	(4)		\$ (6,250,000)		\$ (6,250,000)	\$ (6,250,000)
Outstanding Revolving Loan balance			\$ 2,894,025		\$ 2,500,000	\$ 477,551
Net change in funding level			\$ -		\$ -	\$ -
Revolving Loan Fund - ending			\$ (3,355,975)		\$ (3,750,000)	\$ (5,772,449)
SF Loan Purchase Fund - beginning	(5)		\$ (1,650,000)		\$ (1,650,000)	\$ (1,650,000)
Defeasance of 2006-Sub 1 bonds	(6)		\$ (158,852)		\$ (158,852)	\$ (158,852)
Net change in funding level			\$ -		\$ -	\$ -
Use of funds			\$ -		\$ -	\$ -
SF Loan Purchase Fund - ending			\$ (1,808,852)		\$ (1,808,852)	\$ (1,808,852)
Unreserved cash balance	(7)		\$ 3,560,172		\$ 3,988,715	\$ 2,602,957
(1) DPA second mortgages in PBC under Lee TBA program. Funding reservation increased to \$2.8M at 9/9/16 meeting.						
(2) Total DPA loans originated in prior years.						
(3) DPA second mortgages funded with HFA funds net of DPA loan repayments.						
(4) Authorized \$4.6M at 9/18/15 meeting and increased to \$6.25M on 7/21/17.						
(5) Authorized at 9/18/15 meeting for future single family mortgage program and increased to \$1.65M on 7/21/17; \$1.43M reserved for Brooks Subdivision of PBC HES at 6/						
(6) Authorization for defeasance of 2006-1 bonds issue on 5/9/14.						

(7) Estimate of unreserved surplus funds.						
Revolv. Constr. Loan Fund commitments:		Date of reservation	Note maturity			
	Initial funding level	5/9/2014		\$ 1,775,782		
	Increases in funding level:	1/16/2015		\$ 2,824,218		
		9/9/2016		\$ 400,000		
		12/9/2016		\$ 1,250,000		
				\$ 6,250,000		
Construction loans and lines of credit:						Released reservation
	PBC CLT DL East	11/12/2010	matured	\$ (500,000)	\$ 500,000	
	HFHPBC - Kennedy Ests. II	3/11/2011	matured	\$ (1,200,000)	\$ 1,200,000	
	HFHSPBC	7/19/2013	matured	\$ (500,000)	\$ 500,000	
	NOAH	9/11/2013	matured	\$ (200,000)	\$ 200,000	
	WPBHA	5/30/2014	matured	\$ (250,000)	\$ 250,000	
	WPBHA	5/8/2015	matured	\$ (500,000)	\$ 500,000	
	PBC CLT DL West	1/16/2015	6/30/2019	\$ (3,400,000)	\$ 2,922,449	
	WPBHA master LOC	11/18/2016	9/29/2020	\$ (250,000)	\$ -	
	FCLF participation for NR	12/9/2016	withdrew request	\$ (2,500,000)	\$ 2,500,000	
	HFHSPBC	3/10/2017	canceled 4/3/20	\$ (500,000)	\$ 500,000	
	PBC CLT Kirk Rd. project	5/9/2017	10/31/2019	\$ (1,000,000)	\$ 1,000,000	
	Palm Beach Habilitation Center	3/9/2018	repaid in full 12/27/19	\$ (1,000,000)	\$ 1,000,000	
	Delray Beach Housing Authority	4/12/2019	4/12/2022	\$ (2,450,000)	\$ -	
	PBC CLT Master LOC	3/13/2020	36 months	\$ (250,000)		
			Previously committed	\$ (14,500,000)	\$ 11,072,449	
			Currently committed	\$ 2,822,449		
			Currently uncommitted	\$ 3,427,551		
				\$ 6,250,000		



**RESOLUTION NO. 2020-11**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA; RATIFYING THE APPROVAL FOR AUTHORITY STAFF MEMBERS “ACROSS THE BOARD” SALARY INCREASES APPROVED BY PALM BEACH COUNTY EMPLOYEES, RETROACTIVE TO FISCAL YEAR 2014-2015, EFFECTIVE AS OF SEPTEMBER 1, 2020; AMENDING THE AUTHORITY’S FISCAL YEAR 2019-2020 BUDGET TO REFLECT SUCH SALARY INCREASES; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; REPEALING RESOLUTIONS IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Board of County Commissioners of Palm Beach County, Florida (the “Board”), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the “**Authority**”), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the “**Act**”); and

**WHEREAS**, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida; and

**WHEREAS**, the Authority has two employees, an Executive Director and an Administrative Assistant (the “HFA Staff Members”); and

**WHEREAS**, although the HFA Staff Members are paid by Palm Beach County (the “**County**”), the HFA Staff Members have not received the annual “across the board” salary increases received by other employees of the County since September 30, 2014; and

**WHEREAS**, at its June 19, 2020 meeting, the Authority approved the increase in the salaries of the HFA Staff Members to include such annual across the board salary increases; and

**WHEREAS**, the Authority desires to ratify said action, and to further amend its budget for FY2019/2020 to reflect said salary increases.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA:**

**Section 1: Recitals.** The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

**Section 2: Ratification of Approval of Increase in Compensation to HFA Staff Members.** The Authority hereby ratifies its action taken at the June 19, 2020 meeting, wherein the Authority approved increases in salary for HFA Staff Members equal to the “across the board” salary increases approved by the County for other County employees from FY 2014/2015 through FY 2019/2020, effective as of September 1, 2020.

**Section 3: Budget Amendment.** The Authority approves the increase in the FY 2019/2020 general fund budget line item for salaries and benefits for such approved increase.

**Section 4: Further Actions; Effectiveness of Approval.** The Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority’s general counsel, are hereby authorized and directed to do all acts and things required or permitted of them by the provisions of this Resolution.

**Section 5: Headings Not Part of this Resolution.** Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

**Section 6: Repeal of Conflicting Resolutions.** Any resolutions or other action of the Authority in conflict with the provisions of the attached Revisions are, to the extent of such conflict, hereby repealed.

**Section 7: Resolution Effective.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED** this 14th day of August, 2020.

(SEAL)

**HOUSING FINANCE AUTHORITY OF  
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: \_\_\_\_\_  
Chairperson

By: \_\_\_\_\_  
[Assistant] Secretary

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

By: \_\_\_\_\_  
Name: Morris G. (Skip) Miller, Esq.  
Title: Attorney

## Tab 2

### V.    Old Business

- a. Consideration of loan to Habitat for Humanity of South Palm Beach County
  - i.     HFHSPBC letter of August 4



August 4, 2020

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

**BOARD OFFICERS**

Brittney Kocaj, Chair  
Scott Sullivan,  
Immediate Past Chair  
Jason Katz, Treasurer &  
Secretary

**DIRECTORS**

Jason Aube  
Alisa Cohen  
Stephen Constantine  
Eric Lebersfeld  
Joe Martin  
Joseph Meeler  
Thomas Moraca  
Doug Mosley  
Robyn Raphael-Dynan  
Leon Silverstein  
Doug Simms

**President/CEO**

Randy Nobles

Dear David:

I hope you continue to be well, safe and healthy during this most interesting and challenging of times.

As a follow up to my letter of May 26, 2020, Habitat for Humanity of South Palm Beach County (HFHSPBC) continues to be challenged by the uncertainty that lies ahead on so many fronts. As previously stated, we are anxious to continue our working relationship with the Housing Finance Authority of Palm Beach County (HFA) in order to create new affordable housing stock in South Palm Beach County. With that said, we would propose a long term loan arrangement structured as follows:

- **Amount:** \$1,000,000 with ability to increase upon agreement of the parties.
- **Interest rate:** To be determined, but no greater than one percent
- **Collateral:** A pledge of the unpaid principal balance of HFHSPBC owned (as mortgagee) homeowner mortgages equal to a minimum of 100% of the loan balance owed to HFA
- **Principal Payments:** Shall be equal to the collective sum of principal payments owed on the mortgages pledged to HFA until the loan is repaid
- **Loan Proceeds:** HFHSPBC will use the proceeds of the loan to pay for direct construction costs (materials, land, subcontractors and paid HFHSPBC construction staff) of 8 Habitat homes for homeowners with AMIs between 30-80%. The 8 new homes will be completed within 24 months of receipt of the proceeds. Of note, we will be starting construction on 2 of these homes within the next 2 weeks.

To further the impact of our partnership, having HFA fund these 8 homes will free up resources to devote to 20 critical repair projects (new roofs, impact window/doors, Aging in Place accommodations) on homes owned by families with similar AMIs.

Of course there are other terms and conditions to be discussed but I believe this covers the macro aspects of our proposed transaction. David, on behalf of our Board, Reg and myself, we remain excited about working with the HFA board and yourself and greatly appreciate the consideration. Please advise what additional information is needed and what our next steps might be.

Best Regards,

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

Randy B. Nobles

## **Tab 3**

### **VI. New Business**

- a.** Presentation of multifamily bond application for “Christian Manor” and consideration of inducement resolution
  - i. Application w.o exhibits (available upon request)
  - ii. Resolution #R-2020-12
- b.** Presentation of multifamily bond application for “San Marco Villas” and consideration of inducement resolution
  - iii. Application w.o exhibits (available upon request)
  - iv. Resolution #R-2020-13

**APPLICATION**

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA  
MULTIFAMILY RENTAL HOUSING BOND PROGRAM  
PROJECT APPLICATION FORM**

**A. Developer Information:**

1. Applicant Name: Christian Manor Restoration, LLC
2. Name of Owner for Inducement Resolution: Christian Manor Restoration, LLC
3. Type of Entity (e.g. Florida corporation, limited partnership, etc): Florida Limited Liability Corporation Ownership chart of the Entity including individual principals is provided as **“Exhibit A”**.
4. Address: 325 Executive Center Drive, West Palm Beach, FL 33401
5. Contact Person: Jason Duguay
6. Telephone: (703) 942-6610 ex 213
7. E-mail address: jbd@scgdevelopment.com

**B. Project Information**

1. Project Name: Christian Manor Apartments  
  
NOTE: After Inducement, Project name MAY NOT BE CHANGED OR ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide the actual trade, 'marking' or d/b/a name.
2. Project Street Address/Zip Code (if new construction, give street names, city and zip code): 325 Executive Center Drive, West Palm Beach, FL 33401
3. County Commission District in which Project is Located: #7

**C. Project Category and Population:**

1. Choose all that apply:  
  
New Construction  Acquisition  Remarketing   
Rehabilitation  Refunding  Acquisition/Rehab   
  
(a) If acquisition or acquisition/rehab was selected, is the project occupied?

No  Yes  If yes include plan for temporary relocation of existing tenants as “**Exhibit B**”

2. Is the Project designated to serve a specific target group (i.e. elderly, disabled)? No  Yes  If yes, please specify and indicate an minimum age requirements of household members: 55

**D. Project Status:**

Has construction begun? No  Yes  Date permits issued

Is the project complete? No  Yes  Date CO issued

**E. Number of Units:**

Total Number of Units: 200

Number of Residential Units: 200

Number of Set-Aside Units:200

Percent of Set-Aside Units: 100%

**F. Manager/Employee Units:**

Are there one or more manager or employee units in the Project?

No  Yes  If yes, how many? Unit Type(s):

**G. Breakdown of Units by Square Footage and Monthly Rent Charged.**

All units in the Project must be listed including all manager/employee units. Indicate manager/employee units with an asterisk.

# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project )	Net Rent for Set- Aside Units	Monthly Market Rent+
0	1	427	50	60	879	69	810	
1	1	537	130	60	941	73	868	
0	1	427	6	28	410	69	341	
1	1	537	14	28	537	73	464	




\* NOTE: For any Project anticipating the use of tax credits, gross rents include the net rent plus the allowance for tenant-paid utilities for set-aside units. These rents may not exceed the allowable rents for the chosen set-aside as shown on the applicable rent charts by the FHFC. Rents will be capped based on set-aside chosen below or if lower due to other funding source(s).

Utility allowance of \$\$69(studio)/\$73 1 bedroom                      2 bedroom                      3 bedroom                      4 bedroom

+ NOTE: Answer for market rate units only.

**H. Proposed minimum Set-aside required for Tax Exempt Bond Financing.**

CHOOSE ONLY ONE:

20% of units at 50% of area median income

40% of units at 60% of area median income

**I. Describe Project:**

Rehabilitation of existing 200-unit multi-family senior housing facility originally constructed in the early 1970s under the HUD 236 mortgage loan program. At financial closing, it is anticipated that the Project will be subsidized with a HUD 221(d)(4) and potentially, project based vouchers. Other debt executions are being considered. The property consists of 4 residential, three-story apartment buildings, a clubhouse/leasing office building and a maintenance building. The residential buildings are composed of a total of 56 Efficiency units and 144 1BR/1BA units.

**J. Describe Project Features, Amenities and any Resident Programs that will be**

**provided:**

The Project Features include new kitchen and bathroom cabinets and countertops, ceramic tile kitchen and bathroom floors, carpeted living areas, new plumbing fixtures in kitchen and bathroom, and energy efficient windows and bathroom ventilation fans in each unit. Project Amenities include a pool, laundry facilities on each floor, a shuffleboard court, and outdoor picnic and covered patio areas. Tenant Services will include health and wellness programs, resident activities, and financial counseling.

**K. Will any units be accessible to the handicapped?**

Yes  No  How many? TBD- Depending on debt execution. Likely 5%.

**L. Type of Building(s):**

Elevator  Walkup  Townhouse   
Detached  Semi-detached

**M. Style of building(s), number of buildings and number of stories:**

**3-Story Residential Buildings (4)**

**1-Story Leasing Office (1)**

**N. Does the current Land Use and Zoning permit the proposed development at the proposed Density?**

Yes  No

If no, explain: Property is currently existing and built pursuant to building permits issued by the City of West Palm Beach, prior to zoning changes.

**O. Project Financing And Proposed Structure:**

1. Overview of Proposed Financing Summary:

NOTE: Material changes in the proposed structure after submittal of the application may result in delay of consideration by the Authority or loss of priority

	<b>Check If app.</b>	<b>Amount</b>	<b>% of Project Cost</b>
Tax-exempt Bonds	<input checked="" type="checkbox"/>	\$15,000,000	
Taxable Bonds	<input type="checkbox"/>		
SAIL	<input checked="" type="checkbox"/>	\$5,000,000	
HOME (State Funds)	<input type="checkbox"/>		
HOME (Identify Local Funds)	<input type="checkbox"/>		
CDBG	<input type="checkbox"/>		
SHIP	<input type="checkbox"/>		
LIHTC Equity (4% credits)	<input checked="" type="checkbox"/>	\$8,427,000	
Other	<input type="checkbox"/>		
<b>Total</b>	<input type="checkbox"/>		

Briefly describe sources listed above:

While the financial options are still being considered, the intent of the developer is to utilize the short-term cash collateralized bond structure in which the bonds are cash-collateralized with the proceeds of a 221(d)(4) mortgage loan in the approximate amount of \$10.1M as well as either the SAIL loan (or other subordinate funding source) and/or LIHTC equity proceeds. See S&U of

funds included within "Exhibit G"

2. Subordinate Financing:

- (a) If SAIL, HOME, CDBG, FHLB, SHIP and/or other funding is shown as already committed, attach a letter from the appropriate governmental entity detailing the commitment, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan terms, amortization, and payback schedule. Attach the letter(s) as an exhibit. Said letter shall be attached hereto as **"Exhibit ."**
- (b) If SAIL, HOME, CDBG FHLB, SHIP and/or other funding is shown and is not firmly committed, attach an explanation of how the development will be completed without those funds. Said explanation shall be attached as **"Exhibit C ."**
- (c) Does the Applicant firmly commit to complete the bond financing if those funds are not received? Yes  No

3. Tax Credits - If the Project receives Bond financing, will LIHTC be used?

Yes  No

- (a) If yes, LIHTC Requested Amount \$886,000/yr (approx)
- (b) If yes, name of Syndicator: Stratford Capital Group

A preliminary commitment letter, including general terms such as a description of how the syndication funding will be paid out during construction and following completion, must be attached hereto. Said letter shall be attached hereto as **"Exhibit D."**

- (c) Is the project located in a QCT/DDA/ZCTA/RECAP: Yes  No   
If yes evidence of such designations are attached as **"Exhibit's E."**
- (d) If the project is subject to a FHFC location restriction (LDA) area attach a description as **"Exhibit ."**

4. Rental Assistance. Is project-based rental assistance anticipated for this Project?

No  Yes

If yes, check all that apply:

- Moderate Rehab  RD 515   
Section 8  Other

Number of units receiving assistance TBD- See Exhibit C. Project is seeking to obtain project based vouchers but not currently committed.

Number of years remaining on rental assistance contract:

Number of years expected for new rental assistance contract:

5. Credit Enhancement or bond purchaser:

Describe any letter of credit, third party guarantor, bond purchaser, private placement agent, housing program funding (FHA-insured loan, Fannie Mae or Freddie Mac), surety bond or other financing enhancements anticipated for this project, including, but not limited to the name of the party providing such financing/credit enhancement, the rating of such provider and the term of such financing/credit enhancement:

The intent of the developer/owner is to utilize Bellwether Capital as MAP Lender to secure 221(d)(4) financing (FHA Credit Enhancement). While still to be finalized, it is likely that STIFEL will act as undewriter/seller of the short-term tax-exempt bond.

A preliminary commitment letter/term sheet from the provider of such financing/credit enhancement shall be attached hereto as **“Exhibit F”**

6. Proposed bond structure:

Type of interest rate expected:        fixed         floating

Term of Bonds including option put: 3 yrs (currently anticipated)

Estimated interest terms: TBD- approximately equal to reinvestment rate (money market)

Placement structure:        private placement  public offering

7. Economic Feasibility of the Project:

A description of the Project feasibility structure shall be attached hereto as **“Exhibit G”** including, at a minimum, the following:

- (a) Pro forma cash flows at maximum interest rate at which Project will work;
- (b) Detailed sources and uses, including developer's fees, overhead and all hard and soft costs.
- (c) The maximum annual debt service at which the Applicant commits to proceed: \$513,000 (assuming max LIHTC rents and no vouchers), based on current underwriting.

- (d) The minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$15,000,000 (depending on ultimate financing structure)

**P. Proposed Project Schedule**

<u>Activity</u>	<u>Date</u>
HFA board meeting to consider application	02/20
Final site plans & architectural drawings	06/20
Complete third party credit underwriting	08/20
Approval of subordinate financing	6/20
All other necessary local approvals	10/20
Obtain Credit Enhancement/Bond Purchase Commitment	09/20
HUD approvals (if applicable)	10/20
Issue bonds	10/20
Start construction or rehabilitation	11/20
Complete construction or rehabilitation	06/22
Start rent-up	11/20
Complete rent-up	06/22

**Q. Ability To Proceed**

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Project.

1. Site Control

Site Control must be demonstrated by the Applicant through bond closing or termination of the Memorandum of Agreement. At a minimum, a Contract for Purchase and Sale or long-term lease must be held by the Applicant for the proposed site. A purchase contract must include the following: (i) the remedy for default on the part of the seller must include or be specific performance, (ii) the buyer MUST be the Applicant and, (iii) other than clear title, the only permissible contingency for seller or assignor to transfer the site to the Applicant is the award of bond financing.

Site is controlled by:Phase Housing Corporation, Inc.

Evidence of Site Control shall be attached hereto as “**Exhibit H**” and shall be in the form of either:

- (a) Contract for Purchase and Sale or long-term land lease agreement (a Title Insurance Commitment may be requested to show marketable title in the name of the Seller).
- (b) Deed (a Title Insurance Policy Showing marketable title in the name of the Applicant may be requested).

2. Zoning and Land Development Regulations:

NOTE: Applicant must provide documentation that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use.

- (a) Is the site appropriately zoned for the proposed Project?  
No  Yes
- (b) Indicate zoning designation(s): MF32 - Multifamily High Density
- (c) Current zoning permits \_\_\_\_\_ units per acre, or \_\_\_\_\_ units for the site (PUD).
- (d) Total number of Units in Project: 200
- (e) A letter from the appropriate local government official verifying i.) the zoning designation, ii.) that the proposed number of units and intended use are consistent with current land use regulations and referenced zoning designation shall be attached hereto as **“Exhibit I”**

3. Site Plan:

- (a) New Construction: Has the preliminary or conceptual site plan been approved by the appropriate local government authority?  
Yes  No

If yes, a copy of the approved site plan shall be attached hereto as **“Exhibit \_\_\_\_\_.”**

If no, local approval is expected on: \_\_\_\_\_ and a letter from the appropriate local government official indicating preliminary or conceptual site plan, or if no neither preliminary or conceptual approval is given prior to final site plan approval, a description of status of the local government review of the Project shall be attached hereto as **“Exhibit \_\_\_\_\_”**

- (b) Rehabilitation: Was site plan approval required by local governmental authorities at the time this Project was originally placed in service?  
Yes  No

4. Environmental:

Has an Environmental Assessment been completed and if so describe any required remedial action necessary: **An environmental site assessment (Phase I) was conducted for the site in 2016 by Dominion Due Diligence**

**Group. The two RECs identified were (1) leakage of hydraulic fluid under one of the four elevators (since remediated) and (2) Asbestos Containing Materials, due to age of Property. Required abatement of any ACMs will be addressed within the scope of rehabilitation.**

5. Concurrency:

Project-specific letters from the local government or provider verifying availability of infrastructure and capacity (water, sewer, road, and school) for the proposed Project shall be attached hereto as **“Exhibit’s N/A- operating property .”**

**R. Other Information:**

(a) Do you presently have an application for this project submitted elsewhere or has this project been denied financing elsewhere?

Yes  No

(b) How many and what type of projects have you completed in the Palm Beach County? 0

(c) Applicant/borrower GP:

Firm: Christian Manor GP, LLC, 100% owned by Phase Housing Corporation, a Florida not for profit corporation  
Phone: 229-219-6763

Natural principals: Paul Ponte, Ernest Davis, Jr, Charles M. McLeod  
Contact Person: Steve Brooks (on behalf of Paul Ponte)

(d) Developer:

Firm: SCG Development Partners, LLC & Integrity Development Partners, LLC  
Phone: 703-942-6610 ex 213

Natural principals: Stephen Wilson and Rhett Holmes  
Contact Person: Jason Duguay (on behalf of Stephen Wilson)

(e) Proposed Architect:

Firm: Studio 8 Architects  
Phone: 229-244-1188

Contact Person: Robert Byington, Jr.

(f) Proposed Managing Agent:

Firm: Weller Workforce, LLC  
Phone: 561-826-3917

Contact Person: David Gates

(g) Proposed General Contractor:

Firm: Great Southern, LLC  
Phone: 229-506-6876  
Contact Person: Trent Parkerson

- (h) Proposed Developer's Attorney:  
Firm: Coleman Talley, LLP  
Phone: 904-456-8960  
Contact Person: Greg Clark
- (i) Proposed Investment Banker (see Authority “Bond Underwriter Selection Policy”) or private placement bond purchaser:  
Firm: Stifel  
Phone: 404-504-2785  
Contact Person: Cody Wilson
- (j) Proposed Credit Underwriter:  
Firm: Stifel  
Phone: 404-504-2785  
Contact Person: Cody Wilson
- (k) Provide the following for the property/project seller or lessor:  
Entity: Phase Housing Corporation  
Phone: 770-809-1288  
Contact Person: Paul Ponte

[Remainder of page intentionally left blank]



**Certificate of Understanding**

I, Paul Ponte, representing Phase Housing Corporation, Inc., on behalf of Christian Manor Restoration, LLC, have read and understand the federal requirements and the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby adhere thereto. Furthermore, I hereby certify that the information contained in the Application is true and correct to the best of my knowledge.

Dated on this 13th day of December, 2019.

By:




Printed Name: Paul Ponte

Title: Managing Member

**Credit Enhancer/Bond Purchaser Certificate of Understanding**

I, Cody N. Wilson, representing Stifel, Nicolaus & Company, Incorporated, have read and understand the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby agree to adhere thereto.

Dated on this 13th day of December , 20119.

By:   
Printed Name: Cody N. Wilson  
Title: Managing Director

**RESOLUTION NO. R-2020-12**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY (THE “AUTHORITY”) DECLARING THE AUTHORITY’S PRELIMINARY INTENT TO ISSUE ITS NOT TO EXCEED \$15,000,000 MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS (IN ANY EVENT REFERRED TO HEREIN AS THE “BONDS”) WHICH MAY BE ISSUED IN ONE OR MORE SERIES TO OBTAIN FUNDS TO BE LOANED TO CHRISTIAN MANOR RESTORATION, LLC, OR ANOTHER ENTITY CREATED BY PHASE HOUSING CORPORATION, ITS SUCCESSORS OR ASSIGNS (THE “BORROWER”), FOR THE FINANCING OF THE ACQUISITION, REHABILITATION AND EQUIPPING OF A QUALIFYING HOUSING DEVELOPMENT IN THE CITY OF WEST PALM BEACH, PALM BEACH COUNTY, KNOWN AS CHRISTIAN MANOR; INDICATING THE AUTHORITY’S OFFICIAL INTENT TO USE A PORTION OF THE PROCEEDS OF SUCH BONDS TO REIMBURSE CERTAIN EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT; AUTHORIZING VALIDATION OF THE BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to the provisions of the Florida Constitution, Part IV of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of law (the “Act”) and the policies of the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), Christian Manor Restoration, LLC, a Florida limited liability company (the “Borrower”), has submitted a request to the Authority requesting that the Authority issue, pursuant to the provisions of the Act, multifamily housing revenue bonds, notes or other evidences of indebtedness to finance the costs of the acquisition, rehabilitation and equipping of an approximately 200 unit multifamily rental housing facility for the elderly known as Christian Manor, located at 325 Executive Center Drive, West Palm Beach, Palm Beach County, Florida 33401 (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”) in Palm Beach County, Florida; and

**WHEREAS**, the Authority desires, as requested by the Borrower, to declare its preliminary intent to issue, in one or more series, its Multifamily Housing Revenue Bonds in the initial aggregate principal amount of not exceeding \$15,000,000 (or such other debt instrument as may be allowed by the Act and approved by Bond Counsel and the Authority’s counsel, herein, the “Bonds”) pursuant to the limitations and conditions set forth in this Resolution and in

subsequent resolutions and other instruments of the Authority, which amount the Borrower has represented will, together with other available funds of the Borrower, be sufficient to finance the acquisition and rehabilitation of the Project; and

**WHEREAS**, the Bonds will be secured by amounts payable under the terms of a loan or financing agreement between the Authority and the Borrower providing for payments in amounts or other collateral sufficient to pay and secure the principal of and interest on the Bonds as the same become due and payable, and/or such other security as shall be acceptable to the Authority; and

**WHEREAS**, it is intended by the Authority that the interest on the Bonds will be excludable from gross income for federal income tax purposes; and

**WHEREAS**, the action taken by this Resolution does not constitute final approval of the financing of the costs of the Project or of the issuance of the Bonds and is not an absolute commitment by the Authority to issue the Bonds; and

**WHEREAS**, the Authority's approval of the financing of the costs of the Project will be effected in accordance with applicable law and regulations and the financial terms, security for the repayment of the Bonds, restrictions on transferability, if applicable, and other matters will be determined and/or approved by subsequent proceedings of the Authority and by other appropriate regulatory bodies as may be required by applicable law and regulations, including but not limited to, approval by the Board of County Commissioners of Palm Beach County, Florida of certain matters relating thereto; and

**WHEREAS**, the Authority has been informed by the Borrower that it has and anticipates that it will incur certain capital expenditures relating to the Project prior to the issuance of the Bonds by the Authority; and

**WHEREAS**, such capital expenditures will be paid from the Borrower's own money or from the proceeds of a taxable financing; and

**WHEREAS**, the Code and applicable regulations (the "Regulations") require the Authority to declare its official intent to allow the Borrower to be reimbursed for certain capital expenditures incurred by the Borrower in connection with the Project prior to the issuance of the Bonds from a portion of the proceeds of the Bonds, when and if the Bonds are issued; and

**WHEREAS**, it is intended by the Authority that this Resolution constitutes such official intent with respect to the reimbursement, from proceeds of the Bonds, of those certain capital expenditures the Borrower has and will incur prior to the issuance of the Bonds as provided in Section 4 and 5 herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:**

**SECTION 1.** The recitals set forth above are adopted by the Authority as the findings of the Authority and are incorporated herein.

**SECTION 2.** The Authority is authorized and empowered by the Act and Article V, Division 3, Sections 2-181 et seq., Palm Beach County Code of Ordinances (the “Ordinance”) to adopt this Resolution and to enter into transactions such as those contemplated by the Borrower in connection with the financing of the costs of the Project through the issuance of the Bonds, and to fully perform the obligations of the Authority to be undertaken in connection with the financing of the costs of the Project through the issuance of the Bonds in order to assist in alleviating the shortage of housing and of capital to finance the construction and/or rehabilitation of affordable housing in Palm Beach County, Florida, and this Resolution is adopted and such actions are to be taken pursuant to the provisions of the Act and the Ordinance.

**SECTION 3.** The statements contained in this Resolution with respect to the reimbursement of the capital expenditures referred to in this Resolution are intended to be the Authority’s statements of official intent as required by, and in conformance with, the provisions of Section 1.150-2(e) of the Regulations. The expression of official intent set forth herein is made in reliance upon the representation of the Borrower that it reasonably expects to pay with its own funds or incur expenses in connection with the Project prior to the issuance of the Bonds and to be reimbursed for those expenses from the proceeds of the Bonds.

**SECTION 4.** All of the capital expenditures to be reimbursed in connection with the Project pursuant to this Resolution from proceeds of the Bonds that are issued as tax exempt obligations, will be for costs that (a) are properly chargeable to the capital account of the Borrower under general income tax principles, (b) constitute non-recurring working capital expenditures (of a type not customarily payable from current revenues), or (c) are costs of issuing the Bonds and will meet the requirements of the Code in that such capital expenditures have been or will be incurred after the date that is sixty (60) days before the date of adoption of this Resolution.

**SECTION 5.** The Authority reasonably expects to use a portion of the proceeds of the Bonds, when and if issued, to reimburse the Borrower for the capital expenditures contemplated under this Resolution made prior to not earlier than sixty (60) days prior to the adoption of this Resolution, and no funds from sources other than the “reimbursement bond issue” (as such term has the meaning assigned to it under the Regulations) portion of the bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Authority pursuant to the Authority’s policies to pay for such capital expenditures.

**SECTION 6.** The Authority will direct the Borrower, upon receipt of the proceeds of the Bonds (or within thirty (30) days thereafter), to allocate in writing the amount of proceeds of the Bonds (i.e., the reimbursement bond issue) used to reimburse the costs of the Project (herein, the “Prior Expenditures”). Such allocation will be accomplished within the later of (a) eighteen months from the earliest date such Prior Expenditures were incurred or (b) the date the rehabilitation of Christian Manor is substantially completed (but in no event later than three (3) years after the first Prior Expenditure was made).

**SECTION 7.** The maximum principal amount of Bonds expected to be issued for the financing of the costs of the acquisition, rehabilitation and equipping of the Project through the issuance of the Bonds is \$15,000,000.

**SECTION 8.** The adoption of this Resolution does not in any way entitle or create any rights in or for Borrower other than as set forth herein and the terms of this Resolution shall not constitute final approval of the financing of the costs of the Project or authorization for the Authority to issue the Bonds; such approval and authorization shall be considered by the Authority by other appropriate regulatory bodies in subsequent proceedings as required by applicable law and regulations and shall be contingent upon, among other things:

(A) The execution by the Borrower of a loan or financing agreement with the Authority in a form and substance and on terms acceptable to the Authority, including adequate provision being made for the operation, repair and maintenance of Christian Manor at the expense of the Borrower and for the payment of the principal of, premium, if any, and interest on the Bonds and reserves, if any, therefor;

(B) The Authority's final determination that the proposal of the Borrower otherwise complies with all of the provisions of the Act and the policies of the Authority; and

(C) Unless waived by the Authority, in compliance with the Authority's policies and guidelines, either (i) the provision by the Borrower of credit enhancement to secure the Bonds and a rating acceptable to the Authority from rating agencies acceptable to the Authority, obtained by the Borrower with respect to the Bonds, or (ii) the private placement of the Bonds with an institutional investor acceptable to the Authority.

**SECTION 9.** Attached hereto as Exhibit A is the form of Memorandum of Agreement to be entered into by and between the Authority and the Borrower (the "Agreement"). The Borrower's agreement to enter into and perform under the Agreement shall be a condition precedent for the General Counsel to the Authority, Bond Counsel and the Executive Director of the Authority to take any actions with respect to the preparation of any documents to be used in connection with the financing of the costs of the Project through the issuance of the Bonds. The Agreement, in the form attached hereto as Exhibit A, is hereby approved. The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the Agreement, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Agreement.

**SECTION 10. IT IS EXPRESSLY STATED AND AGREED THAT THE ADOPTION OF THIS RESOLUTION IS NOT A GUARANTY, EXPRESS OR IMPLIED, THAT THE AUTHORITY SHALL APPROVE THE CLOSING AND ISSUE THE BONDS FOR THE FINANCING OF THE COSTS OF THE PROJECT. THIS RESOLUTION IS QUALIFIED IN ITS ENTIRETY BY THE PROVISIONS OF THE ACT, OR ANY SUBSEQUENTLY ENACTED OR EFFECTIVE LEGISLATION CONCERNING A STATE VOLUME CEILING ON MULTIFAMILY HOUSING BONDS. THE BORROWER SHALL HOLD THE AUTHORITY AND ITS PAST, PRESENT AND FUTURE MEMBERS, OFFICERS, STAFF, ATTORNEYS, FINANCIAL ADVISORS, AND EMPLOYEES HARMLESS FROM ANY LIABILITY OR CLAIM BASED UPON THE FAILURE OF THE AUTHORITY TO CLOSE THE TRANSACTION AND ISSUE THE BONDS OR FROM ANY OTHER CAUSE OF ACTION ARISING FROM THE ADOPTION OF THIS RESOLUTION, THE PROCESSING OF THE FINANCING OF THE COSTS OF THE PROJECT THROUGH THE ISSUANCE OF THE BONDS**

**EXCEPT FOR THE GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT OF THE AUTHORITY.**

**SECTION 11.** To the extent deemed necessary by Bond Counsel to the Authority or by General Counsel to the Authority, General Counsel and/or Bond Counsel to the Authority are authorized to institute appropriate proceedings for the validation of the Bonds pursuant to Chapter 75, Florida Statutes.

**SECTION 12.** The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any opinion regarding same.

**SECTION 13.** All resolutions or parts thereof, of the Authority in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict.

**SECTION 14.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 14th day of August, 2020.

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chairperson / Vice Chairperson

ATTEST:

\_\_\_\_\_  
[Assistant] Secretary

**EXHIBIT A**  
**FORM OF MEMORANDUM OF AGREEMENT**



Application for Multifamily Rental Housing Bond Program

Housing Finance Authority of Palm Beach County

**San Marco Villas**

**APPLICATION**

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA  
MULTIFAMILY RENTAL HOUSING BOND PROGRAM  
PROJECT APPLICATION FORM**

**A. Developer Information:**

1. Applicant Name: San Marco Affordable LLC
2. Name of Owner for Inducement Resolution: San Marco Affordable LLC
3. Type of Entity (e.g. Florida corporation, limited partnership, etc): Limited Liability Company Ownership chart of the Entity including individual principals is provided as **“Exhibit 1”**.
4. Address: 5403 West Gray Street, Tampa, FL 33609
5. Contact Person: Brianne Heffner
6. Telephone: 813-288-6988
7. E-mail address: bheffner@sphome.com

**B. Project Information**

1. Project Name: San Marco Villas  
  
NOTE: After Inducement, Project name MAY NOT BE CHANGED OR ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide the actual trade, 'marking' or d/b/a name.
2. Project Street Address/Zip Code (if new construction, give street names, city and zip code): 800 Venetian Isles Drive, Lake Park, FL 33403
3. County Commission District in which Project is Located:7

**C. Project Category and Population:**

1. Choose all that apply:  
  
New Construction  Acquisition  Remarketing   
Rehabilitation  Refunding  Acquisition/Rehab   
  
(a) If acquisition or acquisition/rehab was selected, is the project occupied?

No  Yes  If yes include plan for temporary relocation of existing tenants as “**Exhibit 2**”

2. Is the Project designated to serve a specific target group (i.e. elderly, disabled)?  
 No  Yes  If yes, please specify and indicate an minimum age requirements of household members:

**D. Project Status:**

Has construction begun? No  Yes  Date permits issued

Is the project complete? No  Yes  Date CO issued

**E. Number of Units:**

Total Number of Units: 400

Number of Residential Units: 400

Number of Set-Aside Units:400

Percent of Set-Aside Units: 80%

**F. Manager/Employee Units:**

Are there one or more manager or employee units in the Project?

No  Yes  If yes, how many? Unit Type(s):

**G. Breakdown of Units by Square Footage and Monthly Rent Charged.**

All units in the Project must be listed including all manager/employee units. Indicate manager/employee units with an asterisk.

# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project )	Net Rent for Set- Aside Units	Monthly Market Rent+
1	1	700/703/716	18/54/36	60	941	61	880	
2	2	956	36	60	1129	71	1058	
2	1.5	1066	55	60	1129	71	1058	
2	2	1140	6	60	1129	71	1058	
2	2.5	1140	54	60	1129	71	1058	
2	2.5	1158	9	60	1129	71	1058	

2	2.5	1162	8	60	1129	71	1058	
3	2	1200	24	60	1304	74	1230	
3	2	1228	90	60	1304	74	1230	
3	2.5	1323	10	60	1304	74	1230	

\* NOTE: For any Project anticipating the use of tax credits, gross rents include the net rent plus the allowance for tenant-paid utilities for set-aside units. These rents may not exceed the allowable rents for the chosen set-aside as shown on the applicable rent charts by the FHFC. Rents will be capped based on set-aside chosen below or if lower due to other funding source(s).

Utility allowance of \$61 1 bedroom Phase I: \$71; Phase II: \$70 2 bedroom Phase I: \$73; Phase II: \$74 3 bedroom N/A 4 bedroom

+ NOTE: Answer for market rate units only.

**H. Proposed minimum Set-aside required for Tax Exempt Bond Financing.**

CHOOSE ONLY ONE:

20% of units at 50% of area median income

40% of units at 60% of area median income

**I. Describe Project:**

The subject is a 400-unit multi-family Low-Income Housing Tax Credit (LIHTC) property, consisting of both garden and townhouse buildings, located at 800 Venetian Isles Drive in Lake Park, Florida. The property consists of 29 two and three-story apartment buildings and two single-story clubhouse buildings. The improvements were constructed in 2003 on a 26.65-acre site.

**J. Describe Project Features, Amenities and any Resident Programs that will be**

**provided:**

The unit interiors feature a range, vent-hood, refrigerator, dishwasher, disposal, patio, and ceiling fan. The property features off-stree parking, two swimming pools, two clubhouse buildings, fitness center and volleyball court.

**K. Will any units be accessible to the handicapped?**

Yes  No  How many?

**L. Type of Building(s):**

Elevator  Walkup  Townhouse

Detached           Semi-detached

**M. Style of building(s), number of buildings and number of stories:**

**There are 22 three-story and 17 two-story apartments with pitched roofs and stucco exteriors. There are two single-story clubhouse buildings with pitched roofs and stucco exteriors.**

**N. Does the current Land Use and Zoning permit the proposed development at the proposed Density?**

Yes  No

If no, explain:

**O. Project Financing And Proposed Structure:**

1. Overview of Proposed Financing Summary:

NOTE: Material changes in the proposed structure after submittal of the application may result in delay of consideration by the Authority or loss of priority

	Check If app.	Amount	% of Project Cost
Tax-exempt Bonds	<input checked="" type="checkbox"/>	48,400,000	58%
Taxable Bonds	<input type="checkbox"/>		
SAIL	<input type="checkbox"/>		
HOME (State Funds)	<input type="checkbox"/>		
HOME (Identify Local Funds)	<input type="checkbox"/>		
CDBG	<input type="checkbox"/>		
SHIP	<input type="checkbox"/>		
LIHTC Equity (4% credits)	<input checked="" type="checkbox"/>	25,804,919	31%
Other	<input checked="" type="checkbox"/>	9,868,700	11%
<b>Total</b>	<input type="checkbox"/>	84,073,619	100%

Briefly describe sources listed above:

San Marco Affordable LLC will be applying for 4% Low-Income Housing Tax Credits by the Florida Housing Finance Corporation in conjunction with tax-exempt bond financing to acquire and substantially rehabilitate San Marco Villas. Financing will also include a Freddie Mac TEL first mortgage of \$48.4mm, a seller note of \$3.0mm, and developer deferred fee of \$6.87mm.

2. Subordinate Financing:

- (a) If SAIL, HOME, CDBG, FHLB, SHIP and/or other funding is shown as already committed, attach a letter from the appropriate governmental entity

detailing the commitment, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan terms, amortization, and payback schedule. Attach the letter(s) as an exhibit. Said letter shall be attached hereto as **“Exhibit N/A.”**

(b) If SAIL, HOME, CDBG FHLB, SHIP and/or other funding is shown and is not firmly committed, attach an explanation of how the development will be completed without those funds. Said explanation shall be attached as **“Exhibit N/A.”**

(c) Does the Applicant firmly commit to complete the bond financing if those funds are not received? Yes  No

3. Tax Credits - If the Project receives Bond financing, will LIHTC be used?

Yes  No

(a) If yes, LIHTC Requested Amount \$27,750,000

(b) If yes, name of Syndicator: Raymond James

A preliminary commitment letter, including general terms such as a description of how the syndication funding will be paid out during construction and following completion, must be attached hereto. Said letter shall be attached hereto as **“Exhibit 3.”**

(c) Is the project located in a QCT/DDA/ZCTA/RECAP: Yes  No   
If yes evidence of such designations are attached as **“Exhibit’s 4.”**

(d) If the project is subject to a FHFC location restriction (LDA) area attach a description as **“Exhibit N/A.”**

4. Rental Assistance. Is project-based rental assistance anticipated for this Project?

No  Yes

If yes, check all that apply:

Moderate Rehab  RD 515

Section 8  Other

Number of units receiving assistance 0

Number of years remaining on rental assistance contract: N/A

Number of years expected for new rental assistance contract: N/A

5. Credit Enhancement or bond purchaser:

Describe any letter of credit, third party guarantor, bond purchaser, private placement agent, housing program funding (FHA-insured loan, Fannie Mae or Freddie Mac), surety bond or other financing enhancements anticipated for this project, including, but not limited to the name of the party providing such financing/credit enhancement, the rating of such provider and the term of such financing/credit enhancement:

Private placement via Freddie Mac TEL loan, issued by JLL Capital Markets.

A preliminary commitment letter/term sheet from the provider of such financing/credit enhancement shall be attached hereto as **“Exhibit 5”**

6. Proposed bond structure:

Type of interest rate expected: fixed  floating

Term of Bonds including option put: 204 months

Estimated interest terms: 3.72%

Placement structure: private placement  public offering

7. Economic Feasibility of the Project:

A description of the Project feasibility structure shall be attached hereto as **“Exhibit 6”** including, at a minimum, the following:

- (a) Pro forma cash flows at maximum interest rate at which Project will work;
- (b) Detailed sources and uses, including developer's fees, overhead and all hard and soft costs.
- (c) The maximum annual debt service at which the Applicant commits to proceed: \$2,344,394
- (d) The minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$48,400,000

**P. Proposed Project Schedule**

<u>Activity</u>	<u>Date</u>
HFA board meeting to consider application	4/2020
Final site plans & architectural drawings	7/2020
Complete third party credit underwriting	8/2020
Approval of subordinate financing	N/A
All other necessary local approvals	9/2020

Obtain Credit Enhancement/Bond Purchase Commitment	10/2020
HUD approvals (if applicable)	N/A
Issue bonds	11/2020
Start construction or rehabilitation	1/2021
Complete construction or rehabilitation	3/2022
Start rent-up	1/2022
Complete rent-up	3/2022

**Q. Ability To Proceed**

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Project.

1. Site Control

Site Control must be demonstrated by the Applicant through bond closing or termination of the Memorandum of Agreement. At a minimum, a Contract for Purchase and Sale or long-term lease must be held by the Applicant for the proposed site. A purchase contract must include the following: (i) the remedy for default on the part of the seller must include or be specific performance, (ii) the buyer MUST be the Applicant and, (iii) other than clear title, the only permissible contingency for seller or assignor to transfer the site to the Applicant is the award of bond financing.

Site is controlled by: San Marco Affordable LLC

Evidence of Site Control shall be attached hereto as “**Exhibit 7**” and shall be in the form of either:

- (a) Contract for Purchase and Sale or long-term land lease agreement (a Title Insurance Commitment may be requested to show marketable title in the name of the Seller).
- (b) Deed (a Title Insurance Policy Showing marketable title in the name of the Applicant may be requested).

2. Zoning and Land Development Regulations:

NOTE: Applicant must provide documentation that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use.

- (a) Is the site appropriately zoned for the proposed Project?  
No  Yes

- (b) Indicate zoning designation(s): TND - Traditional Neighborhood District



- (c) Current zoning permits 15.78 units per acre, or \_\_\_\_\_ units for the site (PUD).
- (d) Total number of Units in Project: 400
- (e) A letter from the appropriate local government official verifying i.) the zoning designation, ii.) that the proposed number of units and intended use are consistent with current land use regulations and referenced zoning designation shall be attached hereto as **“Exhibit N/A”**

3. Site Plan:

- (a) New Construction: Has the preliminary or conceptual site plan been approved by the appropriate local government authority?

Yes  No

If yes, a copy of the approved site plan shall be attached hereto as **“Exhibit N/A.”**

If no, local approval is expected on: N/A and a letter from the appropriate local government official indicating preliminary or conceptual site plan, or if no neither preliminary or conceptual approval is given prior to final site plan approval, a description of status of the local government review of the Project shall be attached hereto as **“Exhibit N/A”**

- (b) Rehabilitation: Was site plan approval required by local governmental authorities at the time this Project was originally placed in service?

Yes  No

4. Environmental:

Has an Environmental Assessment been completed and if so describe any required remedial action necessary: **Phase I Environmental has been engaged. Will submit results when able.**

5. Concurrency:

Project-specific letters from the local government or provider verifying availability of infrastructure and capacity (water, sewer, road, and school) for the proposed Project shall be attached hereto as **“Exhibit’s N/A.”**

**R. Other Information:**

- (a) Do you presently have an application for this project submitted elsewhere or has this project been denied financing elsewhere?

Yes  No

- (b) How many and what type of projects have you completed in the Palm Beach County? 11

- (c) Applicant/borrower GP:  
Firm: San Marco Affordable LLC  
Phone: 813-288-6988  
Natural principals: Michael Molinari  
Contact Person: Brianne Heffner

- (d) Developer:  
Firm: Southport Development Inc.  
Phone: 813-288-6988  
Natural principals: J. David Page  
Contact Person: Brianne Heffner

- (e) Proposed Architect:  
Firm: Architectonics Studio Inc.  
Phone: 727-323-5676  
Contact Person: Michael Arrigo

- (f) Proposed Managing Agent:  
Firm: Cambridge Management Inc.  
Phone: 253-564-2619  
Contact Person: Susan Baker

- (g) Proposed General Contractor:  
Firm: Vaughn Bay Construction, Inc.  
Phone: 813-867-3700  
Contact Person: Scott Stockstad

- (h) Proposed Developer's Attorney:  
Firm: Pepple Cantu Schmidt PLLC  
Phone: 727-724-3222  
Contact Person: David Cantu

- (i) Proposed Investment Banker (see Authority "Bond Underwriter Selection Policy") or private placement bond purchaser:  
Firm: RBC Capital Markets  
Phone: 727-895-8892  
Contact Person: Helen Hough Feinberg


- (j) Proposed Credit Underwriter:  
Firm: First Housing FL  
Phone: 813-289-9410  
Contact Person: Ed Busansky
  
- (k) Provide the following for the property/project seller or lessor:  
Entity: Trust Lake Park Ltd and Trust Lake Park  
Two Ltd  
Phone: 813-288-6988  
Contact Person: Brianne Heffner

[Remainder of page intentionally left blank]

**Certificate of Understanding**

I, Brianne Heffner, representing San Marco Affordable LLC, have read and understand the federal requirements and the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby adhere thereto. Furthermore, I hereby certify that the information contained in the Application is true and correct to the best of my knowledge.

Dated on this 9th day of March, 2020.

By:   
Printed Name: Brianne Heffner  
Title: Vice President

**Credit Enhancer/Bond Purchaser Certificate of Understanding**

I, Helen Hough Feinberg, representing RBC Capital Markets, have read and understand the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby agree to adhere thereto.

Dated on this 19 day of March, 2020.

By:

Printed Name: Helen Hough Feinberg

Title:

*Helen Hough Feinberg*  
*Managing Director*

**RESOLUTION NO. R-2020-13**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY (THE “AUTHORITY”) DECLARING THE AUTHORITY’S PRELIMINARY INTENT TO ISSUE ITS NOT TO EXCEED \$48,400,000 MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS (IN ANY EVENT REFERRED TO HEREIN AS THE “BONDS”) WHICH MAY BE ISSUED IN ONE OR MORE SERIES TO OBTAIN FUNDS TO BE LOANED TO SAN MARCO AFFORDABLE LLC, OR ANOTHER ENTITY CREATED BY SOUTHPORT DEVELOPMENT, INC., ITS SUCCESSORS OR ASSIGNS (THE “BORROWER”), FOR THE FINANCING OF THE ACQUISITION, REHABILITATION AND EQUIPPING OF A QUALIFYING HOUSING DEVELOPMENT IN THE TOWN OF LAKE PARK, PALM BEACH COUNTY, KNOWN AS SAN MARCO VILLAS; INDICATING THE AUTHORITY’S OFFICIAL INTENT TO USE A PORTION OF THE PROCEEDS OF SUCH BONDS TO REIMBURSE CERTAIN EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT; AUTHORIZING VALIDATION OF THE BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to the provisions of the Florida Constitution, Part IV of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of law (the “Act”) and the policies of the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), San Marco Affordable LLC, a Florida limited liability company (the “Borrower”), has submitted a request to the Authority requesting that the Authority issue, pursuant to the provisions of the Act, multifamily housing revenue bonds, notes or other evidences of indebtedness to finance the costs of the acquisition, rehabilitation and equipping of an approximately 400 unit multifamily rental housing facility known as San Marco Villas, located at 800 Venetian Isles Drive, Lake Park, Palm Beach County, Florida 33403 (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”) in Palm Beach County, Florida; and

**WHEREAS**, the Authority desires, as requested by the Borrower, to declare its preliminary intent to issue, in one or more series, its Multifamily Housing Revenue Bonds in the initial aggregate principal amount of not exceeding \$48,400,000 (or such other debt instrument as may be allowed by the Act and approved by Bond Counsel and the Authority’s counsel, herein, the “Bonds”) pursuant to the limitations and conditions set forth in this Resolution and in subsequent resolutions and other instruments of the Authority, which amount the Borrower has

represented will, together with other available funds of the Borrower, be sufficient to finance the acquisition and rehabilitation of the Project; and

**WHEREAS**, the Bonds will be secured by amounts payable under the terms of a loan or financing agreement between the Authority and the Borrower providing for payments in amounts or other collateral sufficient to pay and secure the principal of and interest on the Bonds as the same become due and payable, and/or such other security as shall be acceptable to the Authority; and

**WHEREAS**, it is intended by the Authority that the interest on the Bonds will be excludable from gross income for federal income tax purposes; and

**WHEREAS**, the action taken by this Resolution does not constitute final approval of the financing of the costs of the Project or of the issuance of the Bonds and is not an absolute commitment by the Authority to issue the Bonds; and

**WHEREAS**, the Authority's approval of the financing of the costs of the Project will be effected in accordance with applicable law and regulations and the financial terms, security for the repayment of the Bonds, restrictions on transferability, if applicable, and other matters will be determined and/or approved by subsequent proceedings of the Authority and by other appropriate regulatory bodies as may be required by applicable law and regulations, including but not limited to, approval by the Board of County Commissioners of Palm Beach County, Florida of certain matters relating thereto; and

**WHEREAS**, the Authority has been informed by the Borrower that it has and anticipates that it will incur certain capital expenditures relating to the Project prior to the issuance of the Bonds by the Authority; and

**WHEREAS**, such capital expenditures will be paid from the Borrower's own money or from the proceeds of a taxable financing; and

**WHEREAS**, the Code and applicable regulations (the "Regulations") require the Authority to declare its official intent to allow the Borrower to be reimbursed for certain capital expenditures incurred by the Borrower in connection with the Project prior to the issuance of the Bonds from a portion of the proceeds of the Bonds, when and if the Bonds are issued; and

**WHEREAS**, it is intended by the Authority that this Resolution constitutes such official intent with respect to the reimbursement, from proceeds of the Bonds, of those certain capital expenditures the Borrower has and will incur prior to the issuance of the Bonds as provided in Section 4 and 5 herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:**

**SECTION 1.** The recitals set forth above are adopted by the Authority as the findings of the Authority and are incorporated herein.

**SECTION 2.** The Authority is authorized and empowered by the Act and Article V, Division 3, Sections 2-181 et seq., Palm Beach County Code of Ordinances (the “Ordinance”) to adopt this Resolution and to enter into transactions such as those contemplated by the Borrower in connection with the financing of the costs of the Project through the issuance of the Bonds, and to fully perform the obligations of the Authority to be undertaken in connection with the financing of the costs of the Project through the issuance of the Bonds in order to assist in alleviating the shortage of housing and of capital to finance the construction and/or rehabilitation of affordable housing in Palm Beach County, Florida, and this Resolution is adopted and such actions are to be taken pursuant to the provisions of the Act and the Ordinance.

**SECTION 3.** The statements contained in this Resolution with respect to the reimbursement of the capital expenditures referred to in this Resolution are intended to be the Authority’s statements of official intent as required by, and in conformance with, the provisions of Section 1.150-2(e) of the Regulations. The expression of official intent set forth herein is made in reliance upon the representation of the Borrower that it reasonably expects to pay with its own funds or incur expenses in connection with the Project prior to the issuance of the Bonds and to be reimbursed for those expenses from the proceeds of the Bonds.

**SECTION 4.** All of the capital expenditures to be reimbursed in connection with the Project pursuant to this Resolution from proceeds of the Bonds that are issued as tax exempt obligations, will be for costs that (a) are properly chargeable to the capital account of the Borrower under general income tax principles, (b) constitute non-recurring working capital expenditures (of a type not customarily payable from current revenues), or (c) are costs of issuing the Bonds and will meet the requirements of the Code in that such capital expenditures have been or will be incurred after the date that is sixty (60) days before the date of adoption of this Resolution.

**SECTION 5.** The Authority reasonably expects to use a portion of the proceeds of the Bonds, when and if issued, to reimburse the Borrower for the capital expenditures contemplated under this Resolution made prior to not earlier than sixty (60) days prior to the adoption of this Resolution, and no funds from sources other than the “reimbursement bond issue” (as such term has the meaning assigned to it under the Regulations) portion of the bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Authority pursuant to the Authority’s policies to pay for such capital expenditures.

**SECTION 6.** The Authority will direct the Borrower, upon receipt of the proceeds of the Bonds (or within thirty (30) days thereafter), to allocate in writing the amount of proceeds of the Bonds (i.e., the reimbursement bond issue) used to reimburse the costs of the Project (herein, the “Prior Expenditures”). Such allocation will be accomplished within the later of (a) eighteen months from the earliest date such Prior Expenditures were incurred or (b) the date the rehabilitation of San Marco Villas s substantially completed (but in no event later than three (3) years after the first Prior Expenditure was made).

**SECTION 7.** The maximum principal amount of Bonds expected to be issued for the financing of the costs of the acquisition, rehabilitation and equipping of the Project through the issuance of the Bonds is \$48,400,000.



**SECTION 8.** The adoption of this Resolution does not in any way entitle or create any rights in or for Borrower other than as set forth herein and the terms of this Resolution shall not constitute final approval of the financing of the costs of the Project or authorization for the Authority to issue the Bonds; such approval and authorization shall be considered by the Authority by other appropriate regulatory bodies in subsequent proceedings as required by applicable law and regulations and shall be contingent upon, among other things:

(A) The execution by the Borrower of a loan or financing agreement with the Authority in a form and substance and on terms acceptable to the Authority, including adequate provision being made for the operation, repair and maintenance of San Marco Villas at the expense of the Borrower and for the payment of the principal of, premium, if any, and interest on the Bonds and reserves, if any, therefor;

(B) The Authority's final determination that the proposal of the Borrower otherwise complies with all of the provisions of the Act and the policies of the Authority; and

(C) Unless waived by the Authority, in compliance with the Authority's policies and guidelines, either (i) the provision by the Borrower of credit enhancement to secure the Bonds and a rating acceptable to the Authority from rating agencies acceptable to the Authority, obtained by the Borrower with respect to the Bonds, or (ii) the private placement of the Bonds with an institutional investor acceptable to the Authority.

**SECTION 9.** Attached hereto as Exhibit A is the form of Memorandum of Agreement to be entered into by and between the Authority and the Borrower (the "Agreement"). The Borrower's agreement to enter into and perform under the Agreement shall be a condition precedent for the General Counsel to the Authority, Bond Counsel and the Executive Director of the Authority to take any actions with respect to the preparation of any documents to be used in connection with the financing of the costs of the Project through the issuance of the Bonds. The Agreement, in the form attached hereto as Exhibit A, is hereby approved. The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the Agreement, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Agreement.

**SECTION 10. IT IS EXPRESSLY STATED AND AGREED THAT THE ADOPTION OF THIS RESOLUTION IS NOT A GUARANTY, EXPRESS OR IMPLIED, THAT THE AUTHORITY SHALL APPROVE THE CLOSING AND ISSUE THE BONDS FOR THE FINANCING OF THE COSTS OF THE PROJECT. THIS RESOLUTION IS QUALIFIED IN ITS ENTIRETY BY THE PROVISIONS OF THE ACT, OR ANY SUBSEQUENTLY ENACTED OR EFFECTIVE LEGISLATION CONCERNING A STATE VOLUME CEILING ON MULTIFAMILY HOUSING BONDS. THE BORROWER SHALL HOLD THE AUTHORITY AND ITS PAST, PRESENT AND FUTURE MEMBERS, OFFICERS, STAFF, ATTORNEYS, FINANCIAL ADVISORS, AND EMPLOYEES HARMLESS FROM ANY LIABILITY OR CLAIM BASED UPON THE FAILURE OF THE AUTHORITY TO CLOSE THE TRANSACTION AND ISSUE THE BONDS OR FROM ANY OTHER CAUSE OF ACTION ARISING FROM THE ADOPTION OF THIS RESOLUTION, THE PROCESSING OF THE FINANCING OF THE COSTS OF THE PROJECT THROUGH THE ISSUANCE OF THE BONDS**

**EXCEPT FOR THE GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT OF THE AUTHORITY.**

**SECTION 11.** To the extent deemed necessary by Bond Counsel to the Authority or by General Counsel to the Authority, General Counsel and/or Bond Counsel to the Authority are authorized to institute appropriate proceedings for the validation of the Bonds pursuant to Chapter 75, Florida Statutes.

**SECTION 12.** The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any opinion regarding same.

**SECTION 13.** All resolutions or parts thereof, of the Authority in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict.

**SECTION 14.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 14th day of August, 2020.

**HOUSING FINANCE AUTHORITY OF PALM  
BEACH COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chairperson / Vice Chairperson

ATTEST:

\_\_\_\_\_  
[Assistant] Secretary

**EXHIBIT A**  
**FORM OF MEMORANDUM OF AGREEMENT**

**Tab 4**

**VII. Other Matters - attachments**

- a. Matters of Executive Director - none