ORANGE COUNTY HOUSING FINANCE AUTHORITY

AGENDA PACKAGE

Board of Directors' Meeting

Wednesday, March 2, 2022 – 8:30 a.m.

ORANGE COUNTY ADMINISTRATION BUILDING
201 SOUTH ROSALIND AVE – ORLANDO, FL 32801
COMMISSIONERS CHAMBERS – 1ST FLOOR

MEMORANDUM

TO:	Mercedes McCall, Chair, OCHFA Vernice Atkins-Bradley, Vice Chair, OCHFA Sascha Rizzo, Board of Directors, OCHFA Curtis Hunter, Board of Directors, OCHFA Warren S. Bloom, General Counsel, Greenberg Traurig Mike Watkins, General Counsel, Greenberg Traurig David Jones, Financial Advisor, CSG Advisors Helen H. Feinberg, Senior Managing Underwriter, RBC Capital Markets Donald Peterson, Co-Managing Underwriter, Raymond James Tim Wranovix, Co-Managing Underwriter, Raymond James Kate Latorre, Senior Assistant County Attorney – Orange County Fred Winterkamp, Manager, Fiscal and Business Services – Orange County James Audette, Trustee – USBank
FROM:	W.D. Morris, Executive Director
DATE:	February 25, 2022
RE:	**MARCH 2, 2022 BOARD OF DIRECTORS' AGENDA**

Enclosed is the Directors' meeting agenda package; scheduled as follows:

Date:	**Wednesday, March 2, 2022**
Time:	**8:30 a.m.**
Location:	Orange County Administration Center Commissioner's Chambers 201 Rosalind Avenue - Orlando, Florida 32801

If you have any questions, need additional information, or you will not be attending the meeting, please contact me as soon as possible at (407) 894-0014.

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

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OCHFA BOARD OF DIRECTORS' MEETING
March 2, 2022 ~ 8:30 A.M.

AGENDA

PUBLIC COMMENT

CONSENT AGENDA

A. GENERAL ADMINISTRATION

1.	Adoption of February 2, 2022, Board of Directors Meeting minutes.	*Pg. 2-3*
2.	Ratification of February 17, 2022, Joint Committee Meeting minutes.	*Pg. 4-6*

B. EXECUTIVE DIRECTOR'S OFFICE

1.	Opportunity Zones Status – No Activity.	*Pg. 7*
2.	Acknowledgment and Ratification of the Authority's Annual Performance.	*Pg. 8-17*

C. FINANCIAL MANAGEMENT

1.	Acknowledgement of the consolidated balance sheet for the Operating Fund; acknowledgement of combined statement of rev(s)/ exp(s)/ changes in retained earnings; acknowledgement of FY 2022, operating fund comparison of budget vs. actual; acknowledgement of FY 2022, operating fund comparison of actual revenues & expenses; acknowledgement summary of OCHFA's operating fund investments.	*Pg. 18-28*

D. PROGRAM OPERATIONS

1.	Acknowledgement of the Current Status of the Single-Family HRB Program.	*Pg. 29-36*
2.	Acknowledgement of the Multi-Family Audit Period.	*Pg. 37*

DISCUSSION AGENDA

A. EXECUTIVE DIRECTOR

1.	Consider approval of Bond Resolution, for the proposed Mill Creek Apartments.	*Pg. 38-90*
2.	Consider approval and adoption of the Authority's FY 2021 Audited Financial Statements.	*Pg. 91-149*
3.	Consider approval of the Authority's proposed revisions of its Multi-Family Open Cycle Application.	*Pg. 150-166*
4.	Consider approval and adoption of the Authority's proposed Multi-Family Policy Statement.	*Pg. 167-168*
5.	Consider approval of the Authority's Financial Advisory Firm Agreement/Contract.	*Pg. 169-183*

B. OTHER BUSINESS

OFFICIAL MEETING MINUTES

Meeting: Board of Directors Meeting **Date:** Wednesday, February 2, 2022 **Time:** 8:30am
Location: Orange County Administration Center – Commissioners Chambers – 1st Fl., 201 S. Rosalind Ave., Orlando, FL.

Board Members PRESENT	Board Members NOT PRESENT	OCHFA Staff PRESENT		OCHFA Professionals PRESENT	BCC Staff PRESENT
Mercedes McCall Chair	Curtis Hunter Board Member	W.D. Morris Executive Director	Chaynae Price Staff	Mike Watkins Bond Counsel, Greenberg Traurig	Non-Present
Vernice Atkins-Bradley Vice Chair		Kayode Adetayo Chief Financial Officer	Olympia Roman Staff		
Sascha Rizzo Board Member		Frantz Dutes Staff			

MEETING OPENED: There being a quorum, Chair, Mercedes McCall, called the meeting to order at 8:30 a.m.

PUBLIC COMMENT(s): No comment(s).

CONSENT AGENDA:

ACTION TAKEN

There being no discussion, the Board approved Consent Agenda items.

MOTION / SECOND: *V. Atkins-Bradley/ S. Rizzo* **AYE BY VOICE VOTE:** *All Present* **NAY BY VOICE VOTE:** **ABSTAINED:**

A. GENERAL ADMINISTRATION

1. Adoption of the January 5, 2021, Regular Board of Directors Meeting minutes.

B. EXECUTIVE DIRECTOR'S OFFICE

1. Opportunity Zones Status.

C. FINANCIAL MANAGEMENT

1. Acknowledgement Summary of OCHFA's Operating Fund Investments. Acknowledgement of the consolidated balance sheet for the Operating Fund; acknowledgement of combined statement of rev(s)/ exp(s)/ changes in retained earnings; acknowledgement of FY 2022, operating fund comparison of budget vs. actual; acknowledgement of FY 2022, operating fund comparison of actual revenues & expenses; acknowledgement summary of OCHFA's operating fund investments.

D. PROGRAM OPERATIONS

1. Acknowledgement of the Current Status of the Single-Family HRB Program.
2. Acknowledgement of the Multi-Family Audit Period.

DISCUSSION AGENDA

A. EXECUTIVE DIRECTOR

NO ITEMS

OTHER BUSINESS

NATIONAL & STATE EDUCATIONAL TRAINING UPDATES

W.D. Morris, Executive Director, provided the Board with an update regarding the Authority's participation of educational and training conferences being held in Spring & Summer 2022 – National Association of Local Housing Finance Agencies and Florida Association of Local Housing Finance Authorities.

OCHFA JOINT COMMITTEE MEETING

Mr. Morris reminded the Board of its upcoming Joint Committee meeting – February 17, 2022. He provided a brief list of agenda items such as; Multi-Family Application Revisions; Proposed Policy Statement for Special Developments; and FY 2021 Audit. Brief discussion ensued.

ADJOURNMENT

There being no further business, Mercedes McCall – Chair, adjourned the meeting at 8:39 a.m.

ATTEST:

W.D. MORRIS **EXECUTIVE DIRECTOR**	**MERCEDES F. McCALL** **CHAIR**

END OF MINUTES PREPARED BY OLYMPIA ROMAN

ORANGE COUNTY HOUSING FINANCE AUTHORITY
BOARD OF DIRECTORS

M. McCALL | V. ATKINS-BRADLEY | S. RIZZO | C. HUNTER

OFFICIAL MEETING MINUTES

Meeting: Joint Committee Meeting **Date:** Thursday, February 17, 2022 **Time:** 3:00pm

Location: Orange County Administration Bldg – 201 S. Rosalind Ave, Orlando, FL 32803 – 1st Floor, Rm #105

Members PRESENT	Members NOT PRESENT	OCHFA Staff PRESENT	Professionals PRESENT
Mercedes McCall Committee Chair	Curtis Hunter Board Member	W.D. Morris Executive Director	Esther Nichols Auditor – The Nichols Group
Vernice Atkins-Bradley Committee Member		Kayode Adetayo Chief Financial Officer	Warren Bloom General Counsel – GTLaw
Sascha Rizzo Board Member		Frantz Dutes Director Program Operations	Mike Watkins General Counsel – GTLaw
		Olympia Roman Staff/ Recording	

MEETING OPENED

There being a quorum, Committee Chair, Mercedes McCall called the meeting to order at 3:10 p.m.

I. AUDITED FINANCIAL STATEMENTS

Committee Chair Mercedes McCall, asked the Auditor to provide an overview of the Annual Audit and Financial statements. Ms. Nichols, The Nichols Group (Auditor) began her presentation by reviewing the required Professional Standards and Government Auditing Standards; as well as stating that the Authority received a clean Management Letter. She addressed the Committee and stated that there are certain communications that The Nichols Group are required to communicate; including the Auditor's responsibility to plan and perform the audit to obtain reasonable, but not absolute assurance, that the financial statements are free of material misstatements. She then discussed the new accounting standards requirements, relating to GASB Statement(s) #87 and #91. She continued reviewing the draft audit, stating that there were no findings relating to the Financial Audit or Florida Statutes; and that the Authority has a Clean Opinion and Report of its Audited Financial Statement FY 2021. Ms. Nichols then reviewed the Authority's FY 2021 Audit Highlights, summarizing the operating fund, Single-Family Mortgage Revenue Bond program and Multi-Family MRB Programs.

Ms. Nichols concluded by expressing her thanks to staff for their exemplary cooperation throughout the audit preparation. After brief discussions, Committee Member V. Atkins-Bradley framed the recommendation of the Committee, to include acceptance and recommended adoption of the Authority's FY 2021 draft Annual Audited Financial Statement, at its Board meeting of March 2, 2022.

ACTION TAKEN

There being no further discussion, the Committee recommends that the Authority's Fiscal Year 2021, Annual Audited Financial Statements, be presented to the Board for its acceptance and adoption at its Board meeting of March 2, 2022.

MOTION / SECOND: *V. Atkins-Bradley/ S. Rizzo* AYE BY VOICE VOTE: *All Present* NAY BY VOICE VOTE: ____ ABSTAINED: ____

II. MULTI-FAMILY TAX-EXEMPT BOND APPLICATIONS – REVISIONS & POLICY STATEMENT

W.D. Morris, Executive Director, addressed the Committee regarding its consideration of the Authority's 2023 Multi-Family Open Cycle Application proposed revisions. He stated that the Authority received a request from Orange County Housing and Community Development Division, requesting Priority Consideration for Developments that have received financial support from the Orange County Housing Trust Fund (OCHTF), for the development of new construction for workforce housing. He stated that staff and professionals prepared the proposed Revisions, to the Authority's Open Cycle Application, and that the Revisions would provide flexibility and priority for development(s) having received financing from the OCHTF via a set-aside of Tax-Exempt bonds on an annual basis. Mr. Morris highlighted proposed revisions. He also addressed the proposed Policy Statement for Special Development(s). He stated that this policy would cover Development(s) having Special Impacts and would be given Priority Consideration for Volume Cap Allocation. He then delineated four areas of criteria. After extensive discussion, the Committee asked staff to make changes to proposed application within Section I. Feasibility Criteria; and Section III. Maximum Allocation; and recommends Board approval at its meeting of March 2, 2022.

ACTION TAKEN

There being no further discussion, the Committee recommends Board approval of the Authority's Revised 2023 Multi-Family Open Cycle Application with Board changes, be presented to the Board for its acceptance and adoption at its Board meeting of March 2, 2022.

MOTION / SECOND: *S. Rizzo/ V. Atkins-Bradley* AYE BY VOICE VOTE: *All Present Members* RECUSED/ ABSTAINED: *N/A*

III. FINANCIAL ADVISORY AGREEMENT CONTRACT

Mr. Morris addressed the Committee regarding the Authority's current Financial Advisor's Temporary Renewal Contract, with CSG Advisors Inc. (David Jones and staff). After discussion, the Committee recommended that the Authority enter into a two (2) year contract with CSG Advisors.

ACTION TAKEN

There being no further discussion, the Committee recommends the Authority enter into a two (2) year contract with the firm, CSG Advisors, Inc. to provide the Authority Financial Advisory Services and be presented to the Board for its recommendation at its Board meeting of March 2, 2022.

MOTION / SECOND: *S. Rizzo/ Atkins-Bradley* AYE BY VOICE VOTE: *All Present Members* RECUSED/ ABSTAINED: *N/A*

IV. HANNIBAL SQUARE COMMUNITY LAND TRUST LOAN REQUEST

Mr. Morris addressed the Committee regarding consideration of a $600 Loan request from Hannibal Square Community Land Trust (HSCLT), for the proposed single-family development, The Townhomes at West Lakes. Mr. Morris asked Frantz Dutes, Director Program Operations to present the proposal to the Committee. Mr. Dutes provided the Committee with a detailed presentation of the request and proposed development; along with his proforma analysis of the project. He concluded by recommending approval subject to HSCLT, providing documentation regarding sharing the "first collateral position" on the loan. Prior to discussions, Committee Member Vernice Atkins-Bradley, recused herself.

After discussion, the Committee recommended that the Board approve the Loan request, subject to documentation regarding the Authority's "first collateral position" within the financing structure of the loan.

ACTION TAKEN

There being no further discussion, the Committee recommends that the Board approve the Loan request, subject to documentation regarding the Authority's "first collateral position" within the financing structure of the loan; and that the request be presented *to the Board for its approval at its Board meeting of March 2, 2022.*

MOTION / SECOND: *S. Rizzo/ M. McCall* AYE BY VOICE VOTE: *M.McCall/ S. Rizzo* RECUSED/ ABSTAINED: *VAB*

V. SIGNIFICANT ACCOMPLISHMENTS 2021 – AGENCY ANNUAL PERFORMANCE

Committee Chair, McCall, opened the floor to the Committee, discussing the Authority's Significant Accomplishments over the past year, as it relates to Mr. Morris' performance. Mr. Morris provided a detailed review of the Authority's annual performance as it relates to the agency's Strategic Plan 2020-2021 (goals and objectives). The Committee acknowledged the Authority's accomplishments, providing comments relating to the Executive Director's performance; as well as the overall, outstanding performance of the organization over the past year. After discussion, the Committee recommended the Executive Director's Employment Contract be amended with appropriate adjustments; and that this item be placed on the Boards consent agenda for its March 2, 2022 meeting.

ACTION TAKEN

There being no further discussion, the Committee recommends Board approval of the Executive Director's Amended Employment Contract (25th) Agreement, amended with appropriate adjustments); authorize execution, and that this item be placed on the Boards consent agenda at its March 2, 2022 meeting (acknowledgement and approval).

MOTION / SECOND: *S. Rizzo/ V. Atkins-Bradley* AYE BY VOICE VOTE: *All Present Members* RECUSED/ ABSTAINED: *N/A*

ADJOURNMENT

There being no further business, Committee Chair Mercedes McCall, adjourned the meeting at 4:47p.m.

ATTEST:

W.D. MORRIS
EXECUTIVE DIRECTOR

MERCEDES F. McCALL
COMMITTEE CHAIR

END OF MINUTES PREPARED BY OLYMPIA ROMAN

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

D. MORRIS
EXECUTIVE DIRECTOR

CONSENT

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 21, 2022
RE:	**OPPORTUNITY ZONES STATUS** MARCH 02, 2022 REGULAR BOARD OF DIRECTORS' MEETING

CURRENT

- No Activity -

ACTION REQUESTED

-information only-

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 21, 2022
RE:	**ACKNOWLEDGEMENT OF THE AUTHORITY'S SIGNIFICANT ACCOMPLISHMENTS FOR FISCAL YEAR 2021.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

On Thursday, February 17, 2022, the Joint Committee met to review and discuss the Authority's Significant Accomplishments for Fiscal Year 2021. The Committee examined the Agency's performance over the last year in relation to the adopted Strategic Plan and other relevant performance indicators as related to the Authority's performance. The Committee acknowledged the accomplishments of the Authority and rated Mr. Morris' and the Authority's performance as notable, for the reporting period of March 2021 to February 2022; acknowledging the continuation of a difficult bond market, which impacts the Authority's ability to issue Single-Family bonds that provides financing to originate single-family loans and close multi-family transactions.

The Committee further acknowledged Mr. Morris and the Authority's performance; to include the MBS Financings Strategy that generate financing which supports the single-family program; the issuance of single-family bonds in this difficult bond market; and the financial soundness of the organization, along with the achievement of the strategic goals and objectives, particularly when, reflecting on today's environment, and its continual growth. The Committee recommends the Executive Director's Employment Contract be amended with appropriate adjustments; and that this item be placed on the Boards consent agenda for its March 2, 2022 meeting. Enclosed for your information is a copy memorandum of the Authority's Significant Accomplishment and current Strategic Plan.

ACTION REQUESTED

Board acknowledgement and ratification of the Joint Committees' recommendation to Extend the Executive Director's Employment Agreement/Contract; and authorization for the Chairman or Board Members to execute the Executive Directors Twenty-Fifth (25th) Contract Renewal Agreement.

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. MORRIS
EXECUTIVE DIRECTOR

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 8, 2022
RE:	**SIGNIFICANT ACCOMPLISHMENTS MARCH 2020-21.** FEBRUARY 17, 2022, JOINT COMMITTEE MEETING.

Throughout 2021, the Authority utilized revenues from Mortgage Backed Securities (MBS) and continued utilization of proceeds from the $20MM Bond Issue of 2020-A, to finance the Single-Family Home Purchase Program, originating approximately $7.5MM in mortgage loans for eligible home buyers. The Authority also provided $288K in Down Payment Assistance loans to families, in the purchase of their first home (36-loans). Since March 2021, the Authority induced and/or closed eight (8) developments of Multi-Family housing; consisting of 1,863-units for an estimated MF bond financing cost of $229,240,000:

Multi-Family Developments:

Closed		**Issuance**	**Units**
Stratford Point	$	35,000,000	384
Dunwoodie Place	$	18,940,000	172
Sandpiper Glen (f.k.a Orlando Senior New Construction	$	46,500,000	288
Closed Financing	***$***	***100,440,000***	***844***
Underwriting Phase		**Issuance**	**Units**
Mill Creek	$	33,000,000	312
Silver Lakes Village	$	12,000,000	104
Underwriting	***$***	***45,000,000***	***416***
Pending Projects		**Pipeline**	**Units**
Southwick Commons	$	26,300,000	195
Somerset Landings	$	13,400,000	84
Parkwood Place	$	44,100,000	324
Pending Financing	***$***	***83,800,000***	***603***
TOTAL	***$***	***189,540,000***	***1,863***

Of the eight developments, three (3) have closed, two (2) are in underwriting; and three (3) are in various phases of development. Two (2) of the three (3) projected to close by fourth quarter of 2022. One (1) is on the State's Pending List for remaining Volume Cap Allocation.

Throughout most of 2021, the tax-exempt bond market and single-family housing market continued to be unfavorable for new issuances of single-family Mortgage Revenue Bonds (MRB). This type of market does not produce competitive, tax-exempt mortgage rates; the market also produces negative arbitrage, which substantially increases the cost of financing and pricing of MRB programs; as well as the cost of the available housing inventory creates difficulties for low to moderate income homebuyers to qualify for mortgages. The MRB program, in conjunction with the MBS financing, has been utilized to operate the Authority's Advance Loan Program (ALP) to originate, pool and sell loans.

OCHFA is one of two Local Housing Finance Authorities that is positioned to issue Single-Family bonds in this market. When one considers the economic and financial environment of the tax-exempt market that we continue to operate in, OCHFA is very successful in issuing back-to-back single-family programs in 2017, 2018 and 2020. The Authority also continue to take advantage of opportunities to do things a little differently than other agencies in the state. We have been blessed with both the human and financial resources to take advantage of market conditions, a strong Board Directors, tremendous staff and a great team of professionals has helped to produce our success.

Financially, the Authority continues to have a strong financial statement. In previous years, executions were based on redeeming bond issues and purchasing and selling MBS that enhanced the agency revenue position; those opportunities have diminished considerably. The days of generating greater revenues from residuals and yields are basically exhausted; the principal receipts, prepayments and interest generated at rates from 4.40% to 6.78% –most of the proceeds have been invested into the Authority's Open Indentures. However, the long-term benefit of rolling MBS' into the single-family bond issues has enhanced the Authority's financial position and provides a certain level of security.

The Authority continues to benefit from the execution in 2020of the Optional Redemption. By exercising the Optional Redemption of 2011-A/ 2013-A and 2011-B/ 2009-C bonds at par, with coupons in the 3.09% range, the Authority is achieving a much higher return that can be generated with shorter term investments. Through this execution, the Authority saved up to $1.320MM in bond interest expenses.

As was stated above, these actions have increased the Authority's revenue streams, positioning the Agency to make investments in the single-family program or other mission related programs (reflected above), when opportunities arise, creating an environment for other investments opportunities from time-to-time; as well as, keeping the Authority from having to approach county, state or federal government for operating funds.

Additionally, the Authority posted its 2021 Open Cycle Application period which allows for applications to be received throughout the year, enabling the Authority to take advantage of every market opportunity possible; as well as, enabling developers to finance additional multi-family developments for low, moderate and middle income households and individuals throughout the year.

This is the third (3rd) year of the Authority's 2019-2022 Strategic Plan-period:

- The Authority established a goal of Financing **1,500 units** of Multi-Family housing, over the three year Strategic Plan period;
  - During the previous reporting periods, the Authority financed 1,149-units of multi-family housing. During this reporting period, the Authority closed on 844-units with 416-units in the underwriting phase; and an additional 279-units projected to close by the 4th quarter of 2022.

- The Authority adopted its Strategic Plan (SP) Objective of rolling out Single-Family Bond Issues, as often as the market conditions allows, with a **3-year goal** of providing Single-Family mortgages for **350** first-time homebuyers.
  - During the previous reporting periods, the Authority originated and closed 175 single-family mortgages; with an additional mortgages closed during 2021, a very difficult and challenging market, for working families to purchase homes.

I. ANNUAL FINANCIAL MANAGEMENT AUDIT

- Directed the preparation of the Annual Audit. The Authority's performance in Managing the Financial, Planning and Management continues to produce a strong Financial Statement with no findings and a net income of $830,705**.**

II. ORGANIZATIONAL PERFORMANCE

- Directed the preparation and posting of the 2021 Open Cycle Applications for Multi-Family Projects, eight (8) proposals received to date.

- Directed the development of the Annual Financing Plan **(use of 2021 Volume Cap and strategic use of the Authority's revenues)**.

III. PARTNERSHIP VENTURES

- $62.5MM: Entered into a strategic partnership with Escambia County Housing Finance Authority, to provide Volume Cap to finance the acquisition and rehabilitation of Kinneret Towers Apartments – a senior housing community of 280-units.
- $20MM: Continued, Limited Line of Credit for use of the Federal Home Loan Bank of Atlanta, to provide financing supporting the Single-Family Program.
- $2MM: Revolving Line of Credit for use by Habitat for Humanity has expired. Habitat completed the Arbor Bend Community, by building eighteen (18) single-family homes for low income families.

ACTIVITIES ACCOMPLISHED UNDER THIS CATEGORY ADDRESSED STRATEGIC PLAN GOALS #1 AND #3 AND ASSOCIATED OBJECTIVES.

IV. INTER-AGENCY POLICY INVOLVEMENT

- Continue providing information to key legislators requesting full funding fund for the Sadowski Trust Fund.
- Working with FLALHFA (Florida Association of Local Housing Finance Authorities) and FHFC in providing educational materials and briefing sessions with state legislature and federal legislative bodies.
- Collaboration with FLALHFA and others to increase Volume Cap for Tax-Exempt Bonds.

The Authority continues to operate in challenging times, in the single-family and multi-family markets, the Authority's performance reflects a good measure of success in overall operations, management and program performance.

- With respect to the Multi-Family program, during the year the Authority induced and/or closed 1,863-units, at an estimated bond financing cost of $229,240,000 for FY 2021.
- With respect to Single-Family program, the Authority originated 36-loans, an estimated $7.5MM in mortgages.

The internal and external focus continues to be on Board of Directors development and relationship building, organizational and financial management with an emphasis on comprehensive organizational planning and management with efficient utilization of staff and all the Authority's professionals.

This philosophy and focus assist management in achieving or exceeding its strategic goals and objectives of the Authority even in difficult market environments.

The List of Accomplishments stated within this document is reflective of the Authority's accomplishments in achieving its public purpose of providing mortgage financing at the lowest rates possible, through investing excess revenues, when the market allowed, into new single family issues and managing the timing of deals to enter the market at the best possible time, or remaining out of the market, if necessary for a time period, along with utilizing the Authority's Volume Cap for multi-family development to accomplish and/or exceed the strategic goals and objectives, while accomplishing the mission goals and objectives, and generating the following bottom lines with net incomes reflecting sound management.

YEAR	GROSS REVENUES	NET REVENUES
2021	$ 3,462,318	$ 830,705

STRATEGIC PLAN

2019-2022

Orange County Housing Finance Authority
Board Approved & Adopted – September 16, 2019

GOAL 1	***Provide affordable homeownership financing for at least 350 eligible low, moderate and middle income families in Central Florida over the three-year period.***

EXISTING OBJECTIVES

REVISED OBJECTIVE

1. Determine the best utilization of bond volume cap for each upcoming year and develop an annual allocation plan for single-family (SF) and multi-family (MF) Private Activity Bond Volume Cap by July 30th of each year.
   – Provide tax-exempt financing for at least 350 loans, based on continuation of MBS and MRB programs to provide financing and lending programs of $40 – $50MM over 3-years.

2. Determine/refine specific homeownership program objectives annually; and implement single family mortgage program and bond structures; and/or MBS programs best suited to meet these objectives:

   Ongoing objective.

   – Offer loans with the "lowest feasible rate" (and a point structure established to recover a portion of the Authority's cost of issuance) for homebuyers who have saved or otherwise have the cash required to pay down payment and closing costs.

   – Offer loans with a "cash assistance" payment to be used to offset the homebuyer's cash requirements at loan closing for homebuyers who can afford slightly higher monthly payments, but who have been unable to save the cash required for closing costs.

   – Partnership with FHFC to provide down-payment assistance to first-time homebuyers, when opportunity presents itself.

   – Offer "subsidized" loans (by blending Central Florida regions', counties SHIP funds) with the lowest possible rate and with cash assistance payment to be used by low income homebuyers to offset the cash required for closing (Central Florida region).

   – Provide the lowest cost funding for the above three loan types and, given 32-year rule limitations resulting from the source of bond volume cap, utilize a bond financing structure which produces the highest net present value of annual administration fees and cash residual to the Authority.

GOAL 1	***Provide affordable homeownership financing for at least ~~300~~ 350 eligible low, moderate and middle income families in Central Florida over the three-year period.***

3. Time the rollout of each single family mortgage revenue bond issue to coincide with lender/homebuyer demand for additional bond financing when market conditions allow.	Ongoing objective.
4. Size each SF bond issue to achieve 100% reservation within 6-7 months and 100% delivery of closed loans within 12-14 months.	Ongoing objective.
5. Rollout at least one (1) SF bond issues annually (when bond volume cap and/or MBS program and market conditions permits) establishing a pipeline of loans prior to each issuance (continuous lending).	Ongoing objective: Recommend continuation
6. Market each program (prior to and after the commencement date) through television and radio ads, along with broadly distributed printed brochures and through staff participation in a series of press releases, educational seminars, housing fairs and speaking engagements at mortgage and real estate industry events. – Develop and implement a social media marketing program for Single-Family production.	**REVISED OBJECTIVE**
7. Conduct lender and realtor training prior to each program rollout and as often as needed to bring new lenders and realtors into the program and coordinate lender utilization of mortgage and down-payment assistance programs.	Ongoing objective: Recommend continuation
8. Provide financial support to non-profit providers of homebuyer education and consumer credit counseling services.	Ongoing objective: Recommend continuation
9. Continue the MBS/TBA program as a financing and lending option.	Ongoing objective. Recommend continuation
10. Review SF bond issues and when feasible, execute MBS transactions as market conditions allow; and transfer MBS into appropriate new bond issues when feasible.	Recommend continuation Executed MBS transactions as market conditions allowed:

GOAL 2

Provide financing for expansion and preservation of at least 1,500 "mixed income" rental housing units which are affordable to low moderate and middle income families in the Central Florida region over the three-year period.

EXISTING OBJECTIVES	
1. Provide financing to expand or preserve 1,500 units of Affordable Rental Housing by September 30, 2022. – Projections is based upon $100MM, over a three (3) year period.	**REVISED OBJECTIVE**
2. Complete the Monitoring/Evaluation of 100% of OCHFA's existing MF portfolio by the end of December each year.	Ongoing objective: Recommend continuation
3. Promote Refunding of Financially Feasible Rental Properties that maximizes long term affordability for low and moderate-income families (ongoing objective).	Ongoing objective: Recommend continuation
4. Maximize Leveraging of New Volume Cap to serve the greatest number of low and moderate-income families or persons.	Ongoing objective: Recommend continuation
5. Educate Owners/Developers and Sponsors of the advantages of Tax Exempt Financing and Timely Refunding.	Ongoing objective: Recommend continuation
6. Provide incentives to Investors/ Developers to encourage preservation of affordable rental housing units.	Ongoing objective: Recommend continuation
7. Induce any feasible project which is or will be owned by a qualified 501(c)(3) corporation (having an IRS determination letter which specifically qualifies the Non-Profit for Residential Housing Bond Financing).	Ongoing objective: Recommend continuation
8. Explore financing options within the "Opportunity Zones authorization" with other various industry professionals and determine its viability for implementation.	**NEW OBJECTIVE**

GOAL 3	***Foster new and enhance existing Public/Private Partnerships in Central Florida to maximize leveraging and effectiveness of OCHFA's resources over the three-year period.***

OBJECTIVES	EXISTING
1. Continue and explore, where feasible, into financing partnerships that maximize leveraging OCHFA's resources.	Ongoing objective: Recommend continuation
2. Conduct meetings to encourage joint venture partnerships with qualified 501(c)(3) non-profits and for-profit developers.	Ongoing objective: Recommend continuation • Conduct meeting with 501(c)(3) non-profit developers to explore development opportunities with other specialized development entities.
3. Seek opportunities to target OCHFA's homeownership resources to at least one economically depressed community, in partnership with local governments.	Ongoing objective: Recommend continuation
4. Participate in Partnerships with Orange County Government, City of Orlando, Seminole County, Lake County and Osceola County and Florida Housing Finance Corporation to create and preserve affordable housing by September 30, 2022.	Ongoing objective: Recommend continuation
5. Explore new partnership opportunities by utilizing the transportation initiative or other initiatives, to assist in accomplishing the Authority's strategic goals and objectives, in the provision of financing affordable housing.	**NEW OBJECTIVE**

GOAL 4

Further integration and enhancement of OCHFA's Operational, Financial and Information Management System, enabling the Authority to achieve its mission through the most efficient utilization of resources.

OBJECTIVES	EXISTING
1. Evaluate Authority programs to determine performance and value to the Authority annually.	Ongoing objective: Recommend continuation
2. Develop and Publish an Annual Report for each fiscal year.	Ongoing objective: Recommend continuation
3. Ensure that mission related initiatives that represent a net cost to the Authority are continued only if the mission contribution is compelling and Authority has adequate resources to support the initiative.	Ongoing objective: Recommend continuation
4. Enhance and maintain a Data Base Management System that integrates all program information relating to SF and MF programs to effectuate greater efficiency.	Ongoing objective: Recommend continuation
5. Evaluate annually computer technology needs to ensure continued hardware/software compatibility, as well as, product support in a fast pace technological environment.	Ongoing objective: Recommend continuation
6. Evaluate annually resource needs of the Authority in the face of increased financings and ever changing market environment.	Ongoing objective: Recommend continuation
7. Development of an organizational Succession Plan for key position(s).	Ongoing objective: Recommend continuation
8. Conduct in-house training(s) to provide continuing education in an ever changing tax-exempt bonds market and housing finance industry. (single and multi-family financing).	

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	February 18, 2022
RE:	**OCHFA CONSOLIDATED BALANCE SHEET FOR THE OPERATING FUND FOR THE PERIOD ENDING JANUARY 31, 2022.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING.

Attached for your review is the OCHFA's Operating Fund Balance Sheet. The Operating Fund includes all funds namely: the General Fund, the Low Income Housing Fund and the Homeownership Assistance Program Fund.

The majority of the funds in the General Fund are invested in GNMA's. The GNMA's yield approximately 5.0700%. The remaining funds are invested in the US Bank Money Market. The Authority earned an average of 1.408% interest income on all investments.

Orange County Housing Finance Authority

Operating Fund Balance Sheet

As of January 31, 2022

		GENERAL FUND	LOW INCOME HOUSING FUND	HOMEOWNERSHIP ASSISTANCE FUND	COMBINED TOTALS
Assets					
	Cash	6,582,655.55	1,263,238.55	2,621,461.41	10,467,355.51
* * * * *	Investments	9,367,766.58	0.00	406,311.17	9,774,077.75
	GNMA/FNMA Securities	11,049,484.71	0.00	0.00	11,049,484.71
	Accounts Receivable	340,368.32	0.00	42,431.53	382,799.85
	Loan Receivable	629,267.67	0.00	0.00	629,267.67
	Notes Receivable	1,043,873.35	24,200.00	0.00	1,068,073.35
	S/F 2014 A GNMA Collateral / Rcvbl	4,060,955.67	0.00	0.00	4,060,955.67
	GF - FHLB GNMA Collateral / Rcvbl	972,357.03	0.00	0.00	972,357.03
	Mortgage Receivable	0.00	348,034.98	4,466,281.95	4,814,316.93
* * * *	Allowance for Doubtful Accounts	(57,832.37)	(313,526.89)	(1,324,413.79)	(1,695,773.05)
	Mortgage & GNMA/FNMA Income Receivable	3,169,337.15	0.00	0.00	3,169,337.15
	Deferred FRS Pension Contributions	249,278.00	0.00	0.00	249,278.00
	Interfund Receivable/Payable	16,464,345.64	4,775,793.63	(8,200,578.35)	13,039,560.92
	Prepaid Expenses	13,016.32	0.00	0.00	13,016.32
	Fixed Assets	262,778.55	0.00	0.00	262,778.55
	Total Assets	54,147,652.17	6,097,740.27	(1,988,506.08)	58,256,886.36
Current liabilities:					
	Other Payables	216,652.90	0.00	0.00	216,652.90
	FRS Net Pension Liability	955,951.00	0.00	0.00	955,951.00
	Accounts Payables	289,049.62	0.00	0.00	289,049.62
	Total liabilities	1,461,653.52	0.00	0.00	1,461,653.52
	Retained Earnings Previous Period	51,599,534.57	6,097,486.50	(1,983,161.08)	55,713,859.99
	Net Income (Loss)	1,086,464.08	253.77	(5,345.00)	1,081,372.85
	Total Liabilities & Retained Earnings	54,147,652.17	6,097,740.27	(1,988,506.08)	58,256,886.36

* * * * A reserve account is set up to allow for percentage of the Down Payment Assistance Notes Receivable to be recognized as doubtful accounts based on industry standards. (Approximately 3%). The actual notes receivable remain on the books while the doubtful account is set up as a contra asset account.

* * * * * This balance includes a $1,052,917.14 difference between the GNMA'S book value and market value recorded at 9/30/2021 (GASB 31).

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	February 18, 2022
RE:	**OCHFA COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE PERIOD ENDING JANUARY 31, 2022.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING.

Attached for your review are the OCHFA's Operating Fund Statement of Revenues, Expenses, and Changes in Retained Earnings. The Operating Fund includes all funds namely: the General Fund, the Low Income Housing Fund, and the Homeownership Assistance Program Fund.

Attachments

Orange County Housing Finance Authority

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings

For The 4 Periods Ending January 31, 2022

Operating Fund

	General Fund	Low Income Hsg Fund	Homeownership Assistance Fund	Current YTD
Revenue:				
Administrative Fees	363,699.73	0.00	0.00	363,699.73
Bond Financing Fees	905,500.00	0.00	0.00	905,500.00
Intra Fund Revenue	21,046.02	0.00	0.00	21,046.02
Gain on the Sale of GNMA's	2,075.40	0.00	0.00	2,075.40
Other Revenue	35,412.06	253.77	1,500.00	37,165.83
Investment Income	102.91	0.00	6.87	109.78
Income from Loans, GNMAs	327,188.51	0.00	-1,342.45	325,846.06
Total Revenues	1,655,024.63	253.77	164.42	1,655,442.82
Expenses				
General and Administrative	538,401.84	0.00	5,509.42	543,911.26
Rebate Expense	900.00	0.00	0.00	900.00
Other Expenses	29,258.71	0.00	0.00	29,258.71
Total Expenses	568,560.55	0.00	5,509.42	574,069.97
Net Income (Loss)	1,086,464.08	253.77	(5,345.00)	1,081,372.85
Retained Earnings Beginning of Year	51,599,534.57	6,097,486.50	-1,983,161.08	55,713,859.99
Retained Earnings End of Year	**52,685,998.65**	**6,097,740.27**	**(1,988,506.08)**	**56,795,232.84**

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	February 18, 2022
RE:	**OCHFA FISCAL YEAR 2022 OPERATING FUND – COMPARISON OF BUDGET VS. ACTUAL AS OF JANUARY 31, 2022.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

Attached for your attention is the comparison of the Budgeted Revenues and Expenses for Fiscal Year 2022 vs. the Actual Revenues and Expenses for the period ending January 31, 2022.

Attachments

Orange County Housing Finance

Statement of Earnings

For The 4 Periods Ending January 31, 2022

	Fiscal Year 2022 Budget	Year To Date Revenue Received	Budget Remaining YTD	%age Budget Remaining YTD
Revenue:				
2014 SERIES A	$7,751	$0	$7,751	100%
2017 SERIES A	$14,887	$0	$14,887	100%
2018 SERIES A	$18,016	$0	$18,016	100%
2020 SERIES A	$5,893	$0	$5,893	100%
2020 SERIES B	$285,644	$0	$285,644	100%
CHARLESTON CLUB APTS	$17,100	$0	$17,100	100%
HANDS 2001 F	$8,120	$4,715	$3,405	42%
THE LANDINGS ON MILLENIA	$22,220	$0	$22,220	100%
LEE VISTA APARTMENTS	$33,900	$16,650	$17,250	51%
COVE AT LADY LAKE	$22,455	$10,928	$11,528	51%
LAKESIDE POINTE APARTMENTS	$16,890	$8,295	$8,595	51%
LAKE HARRIS COVE APTS	$15,582	$0	$15,582	100%
MARBELLA COVE	$12,555	$6,278	$6,278	50%
MARBELLA POINTE	$22,950	$11,475	$11,475	50%
OVIEDO TOWN CENTER PHASE I	$15,390	$0	$15,390	100%
OVIEDO TOWN CENTER PHASE II	$10,000	$0	$10,000	100%
OVIEDO TOWN CENTER PHASE III	$10,000	$0	$10,000	100%
OVIEDO TOWN CENTER PHASE IV	$10,000	$0	$10,000	100%
LAUREL OAKS I	$22,710	$0	$22,710	100%
LAUREL OAKS II	$20,970	$0	$20,970	100%
ROLLING ACRES I	$10,038	$5,000	$5,038	50%
ROLLING ACRES II	$10,000	$5,000	$5,000	50%
FOUNTAINS @ MILLENIA II	$10,000	$5,000	$5,000	50%
FOUNTAINS @ MILLENIA III	$9,800	$5,000	$4,800	49%
FOUNTAINS @ MILLENIA IV	$11,125	$5,519	$5,606	50%
SOUTHWINDS	$15,375	$7,563	$7,813	51%
POST VISTA POST FOUNTAINS	$16,305	$0	$16,305	100%
SPRING LAKE COVE I	$9,975	$5,000	$4,975	50%
SPRING LAKE COVE II	$10,000	$5,000	$5,000	50%
CHATHAM HARBOR APTS	$68,040	$34,020	$34,020	50%
CRESTWOOD APARTMENTS	$18,270	$9,045	$9,225	50%
LAKE SHERWOOD APARTMENTS	$15,450	$7,650	$7,800	50%
OAK HARBOR APARTMENTS	$21,210	$10,605	$10,605	50%
RIVER RIDGE APARTMENTS	$27,720	$13,725	$13,995	50%
SEVILLE PLACE APARTMENTS	$18,930	$9,360	$9,570	51%
NASSAU BAY APARTMENTS	$106,108	$52,926	$53,182	50%
BUCHANAN BAY	$38,719	$19,241	$19,478	50%
WESTWOOD PARK APTS	$49,440	$24,708	$24,732	50%
VISTA PINES APTS	$65,949	$32,961	$32,988	50%
LAKE WESTON POINT APTS	$51,469	$25,609	$25,859	50%
CHAPEL TRACE APARTMENTS	$38,415	$19,149	$19,266	50%
HANDS	$4,420	$2,210	$2,210	50%
ALHAMBRA TRACE APTS	$2,140	$1,070	$1,070	50%
BOND FINANCING FEES	$187,500	$905,500	($718,000)	-383%
TRANSFER IN	$0	$21,046	($21,046)	
GAIN ON SALE OF GNMA'S	$50,000	$2,075	$47,925	96%
OTHER REVENUES	$125,700	$1,754	$123,946	99%
OTHER REVENUE TBA	$0	$35,412	($35,412)	
INV INCOME	$4,194	$110	$4,084	97%
FHLB HELD SECURITIES GNMA/FNMA INCOME	$0	$11,678	($11,678)	
MORTGAGE INCOME HFA OF WINTER PARK	$9,000	$966	$8,034	89%
INTEREST INCOME ON WESTLAKES PHASE I	$7,500	$2,286	$5,214	70%
MORTGAGE INCOME CITY VIEW LOAN PARTICIPATION	$4,000	$3,210	$790	20%
GNMA/FNMA INCOME	$839,494	$102,308	$737,186	88%
MASTER ACC FUND GNMA/FNMA INCOME	$0	$206,740	($206,740)	
2006 A DPA MORTGAGE INTEREST	$600	$43	$557	93%
2006 A 1 DPA MORTGAGE INTEREST	$2,100	$35	$2,065	98%
2007 A DPA MORTGAGE INTEREST	$10,300	$1,439	$8,861	86%
2007 B DPA MORTGAGE INTEREST	$10,300	($2,892)	$13,192	128%

	2009 A NIBP DPA MORTGAGE INTEREST	$500	$31	$469	94%
		$2,473,117	$1,655,443	$817,674	33%
		Fiscal Year 2022 Budget	Year To Date Expenses Incurred	Budget Remaining YTD	%age Budget Remaining YTD
Costs and expenses:					
	SALARIES AND WAGES	$946,932	$292,962	$653,970	69%
	SHIPPING	$2,500	$518	$1,982	79%
	TRAVEL/CONFERENCE/ TRAINING	$36,000	$0	$36,000	100%
	CASUAL LABOR/STUDENT ASST.	$3,000	$0	$3,000	100%
	OFFICE MAINTENANCE	$19,000	$6,791	$12,209	64%
	BUILDING MAINTENANCE	$16,000	$2,360	$13,640	85%
	TELEPHONE	$28,000	$4,753	$23,247	83%
	POSTAGE	$3,000	$81	$2,919	97%
	OFFICE SUPPLIES	$5,000	$1,812	$3,188	64%
	OFFICE FURNITURE	$1,000	$0	$1,000	100%
	PUBLICATIONS	$2,000	$646	$1,354	68%
	PRINTING/ANNUAL REPORT	$6,500	$0	$6,500	100%
	EQUIPMENT / COMPUTER / PRINTER	$9,000	$6,647	$2,353	26%
	MARKETING	$20,000	$15,350	$4,650	23%
	WEB SITE DESIGN & DEV/MAINT	$0	$819	($819)	
	CONTRACTOR SERVICES	$22,000	$5,090	$16,910	77%
	SEMINARS/EDUCATION	$15,000	$0	$15,000	100%
	EMPLOYEE BENEFITS HEALTH/LIFE	$142,000	$48,436	$93,564	66%
	UNEMPLOYMENT COMPENSATION	$2,000	$0	$2,000	100%
	OTHER INSURANCE & TAXES	$1,200	$0	$1,200	100%
	ANNUAL AUDIT	$53,000	$19,500	$33,500	63%
	LEGAL ADVERTISING	$4,000	$1,617	$2,383	60%
	LEGAL FEES	$10,000	$500	$9,500	95%
	MEMBERSHIP	$7,500	$5,240	$2,260	30%
	PAYROLL TAXES	$72,440	$16,861	$55,580	77%
	MISCELLANEOUS EXPENSE	$12,000	$4,878	$7,122	59%
	LOSS ON DPA FORECLOSURES	$30,000	$0	$30,000	100%
	FLORIDA RETIREMENT SYSTEM	$102,458	$33,230	$69,228	68%
	457 DEFERRED COMP EMPLOYER CONTRIBUTION EXP	$47,347	$15,356	$31,991	68%
	LIMITED HRA	$10,500	$9,300	$1,200	11%
	TERM LEAVE	$15,000	$0	$15,000	100%
	FILE STORAGE	$2,400	$656	$1,744	73%
	LOCAL MILEAGE REIMBURSEMENT	$2,000	$41	$1,959	98%
	EQUIPMENT MAINTENANCE	$5,000	$765	$4,235	85%
	INSURANCE COVERAGES	$70,000	$46,484	$23,516	34%
	RESERVE FOR REPLACEMENT BLDG	$5,000	$0	$5,000	100%
	FHLB LOAN INTEREST COLLATERAL EXP	$0	$120	($120)	
	FINANCIAL ADVISORY SERVICES	$12,000	$712	$11,288	94%
	PERFORMACE AWARD PROGRAM	$96,753	$0	$96,753	100%
	ADMINISTRATIVE EXP. TRUSTEE	$0	$2,385	($2,385)	
	CUSTODY FEE	$5,500	$0	$5,500	100%
	ADMIN EXPENSE BANK/TRUSTEE	$1,000	$0	$1,000	100%
	REBATE FEE EXPENSE	$6,000	$900	$5,100	85%
	OPERATING CONTINGENCY RESERVE	$20,000	$0	$20,000	100%
	1994 EXCESS GNMA INTEREST EXP	$0	$140	($140)	
	1995 EXCESS GNMA INTEREST EXP	$0	$76	($76)	
	LOSS ON SALE	$0	$29,042	($29,042)	
		$1,870,030	$574,070	$1,295,960	69%

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	February 18, 2022
RE:	**OCHFA FISCAL YEAR 2022, OPERATING FUND – COMPARISON OF ACTUAL REVENUES AND EXPENSES FOR THE PERIODS ENDING JANUARY 31, 2021 AND JANUARY 31, 2022.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

Attached for your review is the comparison of the Actual Revenues and Expenses for the periods ending January 31, 2021 and January 31, 2022.

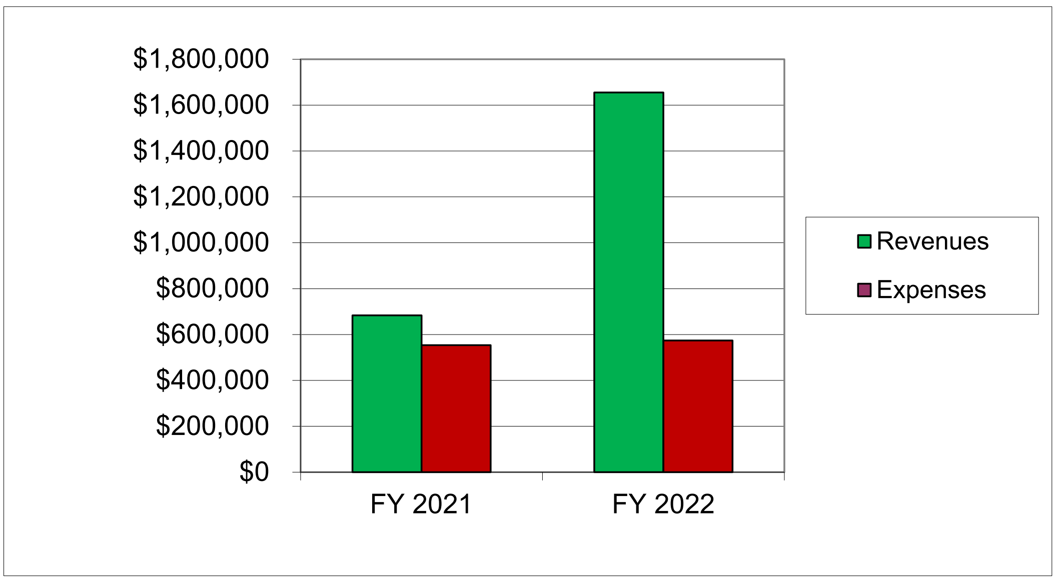
Attachments

Actual Revenues and Expenses Comparison
For the Period Ending January 31, 2022

	FY 2021	FY 2022	% ∆
Revenues	$683,795	$1,655,443	142%
Expenses	$553,684	$574,070	4%

Revenues increased this year compared with last year. This is due to the receipt of financing fees for two multifamily projects, which was not present in the prior year. The overall change in revenues is 142%.

Overall, general operating expenses increased this year compared to last year due to a slight increase in operating expenses related to technology upgrades. The overall change in expenses is 4%.



ORANGE COUNTY
HOUSING FINANCE AUTHORITY

CONSENT ITEM

MEMORANDUM

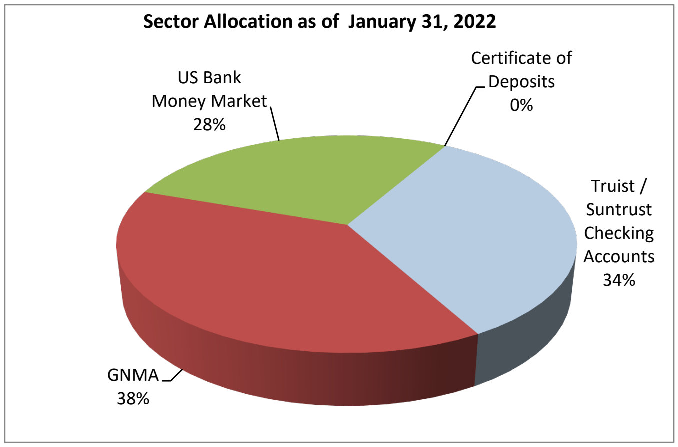
TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	February 18, 2022
RE:	**SUMMARY OF OCHFA'S OPERATING FUND INVESTMENTS.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

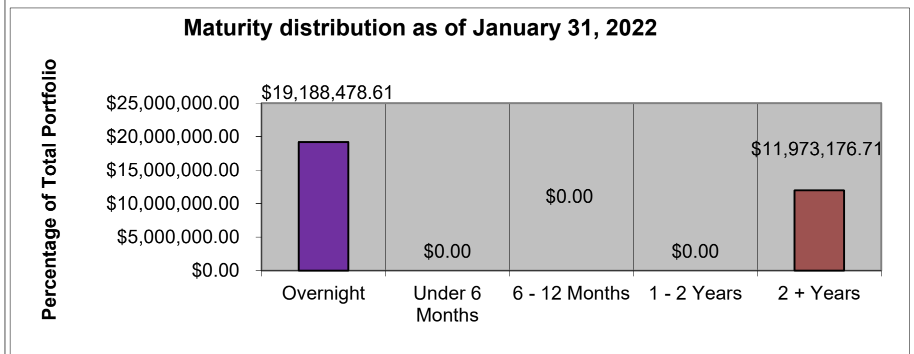
As of January 31, 2022 the total investments in the Operating Fund of the Orange County Housing Finance Authority was $31,161,655.32 producing an average yield of 1.408% as shown in the Summary of Accounts. If you have any questions on this matter do not hesitate to ask me.

Attachments

Orange County Housing Finance Authority
Summary of Accounts
as of January 31, 2022

Account	Account #	Institution	Ending Balance[1]	Net Interest Earned[1]	Average Yield (Annualized)[1]
Operating Fund	215252054184-000	Truist / Suntrust Bank	$6,582,618.04	$0.00	0.0000%
Low Income Housing Fund	215252054192-000	Truist / Suntrust Bank	$1,263,238.55	$62.19	1.0000%
Homeownership Assistance Fund	1000042656834	Truist / Suntrust Bank	$2,621,461.41	$0.00	0.0000%
Custody Account	129142000	US Bank Money Market	$7,787,771.86	$32.07	0.0000%
Custody Account	129142000	GNMA - OCHFA Investment	$11,049,484.71	$32,700.18	5.0700%
Custody Account	141763000	US Bank Money Market /NIBP	$406,311.17	$1.87	0.0000%
Custody Account	261060000	US Bank Money Market /Turnkey	$527,077.58	$2.22	0.0000%
FHLB Collateral	38786	FHLBank Atlanta	$923,692.00	$3,761.14	4.5800%
Total			$31,161,655.32	$36,559.67	1.408%





Liquidity **$19,188,478.61**

Note:
1. Ending Bal., Net Int. Earned, Avg. Yields shown above are recorded directly from month-end accts statements provided by respective institutions.

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. Morris
EXECUTIVE DIRECTOR

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Frantz Dutes, Director Program Operations
DATE:	February 22, 2022
RE:	**STATUS REPORT: 2020-A HOMEOWNER REVENUE BOND PROGRAM; TBA "TURNKEY" MORTGAGE LOAN PROGRAM** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING.

BACKGROUND

The **Authority's SERIES 2020-A Homeowner Revenue Bonds (HRB) Program** was authorized by the Board on September 2, 2020 for the aggregate principal amount not-to-exceed EIGHT MILLION DOLLARS (**$8MM**) of Homeowner Revenue Bond Program proceeds. The Board authorized Staff to begin a pipeline of loans for future issuance. The 2020A (HRB) Program offers a 30-year loan product. The Down Payment Assistance (DPA) is currently at $10,000, and is a 30-year deferred loan at 0% interest.

PRODUCTS	INTEREST RATES	ORIGINATION FEE
Zero Point	3.500%	1%

Commencing from the initial reservation date there is an aggregate total of Ten Million Nine Hundred Eighty Seven Thousand Two Hundred Nine Dollars (**$10,987,209**) financed by the Single Family Acquisition, and Single Family Custody Account. Under the Authority's Advance Loan Program, any loans originated in excess of the principal amount will be "rolled" into the next Single Family Bond Issue. This will mitigate the Authority's overall risk.

As of February 22,, 2022:

- Sixty Two (**62**) loans originated: **62**-FHA; **0**-VA; **0**-USDA-RD.
- The Authority's 2020A DPA program has financed or committed an aggregate total of: Four Hundred Eighty Thousand Dollars (**$480,000**).
- The 2020A loan origination activity reported has been adjusted by Two Million One Hundred Fifteen Thousand Nine Hundred One Dollars (**$2,115,901)**. As we transitioned from the 2018A to the 2020A bond issue, the reporting system used by our Program Administrator is unable to prorate the loans originated between the two bond issues, consequently some of the 2018A loan originations were reported in the loan origination activity for the 2020A bond issue.
- The loan origination activity reported reflects a total of Thirteen Million One Hundred Three Thousand One Hundred Ten Dollars **($13,103,110)**.

The Reservation Period start date was **September 24**, 2020, and Final Delivery end date is December 15**, 2022**.

BACKGROUND

The **Authority's TBA "Turnkey" Mortgage Loan program was authorized by the board on August 2, 2017.** This conventional loan program is a partnership with OCHFA, Freddie Mac, and Raymond James and Associates. Since the inception of the program an aggregate total of Twenty One Million One Hundred Thirty Three Thousand One Hundred Seventy Six Dollars **($21,133,176)** has been financed. The Down Payment Assistance is currently at $7,500, and is a 30 year deferred loan at 0% interest.

As of February 22, 2022:

- One Hundred Sixteen **(116)** loans originated
- Financed or committed an aggregate total of Eight Hundred Seventy Thousand Five Hundred Dollars **($870,000)** in Down Payment Assistance

ACTION REQUESTED: For information only.

Orange County HFA
Demographic Analysis Report
Orange 2020A SF Program

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
Centennial Bank	6	$1,436,188.00	9.68%
Christensen Financial, Inc.	5	$996,386.00	8.06%
Envoy Mortgage, Ltd	1	$265,109.00	1.61%
Equity Prime Mortgage, LLC	1	$266,081.00	1.61%
Fairway Independent Mortgage Corporation	13	$2,888,172.00	20.97%
FBC Mortgage, LLC	1	$176,739.00	1.61%
Guaranteed Rate, Inc.	1	$240,562.00	1.61%
Hamilton Group Funding, Inc.	2	$354,460.00	3.23%
Land Home Financial Services, Inc.	2	$363,796.00	3.23%
Synovus Bank	1	$201,515.00	1.61%
Waterstone Mortgage Corporation	29	$5,914,102.00	46.77%
TOTAL	**62**	**$13,103,110.00**	**100.00%**

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Altamonte Springs	2	$343,071.00	3.23%
Apopka	2	$471,305.00	3.23%
Casselberry	4	$773,724.00	6.45%
Clermont	1	$246,355.00	1.61%
Grand Island	1	$247,435.00	1.61%
Groveland	1	$147,184.00	1.61%
Kissimmee	7	$1,373,959.00	11.29%
Leesburg	2	$336,237.00	3.23%
Longwood	3	$762,925.00	4.84%
Orlando	24	$5,320,359.00	38.71%
Saint Cloud	3	$660,700.00	4.84%
Sanford	6	$1,060,707.00	9.68%
Tavares	1	$270,019.00	1.61%
Winter Garden	1	$266,081.00	1.61%
Winter Park	1	$240,562.00	1.61%
Winter Springs	3	$582,487.00	4.84%
TOTAL	**62**	**$13,103,110.00**	**100.00%**

COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Lake	6	$1,247,230.00	9.68%
Orange	28	$6,237,429.00	45.16%
Osceola	10	$2,034,659.00	16.13%
Seminole	18	$3,583,792.00	29.03%
TOTAL	**62**	**$13,103,110.00**	**100.00%**

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
$15,000-$29,999	1	1.61%
$30,000-$44,999	13	20.97%
$45,000-$59,999	27	43.55%
$60,000-$74,999	14	22.58%
$75,000-$89,999	6	9.68%
$90,000-$104,999	1	1.61%
TOTAL	**62**	**100.00%**

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	18	29.03%
2 - Two persons	19	30.65%
3 - Three persons	15	24.19%
4 - Four persons	6	9.68%
5 - Five persons	3	4.84%
6 - Six persons	1	1.61%
TOTAL	**62**	**100.00%**

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
$125,000-$150,000	4	6.45%
$150,000-$175,000	9	14.52%
$175,000-$200,000	16	25.81%
$200,000-$225,000	12	19.35%
$225,000-$250,000	9	14.52%
$250,000-$275,000	6	9.68%
$275,000-$300,000	6	9.68%
TOTAL	**62**	**100.00%**

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
$125,000-$150,000	4	6.45%
$150,000-$175,000	5	8.06%
$175,000-$200,000	19	30.65%
$200,000-$225,000	6	9.68%
$225,000-$250,000	12	19.35%
$250,000-$275,000	9	14.52%
$275,000-$300,000	5	8.06%
$300,000-$325,000	2	3.23%
TOTAL	**62**	**100.00%**

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FHA	62	100.00%
TOTAL	**62**	**100.00%**

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	55	88.71%
Townhouse	7	11.29%
TOTAL	**62**	**100.00%**

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	60	96.77%
New	2	3.23%
Unspecified	0	0.00%
TOTAL	**62**	**100.00%**

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	2	$333,841.00	3.23%
NON TARGET	60	$12,769,269.00	96.77%
TOTAL	**62**	**$13,103,110.00**	**100.00%**

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
3.2500%	25	$5,524,986.00	40.32%
3.3750%	18	$3,813,174.00	29.03%
3.5000%	1	$223,870.00	1.61%
3.6250%	6	$1,189,829.00	9.68%
3.8750%	11	$2,194,149.00	17.74%
4.0000%	1	$157,102.00	1.61%
TOTAL	**62**	**$13,103,110.00**	**100.00%**

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
3.2500% - 3.4900%	43	69.35%
3.5000% - 3.7400%	7	11.29%
3.7500% - 3.9900%	11	17.74%
4.0000% - 4.2400%	1	1.61%
TOTAL	**62**	**100.00%**

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	0	0.00%
Yes	62	100.00%
TOTAL	**62**	**100.00%**

ADDITIONAL MORTGAGE REPORT

ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN AMOUNT
Orange DPA 2018 \ Orange 2020A SF Program	62	$480,000.00	$7,741.94

GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	26	41.94%
FEMALE	35	56.45%
NONBINARY	0	0.00%
UNDISCLOSED	1	1.61%
TOTAL	**62**	**100.00%**

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
Undisclosed	1	1.61%
American Indian/ Alaskan Native & Black/ African An	1	1.61%
Black/ African American	12	19.35%
Other	7	11.29%
White	41	66.13%
TOTAL	**62**	**100.00%**

ETHNICITY REPORT

ETHNICITY	LOAN	AMOUNT	% OF TOTAL
HISPANIC	28	$5,942,572.00	45.90%
NON HISPANIC	30	$6,417,350.00	49.18%
OTHER	3	$596,004.00	4.92%
TOTAL	**61**	**$12,955,926.00**	**100.00%**

RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
Undisclosed	0	0	0	0	0.00%
American Indian/ Alaskan Native & Black/ African America	0	1	0	1	1.64%
Black/ African American	1	10	1	12	19.67%
Other	5	1	1	7	11.48%
White	22	18	1	41	67.21%
TOTAL	**28**	**30**	**3**	**61**	**100.00%**

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
UW Certification	2	$589,131.00	3.23%
Purchased/Servicer	1	$201,515.00	1.61%
Investor/Trustee	59	$12,312,464.00	95.16%
TOTAL	**62**	**$13,103,110.00**	**100.00%**

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	$211,340.48
AVERAGE PURCHASE PRICE:	$216,617.40
AVERAGE DPA AMOUNT:	$7,741.94
AVERAGE AGE OF PRIMARY BORROWER:	37
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1
AVERAGE HOUSEHOLD ANNUAL INCOME:	$55,586.33

Orange County HFA
Demographic Analysis Report
Orange Freddie Mac Program

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
Atlantic Bay Mortgage Group, LLC.	2	$335,620.00	1.72%
Bank of England	3	$597,475.00	2.59%
Broker Solutions Inc, DBA New American Funding	11	$2,098,607.00	9.48%
Centennial Bank	2	$357,100.00	1.72%
Christensen Financial, Inc.	6	$1,030,755.00	5.17%
Columbus Capital Lending LLC	1	$124,925.00	0.86%
Envoy Mortgage, Ltd	3	$491,810.00	2.59%
Equity Prime Mortgage, LLC	1	$150,350.00	0.86%
Fairway Independent Mortgage Corporation	13	$2,268,561.00	11.21%
FBC Mortgage, LLC	5	$1,042,905.00	4.31%
Guaranteed Rate, Inc.	1	$116,850.00	0.86%
Hamilton Group Funding, Inc.	1	$142,590.00	0.86%
Land Home Financial Services, Inc.	8	$1,538,224.00	6.90%
Movement Mortgage, LLC	1	$135,800.00	0.86%
Waterstone Mortgage Corporation	58	$10,701,604.00	50.00%
TOTAL	**116**	**$21,133,176.00**	**100.00%**

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Altamonte Springs	4	$534,850.00	3.45%
Apopka	9	$1,606,556.00	7.76%
Casselberry	3	$480,650.00	2.59%
Clermont	1	$106,400.00	0.86%
Eustis	2	$345,303.00	1.72%
Fern Park	1	$256,080.00	0.86%
Fruitland Park	3	$579,963.00	2.59%
Kissimmee	16	$3,049,090.00	13.79%
Leesburg	1	$189,150.00	0.86%
Longwood	1	$189,053.00	0.86%
Mascotte	1	$204,188.00	0.86%
Mount Dora	1	$169,750.00	0.86%
Ocoee	3	$657,810.00	2.59%
Orlando	48	$8,359,625.00	41.38%
Oviedo	2	$474,650.00	1.72%
Saint Cloud	7	$1,614,250.00	6.03%
Sanford	4	$719,720.00	3.45%
Sorrento	2	$469,828.00	1.72%
Tavares	3	$570,750.00	2.59%
Winter Park	2	$226,195.00	1.72%
Winter Springs	2	$329,315.00	1.72%
TOTAL	**116**	**$21,133,176.00**	**100.00%**

COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Lake	14	$2,635,332.00	12.07%
Orange	64	$11,295,036.00	55.17%
Osceola	21	$4,218,490.00	18.10%
Seminole	17	$2,984,318.00	14.66%
TOTAL	**116**	**$21,133,176.00**	**100.00%**

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
$15,000-$29,999	2	1.72%
$30,000-$44,999	37	31.90%
$45,000-$59,999	47	40.52%
$60,000-$74,999	23	19.83%
$75,000-$89,999	7	6.03%
TOTAL	**116**	**100.00%**

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	44	37.93%
2 - Two persons	33	28.45%
3 - Three persons	19	16.38%
4 - Four persons	14	12.07%
5 - Five persons	4	3.45%
6 - Six persons	2	1.72%
TOTAL	**116**	**100.00%**

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
$50,000-$75,000	1	0.86%
$75,000-$100,000	2	1.72%
$100,000-$125,000	11	9.48%
$125,000-$150,000	15	12.93%
$150,000-$175,000	24	20.69%
$175,000-$200,000	20	17.24%
$200,000-$225,000	23	19.83%
$225,000-$250,000	12	10.34%
$250,000-$275,000	7	6.03%
$275,000-$300,000	1	0.86%
TOTAL	**116**	**100.00%**

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
$50,000-$75,000	1	0.86%
$75,000-$100,000	2	1.72%
$100,000-$125,000	7	6.03%
$125,000-$150,000	11	9.48%
$150,000-$175,000	20	17.24%
$175,000-$200,000	22	18.97%
$200,000-$225,000	24	20.69%
$225,000-$250,000	21	18.10%
$250,000-$275,000	5	4.31%
$275,000-$300,000	2	1.72%
$300,000-$325,000	1	0.86%
TOTAL	**116**	**100.00%**

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FreddieMac 80% AMI	31	26.72%
FreddieMac HFA Advantage	70	60.34%
FreddieMac OVER 80% AMI	15	12.93%
TOTAL	**116**	**100.00%**

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	86	74.14%
Condominium	22	18.97%
Duplex w/approval	4	3.45%
Rowhouse	1	0.86%
Townhouse	3	2.59%
TOTAL	**116**	**100.00%**

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	113	97.41%
New	3	2.59%
Unspecified	0	0.00%
TOTAL	**116**	**100.00%**

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	4	$609,580.00	3.45%
NON TARGET	112	$20,523,596.00	96.55%
TOTAL	**116**	**$21,133,176.00**	**100.00%**

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
2.8750%	4	$569.795.00	3.45%
3.0000%	1	$191.000.00	0.86%
3.1250%	4	$726.006.00	3.45%
3.2500%	10	$1.873.515.00	8.62%
3.3750%	9	$1.522.510.00	7.76%
3.5000%	4	$947.225.00	3.45%
3.6250%	1	$148.825.00	0.86%
3.7500%	2	$441.350.00	1.72%
3.8750%	4	$955.140.00	3.45%
4.0000%	2	$429.710.00	1.72%
4.2500%	1	$123.675.00	0.86%
4.3750%	1	$150.350.00	0.86%
4.5000%	4	$766.203.00	3.45%
4.6250%	10	$1.869.016.00	8.62%
4.7500%	5	$1.085.750.00	4.31%
4.8750%	6	$1.009.560.00	5.17%
5.0000%	1	$179.550.00	0.86%
5.1250%	2	$327.240.00	1.72%
5.2500%	18	$2.999.840.00	15.52%
5.3750%	20	$3.441.481.00	17.24%
5.5000%	4	$781.307.00	3.45%
5.6250%	3	$594.128.00	2.59%
TOTAL	**116**	**$21,133,176.00**	**100.00%**

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
2.7500% - 2.9900%	4	3.45%
3.0000% - 3.2400%	5	4.31%
3.2500% - 3.4900%	19	16.38%
3.5000% - 3.7400%	5	4.31%
3.7500% - 3.9900%	6	5.17%
4.0000% - 4.2400%	2	1.72%
4.2500% - 4.4900%	2	1.72%
4.5000% - 4.7400%	14	12.07%
4.7500% - 4.9900%	11	9.48%
5.0000% - 5.2400%	3	2.59%
5.2500% - 5.4900%	38	32.76%
5.5000% - 5.7400%	7	6.03%
TOTAL	**116**	**100.00%**

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	2	1.72%
Yes	114	98.28%
TOTAL	**116**	**100.00%**

ADDITIONAL MORTGAGE REPORT

ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN AMOUNT
Orange AIS \ Orange Freddie Mac Program	21	$33,500.00	$1,595.24
Orange DPA 2017 \ Orange Freddie Mac Program	28	$210,000.00	$7,500.00
Orange DPA 2018 \ Orange Freddie Mac Program	89	$667,500.00	$7,500.00

GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	65	56.52%
FEMALE	50	43.48%
NONBINARY	1	0.87%
UNDISCLOSED	0	0.00%
TOTAL	**115**	**100.00%**

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
American Indian/ Alaskan Native & Black/	1	0.86%
Asian Indian	1	0.86%
Black/ African American	23	19.83%
Black/African American & White	2	1.72%
Chinese	1	0.86%
Other	9	7.76%
Tenant Declined to Respond	4	3.45%
White	75	64.66%
TOTAL	**116**	**100.00%**

ETHNICITY REPORT

ETHNICITY	LOAN	AMOUNT	% OF TOTAL
HISPANIC	41	$7,460,567.00	35.34%
NON HISPANIC	70	$12,708,064.00	60.34%
OTHER	5	$964,545.00	4.31%
TOTAL	**116**	**$21,133,176.00**	**100.00%**

RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
American Indian/ Alaskan Native & Black/ African American	1	0	0	1	0.86%
Asian Indian	0	1	0	1	0.86%
Black/ African American	0	22	1	23	19.83%
Black/African American & White	1	1	0	2	1.72%
Chinese	0	1	0	1	0.86%
Other	6	2	1	9	7.76%
Tenant Declined to Respond	1	0	3	4	3.45%
White	32	43	0	75	64.66%
TOTAL	**41**	**70**	**5**	**116**	**100.00%**

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
eHP Compliance	1	$223,100.00	0.86%
Investor/Trustee	115	$20,910,076.00	99.14%
TOTAL	**116**	**$21,133,176.00**	**100.00%**

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	$182,182.55
AVERAGE PURCHASE PRICE:	$190,090.04
AVERAGE DPA AMOUNT:	$6,601.45
AVERAGE AGE OF PRIMARY	38
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1
AVERAGE HOUSEHOLD ANNUAL	$51,472.57

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Mildred Guzman, Program Operations Administrator
DATE:	February 23, 2022
RE:	**MULTI-FAMILY OCCUPANCY/ INSPECTION REPORT** MARCH 2, 2022 - REGULAR BOARD OF DIRECTORS' MEETING

OCCUPANCY REPORT

The Occupancy Rates for the month of February 2022, will be available for the board meeting of April 6, 2022.

ACTION REQUESTED

For information only.

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. MORRIS
EXECUTIVE DIRECTOR

DISCUSSION ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 16, 2022
RE:	**CONSIDER APPROVAL OF BOND RESOLUTION AND ASSOCIATED DOCUMENTS, TERMS AND FINANCING OF MULTI-FAMILY HOUSING REVENUE NOTE (TAX-EXEMPT BONDS) – SERIES B – MILL CREEK APARTMENTS, NOT-TO-EXCEED $33,000,000.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

On May 5, 2021, the Board approved a Bond Resolution for the proposed acquisition/ rehabilitation of the Mill Creek Apartments transaction, in an amount of $33,000,000, Multi-Family Housing Revenue Note (MHRN – Tax-Exempt); in addition, a MHRN – Taxable, in an amount, not to exceed $4,866,000 (taxable) – will be provided by Berkadia/ Freddie Mac. The applicant for Mill Creek Apartments is Mill Creek Apartments LLC. The proposed development is a 312-unit community, located at 5087 Commander Dr., Orlando (Orange County – Region 14). The community will offer one, two and three bedrooms units, with rents ranging from $822 to $1,136 per month. The Set-aside will be 100% at 60% or below Area Median Income (AMI).

CURRENT

The enclosed Bond Resolution is in an amount, not-to-exceed $33MM of a MHRN (tax-exempt); as well as, a MHRN (taxable) of $4.866MM, provided by Berkadia/ Freddie Mac, for a total of $37.866MM; to include both the tax-exempt and taxable note provided by Berkadia under Freddie Mac Multi-Family Direct Purchase of Tax-Exempt Loan Program. The funding loan is structured for a term of 17-years with amortization based of a 40-yr schedule. The $33MM MHRN (tax-exempt) will be originated by Berkadia on behalf of OCHFA (Government Lender) for subsequent purchase by and delivery to Freddie Mac at conversion.

The proceeds of the funding loan will be used by OCHFA to fund a mortgage loan with matching economic terms for the applicant to finance the construction and permanent financing of the development. The loan will be a non-recourse obligation of OCHFA secured solely by receipts and revenues from the project loan and the collateral pledged. Under the MHRN (tax-exempt) structure, the funding loan replaces the purchase by Freddie Mac of the tax-exempt bonds.

The interest rate will be fixed based on the greater of the 10-year Treasury rate of 1.34% and a spread of 1.60%, for an all-in rate of 3.31% tax-exempt. The taxable note, also provided by Berkadia in the amount of up to $4.866MM, will have an all-in interest rate of 3.61% based on a 10-year treasury rate, plus a spread of 1.90% and an index lock yield rate of 1.71%. The permanent loan of $65,243,257, will have a 17-yr term based on a 40-yr amortization schedule.

CONSTRUCTION AND PERMANENT SOURCES				
SOURCE	**LENDER**	**CONSTRUCTION**	**PERMANENT**	**PERM LOAN/UNIT**
Local HFA Note	OCHFA/ Berkadia/ Freddie Mac	$ 33,000,000	$ 33,000,000	$ 105,769
Regulated Morgtage	Berkadia/ Freddie Mac	$ 4,866,000	$ 4,866,000	$ 15,596
Affiliate / Principal	Spira Mill Creek, LP	$ 5,167,563	$ 5,167,563	$ 16,563
Operating Deficit Reserve	CREA	$ 1,644,490	$ 0	$ 0
HC Equity	CREA	$ 14,215,099	$ 20,453,479	$ 65,556
Deferred Developer Fee	Spira MC Development, LP	$ 6,350,105	$ 1,756,215	$ 5,629
	Total Development Cost is projected to be:	**$65,243,257.00**	**$65,243,257.00**	**$209,113.00**

In order to balance the sources and uses of funds during the construction period, the developer must defer $6,350,105 or 67.91% of total allowable developer fee of $9,350,659 during construction. The sources of financing, during construction and permanent periods, are listed in the above chart. The Debt Service Coverage (DSC) ratio for the first mortgage is 1.27, and a 1.11 for the taxable note. First Housing recommends that the Authority approve the issuance of $33MM of tax-exempt note and $4.866MM taxable note for financing of the development.

The remaining documents to be approved are available for review by Board Members at the office of the Authority. These documents have been reviewed by Staff, Financial Advisor, Bond Counsel and General Counsel; both its capacities as General and Disclosure Counsel's. The Staff, General Counsel, Financial Advisor and Bond Counsel will be available at the Boards' meeting of March 2, 2022, to discuss any issues regarding this documentation and to advise the Board that such documents have been prepared in accordance with the Authority's policies and procedures.

ACTION REQUESTED

Board approval of the Bond Resolution (#2022-01), Underwriting Report, Terms and financing in an amount, not-to-exceed $33,000,000, of a Multi-Family Housing Revenue Note (SERIES B), for the Acquisition and Rehabilitation of Multi-Family Development Mill Creek Apartments; and authorization for the Chair, Board Member and Executive Director to execute all associated documents subject to General Counsel's review.

RESOLUTION NO. 2022-01

A RESOLUTION OF THE ORANGE COUNTY HOUSING FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING $33,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS ORANGE COUNTY HOUSING FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE NOTE, 2022 SERIES B (MILL CREEK APARTMENTS) (THE "GOVERNMENTAL NOTE"); ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, AUTHORIZING THE NEGOTIATED SALE OF THE GOVERNMENTAL NOTE; APPROVING IN CONNECTION WITH THE GOVERNMENTAL NOTE THE FORMS OF AND AUTHORIZING THE EXECUTION OF A FUNDING LOAN AGREEMENT, A PROJECT LOAN AGREEMENT, A LAND USE RESTRICTION AGREEMENT, AN ARBITRAGE REBATE AGREEMENT, AN ENVIRONMENTAL INDEMNITY, A GUARANTY OF RECOURSE OBLIGATIONS, AND ALL EXHIBITS THERETO; AUTHORIZING THE APPOINTMENT OF A FISCAL AGENT; AUTHORIZING THE CHAIR OR VICE CHAIR AND ANY OTHER BOARD MEMBER TO TAKE ANY OTHER ACTIONS NECESSARY TO ISSUE THE GOVERNMENTAL NOTE AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida (the "State") has enacted the Florida Housing Finance Authority Law, Sections 159.601 *et seq*., Florida Statutes, as amended (the "Act"), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and creating capital for investment in housing in the area of operation of such housing finance authority; and

WHEREAS, pursuant to the Act, the Board of County Commissioners of Orange County, Florida (the "County"), enacted Ordinance No. 78-18 on October 31, 1978, and codified in the County's Code at Section 2-151 *et seq.* approved April 16, 1991, and effective April 26, 1991 (the "Ordinance"), creating the Orange County Housing Finance Authority to carry out and exercise all powers and public and governmental functions set forth in and contemplated by the Act; and

WHEREAS, pursuant to the Act and the Ordinance, the Orange County Housing Finance Authority (the "Authority") has determined to enter into a Project Loan Agreement (the "Project Loan Agreement") by and among the Authority, U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent"), and Mill Creek Apartments, LLC, a limited liability company duly organized and existing under the laws of the State of Florida (the "Borrower"), and at the Borrower's request, the Authority is agreeing to make a mortgage loan to the Borrower (the "Project Loan") to provide for the financing of the acquisition, rehabilitation and equipping of a multifamily rental housing development located at 5087 Commander Drive, Orlando, Orange County, Florida 32822, known as Mill Creek Apartments (the "Project"). The Project Loan is evidenced by a Multifamily Note (2022 Series B) (the "Project Note") delivered to the

Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan (as defined below); and

WHEREAS, the Authority intends to make the Project Loan to the Borrower with the proceeds received from a loan (the "Funding Loan") to be made to the Authority pursuant to the Funding Loan Agreement (the "Funding Loan Agreement"), by and among Berkadia Commercial Mortgage LLC, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the Authority and the Fiscal Agent. The Funding Loan will be evidenced by the Governmental Note to be delivered by the Authority to the Initial Funding Lender; and

WHEREAS, the Initial Funding Lender, pursuant to the terms and subject to the conditions of the Funding Loan Agreement and the Continuing Covenant Agreement (as each such term is defined in the Funding Loan Agreement), has agreed to originate and fund the Funding Loan to the Authority, which proceeds of the Funding Loan will be used by the Authority to fund the Project Loan to the Borrower in corresponding installments pursuant to the Project Loan Agreement; and

WHEREAS, the aggregate principal amount of the Project Loan shall not exceed $33,000,000; and

WHEREAS, the Authority deems it necessary to provide for the forms of a Project Loan Agreement; a Funding Loan Agreement, the Governmental Note, a Land Use Restriction Agreement, an Arbitrage Rebate Agreement, a Guaranty of Recourse Obligations, and an Environmental Indemnity; and, in each case, to authorize additional documents in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTY HOUSING FINANCE AUTHORITY, as follows:

1. There is hereby authorized and directed to be issued the Authority's Orange County Housing Finance Authority Multifamily Housing Revenue Note, 2022 Series B (Mill Creek Apartments) in an aggregate principal amount not to exceed $33,000,000 (the "Governmental Note"). The Governmental Note shall be issued under the Funding Loan Agreement referred to below, the form of which by reference is hereby incorporated into this resolution as if set forth in full herein. The Governmental Note shall mature in the amount and at the time, shall bear interest at the initial rate, be prepaid upon the terms and shall have all of the other characteristics, all as set forth in the form of the Funding Loan Agreement (as hereinafter defined) attached hereto as Exhibit A, all as shall be approved by the Chair or the Vice Chair, or other Board Member or their duly authorized alternate officers prior to sale of said Governmental Note, as provided in this resolution. The Governmental Note shall be executed, authenticated and delivered by the officers of the Authority authorized below in substantially the form set forth in Exhibit D. The aggregate principal amount of the Governmental Note shall not exceed $33,000,000.

2. The Funding Loan Agreement among the Authority, the Initial Funding Lender and the Fiscal Agent, in substantially the form attached hereto as Exhibit A, is hereby approved, and the Chair or Vice Chair, or other Board Member and the Secretary or Assistant Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to execute

and deliver the Funding Loan Agreement on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein including details of the Governmental Note determined as herein provided and as may be made prior to the delivery of the Governmental Note, and as may be otherwise made or approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval. No ad valorem taxes shall be required to be levied for the payment of the principal of, and interest on, the Governmental Note, but such principal and interest shall be payable only from amounts set forth in the Funding Loan Agreement and the Project Loan Agreement.

3. The Project Loan Agreement among the Borrower, the Authority and the Fiscal Agent in substantially the form attached hereto as Exhibit B, is hereby approved, and the Chair or the Vice Chair, or any other Board Member and the Secretary or Assistant Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to execute and deliver the Project Loan Agreement on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as may be made or approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

4. The Land Use Restriction Agreement, among the Borrower, the Authority and the Fiscal Agent in substantially the form attached hereto as Exhibit C (the "Land Use Restriction Agreement") is hereby approved, and the Chair or the Vice Chair, or other Board Member and the Executive Director/Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to execute and deliver the Land Use Restriction Agreement on behalf of and in the name of the Authority with such additional changes, insertions and omission therein as may be made or approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

5. The Governmental Note from the Authority to the Initial Funding Lender in substantially the form attached hereto as Exhibit D is hereby approved, and the Chair or the Vice Chair, or any other Board Member and the Secretary or Assistant Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to endorse the Project Note to the Fiscal Agent as security for the Funding Loan on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as may be made or approved by the said officers of the Authority accepting the same, such acceptance to be conclusive evidence of such approval.

6. The Arbitrage Rebate Agreement, among the Authority, the Borrower and the Fiscal Agent, in substantially the form attached hereto as Exhibit E (the "Arbitrage Rebate Agreement"), is hereby approved and the Chair or the Vice Chair, or any other Board Member and the Executive Director/Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to execute and deliver such Arbitrage Rebate Agreement on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as implement the provisions of the Trust Indenture, and as may be made or approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

7. The Environmental Indemnity, from the Borrower and other guarantors in favor of the Authority and the Fiscal Agent, in the form attached hereto as Exhibit F (the "Environmental Indemnity") is hereby approved, and the Chair or the Vice Chair, or any other Board Member and the Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to accept the Environmental Indemnity on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as may be made or approved by the said officers of the Authority.

8. The Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, from the Borrower and other guarantors in favor of the Authority and the Fiscal Agent, in the form attached hereto as Exhibit G (the "Guaranty of Recourse Obligations") is hereby approved, and the Chair or the Vice Chair, or any other Board Member and the Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to accept the Guaranty of Recourse Obligations on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as may be made or approved by the said officers of the Authority.

9. Following consultation with the Borrower, it being understood that virtually all transaction costs are being borne by the Borrower, it is hereby found and determined that due to the characteristics of the financing and the prevailing and anticipated market conditions, it is in the best interest of the Authority to negotiate the sale of the Governmental Note. The negotiated sale of the Governmental Note, upon substantially the terms and conditions set forth herein and in the Funding Loan Agreement and the Project Loan Agreement is hereby approved. Notwithstanding the private placement nature of the transaction, a Transaction Summary or similar document summarizing the terms and structure of the issuance shall be prepared for the Authority by its Disclosure Counsel.

10. With respect to the Governmental Note, U.S. Bank Trust Company, National Association, is hereby appointed as Fiscal Agent pursuant to the Funding Loan Agreement.

11. With respect to the Governmental Note, the Rebate Analyst shall be as determined in accordance with the Funding Loan Agreement, as shall be evidenced by the execution of the Funding Loan Agreement. The Chair, Vice Chair or other Board Member and the Secretary or Assistant Secretary are hereby authorized to execute any and all instruments necessary in connection therewith.

12. All prior resolutions and motions of the Authority inconsistent with the provisions of this resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

13. To the extent that the Chair, Vice Chair, or other Board Member, and/or the Secretary or Assistant Secretary of the Authority are unable for any reason to execute or deliver the documents referred to above, such documents may be executed, attested and/or delivered by their duly authorized alternate officers, with the same effect as if executed and/or delivered by the Chair, Vice Chair, or other Board Member, or Secretary or Assistant Secretary.

14. The Chair, the Vice Chair, and all other Board Members of the Authority and the Secretary, Assistant Secretary and staff of the Authority are hereby authorized and directed to execute any and all certifications or other instruments or documents required or contemplated by the Funding Loan Agreement, the Project Loan Agreement or any other document referred to above as a prerequisite or precondition to the issuance of the Governmental Note and any representation made therein shall be deemed to be made on behalf of the Authority. All actions taken to date by the members of the Authority and the staff of the Authority in furtherance of the issuance of the Governmental Note are hereby approved, confirmed and ratified.

15. It is hereby found and determined that all formal actions of the governing body of the Authority concerning and relating to the adoption of this resolution and the consummation of the transactions contemplated by this resolution were adopted in open meetings of the governing body of the Authority, and that all deliberations of the governing body of the Authority that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

16. This resolution shall become effective immediately upon its adoption.

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APPROVED AND ADOPTED this 2nd day of March 2022.

ORANGE COUNTY HOUSING FINANCE AUTHORITY

By:____
Chair/Vice Chair

[S E A L]

ATTEST:

By:__________________________________
W.D. Morris, Secretary

APPROVED AS TO LEGAL SUFFICIENCY:

By:__________________________________
Greenberg Traurig, P.A.
General Counsel

ORANGE COUNTY HOUSING FINANCE AUTHORITY ("OCHFA")

Credit Underwriting Report

Tax-Exempt and Taxable Multifamily Mortgage Revenue Note ("MMRN" or "Note")

Mill Creek Apartments

Section A: Report Summary

Section B: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

Final Report

February 17, 2022

Mill Creek Apartments

TABLE OF CONTENTS

Section A

Report Summary

Recommendation

First Housing Development Corporation of Florida ("First Housing" or "FHDC") recommends a Tax-Exempt MMRN in the amount of $33,000,000 and a Taxable MMRN in an amount up to $4,866,000 to finance the acquisition, rehabilitation, and permanent financing of Mill Creek Apartments ("Development").

DEVELOPMENT & SET-ASIDES

Development Name: Mill Creek Apartments

Address: 5087 Commander Drive

City: Orlando Zip Code: 32822 County: Orange County Size: Large

Development Category: Acquisition/Rehab Development Type: Garden Apts (1-3 Stories)

Construction Type: Wood Frame

Demographic Commitment:

Primary: Family for 100% of the Units

Orange County (Orlando-Kissimmee-Sanford MSA)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	60	684	60%			$859	$83	$ 776		$ 776	$ 776	$ 776	$ 558,720
1	1.0	36	727	60%			$859	$83	$ 776		$ 776	$ 776	$ 776	$ 335,232
2	2.0	96	985	60%			$1,030	$110	$ 920		$ 920	$ 920	$ 920	$ 1,059,840
2	2.0	60	999	60%			$1,030	$110	$ 920		$ 920	$ 920	$ 920	$ 662,400
3	2.0	60	1,220	60%			$1,191	$114	$ 1,077		$ 1,077	$ 1,077	$ 1,077	$ 775,440
		312	294,912											$ 3,391,632

The utility allowances are based on an Energy Consumption Model Estimate for electricity by OUC The Reliable One, effective March 1, 2021. Approval by First Housing Finance Corporation ("Florida Housing" or "FHFC"), is a condition of this report.

Buildings: Residential - 13 Non-Residential - 1

Parking: Parking Spaces - 637 Accessible Spaces - 27

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRN	40%	312	60%	15
Housing Credits (extisting)	100%	312	60%	34
Housing Credits (new)	100%	312	60%	30

Occupancy Rate at Stabilization:	Physical Occupancy	97.00%	Economic Occupancy	96.00%	
	Occupancy Comments	99.99% occupied per the 12/21/2021 rent roll			
DDA: No	QCT: Yes	Multi-Phase Boost: N/A		QAP Boost:	No
Site Acreage: 25.61		Density: 12.1827		Flood Zone Designation:	AE
Zoning: R-3B Multiple-Family Dwelling District				Flood Insurance Required?:	No

Rehab will be completed as a rolling rehab, where the property would be updated in phases while maintaining the current tenant base.

DEVELOPMENT TEAM		
Applicant/Borrower:	Mill Creek Apartments, LLC	% Ownership
Manager	Spira Mill Creek, LP	0.0100%
Member	CREA Mill Creek, LLC	99.9890%
Special Member	CREA SLP, LLC	0.0010%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Mill Creek Apartments, LLC	
CC Guarantor 2:	Spira Mill Creek, LP	
CC Guarantor 3:	Spira Mill Creek GP, Inc.	
CC Guarantor 4:	Spira Preservation Fund II, LP	
CC Guarantor 5:	Spira MC Development, LP	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Mill Creek Apartments, LLC	
OD Guarantor 2:	Spira Mill Creek, LP	
OD Guarantor 3:	Spira Mill Creek GP, Inc.	
OD Guarantor 4:	Spira Preservation Fund II, LP	
OD Guarantor 5:	Spira MC Development, LP	
Note Purchaser	Berkadia/Freddie Mac	
Developer:	Spira MC Development, LP	
Principal 1	Robert Lee	
Principal 2	Stephen Ho	

DEVELOPMENT TEAM (cont)	
General Contractor 1:	MFIB AZ, LLC dba MFRG-ICON Construction ("MFRG-ICON")
Management Company:	Royal American Management, Inc. ("RAM")
Syndicator:	CREA, LLC ("CREA")
Note Issuer:	OCHFA
Architect:	Mark Anderson, AIA
Market Study Provider:	Colliers International ("Colliers")
Appraiser:	Novogradac and Company LLP ("Novogradac")

PERMANENT FINANCING INFORMATION			
	1st Source	2nd Source	3rd Source
Lien Position	First	First	Second
Lender/Grantor	OCHFA/Berkadia/ Freddie Mac	Berkadia/Freddie Mac	Spira Mill Creek, LP
Amount	$33,000,000	$4,866,000	$5,167,563
Underwritten Interest Rate	3.31%	3.61%	5.00%
All In Interest Rate	3.31%	3.61%	5.00%
Loan Term	17	17	17
Amortization	40	40	-
Market Rate/Market Financing LTV	41%	47%	53%
Restricted Market Financing LTV	73%	84%	95%
Loan to Cost - Cumulative	51%	58%	66%
Debt Service Coverage	1.27	1.11	0.97
Operating Deficit & Debt Service Reserves	$1,644,490		
# of Months covered by the Reserves	6.3		

Deferred Developer Fee	$1,756,215
As-Is Land Value	$2,300,000
As-Is Value (Land & Building)	$44,400,000
Market Rent/Market Financing Stabilized Value	$81,300,000
Rent Restricted Market Financing Stabilized Value	$45,300,000
Projected Net Operating Income (NOI) - Year 1	$1,960,939
Projected Net Operating Income (NOI) - 15 Year	$2,380,395
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Private Placement
Housing Credit (HC) Syndication Price	$0.82
HC Annual Allocation - Equity Letter of Interest	$2,494,314

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Note	OCHFA/Berkadia/Freddie Mac	$33,000,000	$33,000,000	$105,769
Regulated Mortgage	Berkadia/Freddie Mac	$4,866,000	$4,866,000	$15,596
Affiliate / Principal	Spira Mill Creek, LP	$5,167,563	$5,167,563	$16,563
Operating Deficit Reserve	CREA	$1,644,490	$0	$0
HC Equity	CREA	$14,215,099	$20,453,479	$65,556
Deferred Developer Fee	Spira MC Development, LP	$6,350,105	$1,756,215	$5,629
TOTAL		$65,243,257	$65,243,257	$209,113

Strengths:

1. The Development Team, as well as the General Contractor, and Management Group have experience and financial resources to rehabilitate and operate the proposed Development.

2. The scope of renovations will enhance the property to continue to compete with new and/or existing affordable housing rental developments in the Primary Market Area.

3. Colliers concluded there is sufficient market support for the Development at 97.4% occupancy, with rental rates approved for Orange County.

Issues and Concerns:

None

Mitigating Factors:

None

Other Considerations:

None

Waiver Requests/Special Conditions:

None

Additional Information:

1. The Applicant has applied to Berkadia to provide permanent funding (“Funding Loan”) pursuant to the Freddie Mac Multifamily Direct Purchase of Tax-Exempt Loan Program.

The Funding Loan is requested pursuant to any Federal, State or Local requirements concerning the proposed tax-exempt private activity allocation and/or the Low Income Housing Tax Credit requirement. The Funding Loan will be originated by Berkadia on behalf of the OCHFA ("Government Lender") for subsequent purchase by and delivery to Freddie Mac at conversion. The proceeds of the Funding Loan will be used by OCHFA to fund a mortgage loan with matching economic terms ("Project Loan") to the Applicant to finance the construction and permanent financing of the Development. The Funding Loan will be a non-recourse obligation of OCHFA secured solely by receipts and revenues from the Project Loan and the collateral pledged (including a first mortgage lien with respect to the Development). Under the MMRN structure, the Funding Loan replaces the purchase by Freddie Mac of the Tax-Exempt Bond.

The Taxable Tail is not government issued and will be a separate Note. The two Notes will be cross-defaulted mortgages. Per the Freddie Mac Guide when combination financing is the use for one Property, of a Tax-Exempt Loan and either a cash Mortgage or a taxable governmental loan it may be utilized for new tax-exempt debt-allocations or for refundings. In a new TEL transaction or a refunding, combination financing may allow placement of total debt that exceeds the available tax-exempt debt allocation. The Seller must underwrite the TEL and cash mortgage or taxable governmental loan as a single financing, secured (in the case of a taxable governmental loan) by a single security instrument or (in the case of cash Mortgage) by separate security instruments that are cross-defaulted.

2. The Development was originally constructed in 2005. The original Land Use Restriction Agreement ("LURA") requires the Development to restrict all units at 60% of AMI or less for the Qualified Project Period. The Development is also currently under an Extended Low Income Housing Agreement ("ELIHA") that expires December 31, 2055.

<u>Recommendation</u>:

First Housing recommends a Tax-Exempt MMRN in the amount of $33,000,000 and a Taxable MMRN in an amount up to $4,866,000 to finance the acquisition, rehabilitation and permanent financing of the Development.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the MMRN Loan Conditions (Section B). **This recommendation is only valid for six months from the date of the report.** This recommendation is conditioned upon the following:

1) Final plans and specifications.
2) Receipt of ADA Form 128 from construction consultant.
3) Receipt of executed Management Agreement and Management Plan.
4) Receipt of an Amended and Restated Partnership Agreement.
5) Receipt of firm commitment from Berkadia for the MMRN with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
6) Receipt of Payment and Performance Bond.
7) Receipt and review of satisfactory AIA Document A102 GC Contract and revised Schedule of Values.
8) FHFC approval of Utility Allowance Energy Consumption Model.

The United States is currently under a national emergency due to the spread of the virus known as COVID-19. The extent of the virus' impact to the overall economy is unknown. More specifically, it is unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted. Recommendations made by First Housing in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

The reader is cautioned to refer to these sections for complete information.

Prepared by:	Reviewed by:
Eileen Jones-Yarish	Edward Busansky
Senior Credit Underwriter	Senior Vice President

OVERVIEW

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Local HFA Note	OCHFA/Berkadia/Freddie Mac	$33,000,000	$33,000,000	$33,000,000	3.31%	$1,489,272
Regulated Mortgage Lender	Berkadia/Freddie Mac	$0	$4,866,000	$4,866,000	3.61%	$230,074
Affiliate / Principal	Spira Mill Creek, LP	$9,202,855	$5,167,563	$5,167,563	5.00%	$258,378
Operating Deficit Reserve	CREA	$0	$1,644,490	$1,644,490	N/A	N/A
HC Equity	CREA	$21,892,708	$14,215,099	$14,215,099	N/A	N/A
Deferred Developer Fee	Spira MC Development, LP	$0	$6,437,439	$6,350,105	N/A	N/A
Total		$64,095,563	$65,330,591	$65,243,257		$1,977,724

Tax-Exempt Note:

First Housing has received a letter, dated December 17, 2021, which indicates that Berkadia will make a Funding Loan to the Freddie Mac Multifamily Direct Purchase of Tax-Exempt Loan Program. The loan will be in the maximum amount of $37,866,000 (includes tax-exempt and taxable Note) for a term of 17 years with amortization based on 40-year schedule. The tax-exempt portion of the loan was $33,000,000. The interest rate will be fixed based on the greater of the 10-year U.S. Treasury of 1.34% and a spread of 1.60%. First Housing received an Index Lock Confirmation Sheet that indicates an index-locked yield rate of 1.71%, which expires May 19, 2022. First Housing has based the interest rate on the locked index rate of 1.71% plus the 1.60% spread for an all in rate of 3.31%.

The annual OCHFA Administration Fee of 15 basis points of the amount of the outstanding Tax-Exempt Note and the annual Fiscal Agent Fee of $4,000 have been included in the Uses section of the report.

Taxable Note:

First Housing has received a letter from Berkadia, dated December 17, 2021, which indicates they will purchase a taxable Note in an amount up to $4,866,000. The interest rate is based on the 10-year treasury rate plus a spread of 1.90%. First Housing received an Index Lock Confirmation Sheet that indicates an index-locked yield rate of 1.71%, which expires May 19, 2022. First Housing has based the interest rate on the locked index rate of 1.71%, plus a spread of 1.90% for an all-in rate of 3.61%.

Affiliate Loan:

First Housing reviewed a draft Promissory Note between Mill Creek Apartments, LLC ("Borrower") and Spira Mill Creek, LP ("Lender") for Acquisition Financing for a loan amount up to $6,000,000. The Applicant currently anticipates only needing a loan amount of $5,167,563. Terms of the non-amortizing loan include an interest rate currently estimated at 5% paid from cash flow with an accrual method based on simple interest over a 17 year term. Payments on the Note will be made according to the anticipated Amended and Restated Operating Agreement between Mill Creek Apartments, LLC and its tax credit equity investor. The entire amount of outstanding principal and accrued and unpaid interest shall be due and payable upon maturity.

Deferred Operating Deficit Reserves ("ODR"):

In order to balance the Sources and Uses, First Housing is showing the ODR as deferred. Based on the Letter of Intent, dated December 28, 2021, from CREA the ODR will be funded with the Final (7^{th}) Installment.

Housing Credit Equity:

First Housing reviewed a Letter of Intent, dated December 28, 2021 indicating CREA Mill Creek, LLC will acquire 99.989% Investor Member in the Applicant. The Special Limited Partner ("SLP") with 0.001% interest will be CREA SLP, LLC. The Investor will make a total Capital Contribution equal to $0.82 for each $1.00 of Federal Tax Credits to which it will be entitled as a limited member. CREA anticipates a net capital contribution of $20,453,379 with the SLP contributing $100 and has committed to make available 70% or $14,215,099 of the total net equity during the construction period. An additional $6,238,280 will be available at completion and Form 8609's. The first installment, in the amount of $4,090,676, or 20.00% satisfies the FHFC requirement that at least 15% of the total equity must be contributed at or prior to closing.

Deferred Developer Fee:

In order to balance the sources and uses of funds during the construction period, the Developer must defer $6,350,105 or 67.91% of the total allowable Developer Fee of $9,350,659 during construction.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Local HFA Note	OCHFA/Berkadia/Freddie Mac	$33,000,000	$33,000,000	$33,000,000	17	40	3.31%	$1,489,272
Regulated Mortgage Lender	Berkadia/Freddie Mac	$0	$4,866,000	$4,866,000	17	40	3.61%	$230,074
Affiliate / Principal	Spira Mill Creek, LP	$9,202,855	$5,167,563	$5,167,563	17	0	5.00%	$258,378
Operating Deficit Reserve	CREA	$0	$1,644,490	$0	N/A	N/A	N/A	$0
HC Equity	CREA	$21,892,708	$20,453,479	$20,453,479	N/A	N/A	N/A	N/A
Deferred Developer Fee	Spira MC Development, LP	$0	$199,059	$1,756,215	N/A	N/A	N/A	N/A
Total		$64,095,563	$65,330,591	$65,243,257				$1,977,724

Tax-Exempt Note:

First Housing has received a term sheet, dated December 17, 2021, which indicates that Berkadia will make a Funding Loan to the Freddie Mac Multifamily Direct Purchase of Tax-Exempt Loan Program. The loan will be in the maximum amount of $37,866,000 (includes tax-exempt and taxable Note) for a term of 17 years with amortization based on 40-year schedule. The tax-exempt portion of the loan was $33,000,000. The interest rate will be fixed based on the greater of the 10-year U.S. Treasury of 1.34% and a spread of 1.60%. First Housing received an Index Lock Confirmation Sheet that indicates an index-locked yield rate of 1.71%, which expires May 19, 2022. First Housing has based the interest rate on the locked index rate of 1.71% plus the 1.60% spread for an all in rate of 3.31%.

Additional fees included in the Debt Service calculation consist of an annual Administration Fee of 15 bps and an annual Fiscal Agent Fee of $4,000.

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First Housing reviewed a draft Promissory Note between Mill Creek Apartments, LLC ("Borrower") and Spira Mill Creek, LP ("Lender") for Acquisition Financing for a loan amount up to $6,000,000. The Applicant currently anticipates only needing a loan amount of $5,167,563. Terms of the non-amortizing loan include an interest rate currently estimated at 5% paid from cash flow with an accrual method based on simple interest over a 17 year term. Payments on the Note will be made according to the anticipated Amended and Restated Operating Agreement between Mill Creek Apartments, LLC and its tax credit equity investor. The entire amount of outstanding principal and accrued and unpaid interest shall be due and payable upon maturity.

Housing Credit Equity:

First Housing reviewed a Letter of Intent, dated December 28, 2021, stating CREA Mill Creek, LLC will acquire 99.989% Investor Member in the Applicant. The Special Limited Partner with 0.001% interest will be CREA SLP, LLC. Based on a rate of $0.82 for each $1.00, CREA anticipates a net capital contribution of $20,453,379 paid in seven (7) installments, as follow:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	$4,090,676	20.00%	Will be funded upon the later to occur of the execution of the Partnership Agreement and the satisfaction of the following conditions, as determined by the SLP: a) as Investor Member's and Special Investor Member's admission to the Partnership; b) closing of all Project sources and funding of those sources as required pursuant to the Financial Forecasts. c) receipt of a fixed rate commitment for the Permanent Loan(s); and d) receipt of any necessary building permits or approval will-issue letter.
2nd Installment	$3,068,007	15.00%	Will be funded upon the later to occur of April 1, 2022 and satisfaction of the following conditions, as determined by the Limited Partner: a) 30.00% lien-free completion of construction of the Project as certified by the architect (up to $100,000 of liens may be bonded over).
3rd Installment	$5,011,078	24.50%	Will be funded upon the later to occur of July 1, 2022 and satisfaction of the following conditions, as determined by the SLP: a) 50.00% lien-free completion of construction of the Project as certified by the architect (up to $100,000 of liens may be bonded over).

4th Installment	$2,045,338	10.00%	Will be funded upon the later to occur of January 1, 2023 and satisfaction of the following conditions, as determined by the SLP: a) Lien-free (up to $100,000 of liens may be bonded over) Construction Completion of the Project sufficient for all residential rental units to be "placed in service" within the meaning of Section 42 of the Code: b) the issuance of all required permanent certificates of occupancy permitting immediate occupancy of all residential rental units; c) architect's substantial completion certification that the Project has been completed in accordance with the Plans and Specifications; d) receipt of the accountant's draft Cost Certification and the draft "50% Test"; e) receipt by the SLP of satisfactory evidence that all environmental requirements have been met (if applicable).
5th Installment	$3,550,668	17.36%	Will be funded upon the later to occur of July 1, 2023 and satisfaction of the following conditions, as determined by the SLP: a) the achievement of Stabilized Operations (as defined below); b) receipt and approval of the Investor Member's third-party review of all the first year's tenant files for compliance with the Code and State requirements in accordance with Section 8 (c) hereof; c) receipt of the accountant's final Cost Certification and the final 50% Test; and d) payment in full of the Construction Loan and closing and funding of the Permanent Loans (which will occur simultaneously with the payment of this Fourth

6th Installment	$1,043,122	5.10%	Will be funded upon the later of October 1, 2023 and satisfaction of the following conditions, as determined by the SLP: a) the IRS Form 8609 for all buildings; b) receipt of the approval and recorded Restrictive Covenant; and c) an executed copy of the Deferred Developer Fee Note.
7th Installment	$1,644,490	8.04%	Will be funded upon the later of October 1, 2027 and or 10 Business Days after the occurrence and satisfaction of the following precedent, as determined by the Limited Partner. A) satisfaction of the conditions to the payment of the Sixth Installment. b) Concurrently with the date a construction draw request is made to a lender, or when an Installment is requested during the construction period, the Managing Member will furnish to the SLP a copy of any documents submitted to a lender as part of a construction draw or as otherwise required herein.
Total	$20,453,379	100.00%	

Annual Credit Per Syndication Agreement	$2,494,314
Calculated HC Exchange Rate	$0.82
Limited Partner Ownership Percentage	99.989%
Proceeds Available During Construction	$14,215,099

Deferred Developer Fee:

In order to balance the sources and uses of funds during the permanent funding period, the Developer is required to defer $1,756,215 or approximately 18.78% of the total Developer Fee of $9,350,659.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Rehab of Existing Rental Units	$8,892,000	$8,449,474	$8,449,474	$27,082
Constr. Contr. Costs subject to GC Fee	$8,892,000	$8,449,474	$8,449,474	$27,082
General Conditions	$0	$506,968	$506,968	$1,625
Overhead	$0	$168,989	$168,989	$542
Profit	$0	$506,968	$506,968	$1,625
General Liability Insurance	$0	$97,169	$97,169	$311
Payment and Performance Bonds	$195,000	$114,068	$114,068	$366
Total Construction Contract/Costs	$9,087,000	$9,843,637	$9,843,637	$31,550
Hard Cost Contingency	$908,700	$984,364	$984,364	$3,155
Total Construction Costs:	**$9,995,700**	**$10,828,001**	**$10,828,001**	**$34,705**

Notes to Construction Costs:

1. The Applicant has provided an executed construction contract dated February 1, 2022, in the amount of $9,843,637.22. This is a Standard Form of Agreement between Mill Creek Apartments, LLC ("Owner") and MFIB AZ, LLC dba MFRG-ICON Construction ("Contractor") where the basis for payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price ("GMP"). Per the contract, substantial completion is to be achieved not later than April 17, 2023 ("Guaranteed Substantial Completion Date"). The construction contract specifies a minimum of 10% retainage.

2. First Housing utilized the Schedule of Values to breakout the construction costs.

3. The General Contractor ("GC") fee is within the maximum 14% of hard costs allowed. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process.

4. Hard Cost Contingency is estimated at 10%, which is within the allowable 15% of total hard costs for rehabilitation developments.

5. The GC has budgeted for the cost of a Payment and Performance Bond to secure the construction contract.

6. The GC Contract includes allowances for sawcut, remove and replace concrete for ADA plumbing reconfiguration of $77,600 and replace damaged standard unit cabinets as needed $44,850. Allowances total $122,450 or 1.70% of the construction contract, which is below the 2% threshold that Partner typically recommends for this type of project.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	$0	$42,250	$42,250	$135
Appraisal	$58,610	$13,500	$13,500	$43
Architect's and Planning Fees	$0	$78,500	$78,500	$252
Architect's Fee - Site/Building Design	$210,000	$18,500	$18,500	$59
Architect's Fee - Supervision	$0	$41,000	$41,000	$131
Building Permits	$0	$130,000	$130,000	$417
Environmental Report	$0	$3,250	$3,250	$10
FHFC Administrative Fees	$691,153	$224,513	$224,488	$720
FHFC Application Fee	$0	$3,000	$3,000	$10
FHFC Credit Underwriting Fee	$0	$13,455	$13,455	$43
FHFC Compliance Fee	$0	$201,760	$201,760	$647
Lender Inspection Fees / Const Admin	$0	$62,360	$62,360	$200
Legal Fees - Organizational Costs	$0	$70,308	$70,308	$225
Market Study	$0	$5,000	$5,000	$16
Plan and Cost Review Analysis	$0	$18,400	$8,400	$27
Survey	$0	$3,500	$3,500	$11
Tenant Relocation Costs	$253,560	$48,800	$48,800	$156
Title Insurance and Recording Fees	$0	$458,977	$458,977	$1,471
Soft Cost Contingency	$146,146	$140,095	$75,052	$241
Other: Tax Credit Investor DD Reimburse.	$0	$50,000	$50,000	$160
Other: Seller Legal Fees	$0	$24,000	$24,000	$77
Total General Development Costs:	**$1,359,469**	**$1,651,168**	**$1,576,100**	**$5,052**

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.

2. First Housing has utilized actual costs for: Credit Underwriting, Market Study, Capital Needs Assessment ("CNA"), and Document and Cost Review ("DCR").

3. The FHFC Administrative Fee is based on 9% of the expected annual Housing Credit allocation of $2,494,314. This amount is subject to change based on credit underwriting for FHFC.

4. The FHFC Compliance Fee of $201,760 is based on the compliance fee calculator spread sheet provided by FHFC.

5. Tenant Relocation Plan Costs are based on a plan and budget for an in-place rehabilitation of the Development.

6. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less soft cost contingency, as allowed for rehabilitation developments.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Interest	$1,290,960	$1,267,963	$1,250,988	$4,010
Permanent Loan Application Fee	$0	$37,866	$37,866	$121
Permanent Loan Origination Fee	$472,900	$378,660	$378,660	$1,214
Permanent Loan Closing Costs	$0	$91,250	$91,250	$292
Local HFA Note Application Fee	$0	$33,000	$33,000	$106
Local HFA Note Underwriting Fee	$0	$15,543	$15,543	$50
Local HFA Note Origination Fee	$0	$99,000	$99,000	$317
Local HFA Note Fiscal Agent Fee	$0	$0	$10,000	$32
Local HFA Note Cost of Issuance	$697,992	$475,000	$422,500	$1,354
Local HFA Legal - Issuer's Counsel	$0	$90,000	$90,000	$288
Local HFA Legal - Lender's Counsel	$125,000	$0	$65,000	$208
Legal Fees - Financing Costs	$0	$63,000	$63,000	$202
Placement Agent/Underwriter Fee	$0	$3,000	$40,500	$130
Initial TEFRA Fee	$0	$500	$500	$2
Other: Financial Advisor Fee	$0	$35,000	$35,000	$112
Other: CREA Asset Management Fee	$0	$31,200	$31,200	$100
Other: Other transaction costs	$667,620	$0	$0	$0
Total Financial Costs:	**$3,254,472**	**$2,620,982**	**$2,664,007**	**$8,538**
Dev. Costs before Acq., Dev. Fee & Reserves	**$14,609,641**	**$15,100,151**	**$15,068,108**	**$48,295**

Notes to the Financial Costs:

1. First Housing's Construction Loan Interest is based on an interest rate of the 3.56%, an 18 month construction loan term, and an average outstanding loan balance of 56%, for a total of $1,250,988.

2. Permanent Loan Application Fee is based on 10 basis points of the loan amount, as outlined in the Term Sheet from Berkadia, dated December 17, 2021.

3. Permanent Loan Origination Fee is based on 1% of the loan amount, as outlined in the Term Sheet from Berkadia, dated December 17, 2021.

4. Local HFA Note Application Fee is based on 0.1% of the loan amount.

5. First Housing received a Cost of Issuance ("COI") provided by RBC. According to the COI, Fiscal Agent Fees include an Acceptance Fee of $2,000, Fiscal Counsel Fee of $6,000, and a first Semi-Annual Fee of $2,000. Also included is the Issuer's Note Financing Fee of $412,500, which includes a 1.65% upfront issuer fee.

6. Legal Fees – Financing Costs include Note Counsel Fees of $63,000.

7. Based on the COI, the Placement Agent Fee and Expenses is estimated at $40,500.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Building Acquisition Cost	$39,180,000	$37,168,527	$36,880,000	$118,205
Developer Fee on Non-Land Acq. Costs	$0	$6,690,335	$6,638,400	$21,277
Total Non-Land Acquisition Costs:	**$39,180,000**	**$43,858,862**	**$43,518,400**	**$139,482**

Notes to Non-Land Acquisition Costs:

1. First Housing reviewed a purchase and Sale Agreement, dated March 26, 2021, between Prime/Commander Drive, LLC ("Seller") and Spira Equity Partners, Inc. ("Purchaser"). The purchase price is $39,180,000 with a closing date of May 17, 2021. First Housing also reviewed an Assignment and Assumption of Purchase and Sale Agreement, dated April 16, 2021, between Spira Equity Partners, Inc. ("Assignor") and FFAH Mill Creek FL, LLC ("Assignee"). A Purchase and Sale Agreement and Escrow Instructions, dated April 16, 2021, between FFAH Mill Creek FL, LLC ("Seller") and Mill Creek Apartments, LLC ("Buyer") was also reviewed. The purchase payment is $39,180,000 with a Close of Escrow date of no later than May 31, 2024.

2. The Development's leased fee restricted value as is, as of August 19, 2021, is $44,400,000. The Appraisal supports the purchase price.

3. Building Acquisition Cost in the amount of $36,880,000 is the difference of the purchase price ($39,180,000) minus the land value ($2,300,000).

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	$8,655,268	$2,715,615	$2,712,259	$8,693
Total Other Development Costs:	**$8,655,268**	**$2,715,615**	**$2,712,259**	**$8,693**

Notes to the Other Development Costs:

1. The recommended Developer Fee on Non-Acquisition Costs does not exceed the maximum 18% of Total Development Cost before Developer Fee, Land Acquisition Cost and Operating Deficit Reserves.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land Acquisition Cost	$0	$2,011,473	$2,300,000	$7,372
Total Acquisition Costs:	**$0**	**$2,011,473**	**$2,300,000**	**$7,372**

1. The Land Acquisition Cost is based on the lesser of the Orange County Property Appraiser's value and the Appraisal's land value. The land value according to the Property Appraiser's website is $6,115,200. According to the Appraisal, the market value of the land as of August 19, 2021, as is vacant is $2,300,000. First Housing has utilized the lesser value of $2,300,000 for the land acquisition costs.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserve (Syndicator)	$1,651,015	$1,644,490	$1,644,490	$5,271
Total Reserve Accounts:	**$1,651,015**	**$1,644,490**	**$1,644,490**	**$5,271**

Notes to Reserve Accounts:

1. According to an email, dated February 4, 2022, from Richard Shea of CREA, LLC, the syndicator will be requiring an Operating Deficit Reserve in the amount of $1,644,490. This amount is equal to the 7th installment. This requirement was not stated in the LOI dated December 28, 2021, however according to Mr. Shea it will be included in the Limited Partnership Agreement. At the end of the Compliance Period, any remaining balance of the Operating Reserve less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay OCHFA debt; if there is no OCHFA loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding OCHFA fees. If any balance is remaining in the Operating Reserve after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Accounts cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the Operating Reserve must be acceptable to OCHFA, its Servicer and its legal counsel.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	**$64,095,924**	**$65,330,591**	**$65,243,257**	**$209,113**

Notes to Total Development Costs:

1. Total Development Costs have increased a total of $1,147,333 from $64,095,924 to $65,243,257 or 1.8% since the Application. The main reason for the increase is an increase in rehabilitation costs.

Operating Pro Forma - Mill Creek Apartments

	FINANCIAL COSTS:				Year 1	Year 1 Per Unit
	OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income				$3,391,632	$10,871
	Other Income					
		Ancillary Income			$85,800	$275
	Gross Potential Income				$3,477,432	$11,146
	Less:					
		Physical Vac. Loss	Percentage:	3.00%	$104,323	$334
		Collection Loss	Percentage:	1.00%	$34,774	$111
	Total Effective Gross Income				$3,338,335	$10,700
EXPENSES:	Fixed:					
		Real Estate Taxes			$19,550	$63
		Insurance			$171,600	$550
	Variable:					
		Management Fee	Percentage:	4.0%	$133,533	$428
		General and Administrative			$109,200	$350
		Payroll Expenses			$366,000	$1,173
		Utilities			$218,400	$700
		Maintenance and Repairs/Pest Control			$265,200	$850
	Reserve for Replacements				$93,912	$301
	Total Expenses				$1,377,395	$4,415
	Net Operating Income				$1,960,939	$6,285
	Debt Service Payments					
	First Mortgage - Berkadia/OCHFA/Freddie Mac				$1,489,272	$4,773
	Second Mortgage - Berkadia/OCHFA/Freddie Mac				$230,074	$737
	Third Mortgage -Affiliate Loan				$258,378	$828
	First Mortgage Fees -OCHFA				$53,174	$170
	Total Debt Service Payments				$2,030,898	$6,509
	Cash Flow after Debt Service				-$69,958	-$224
	Debt Service Coverage Ratios					
	DSC - First Mortgage plus Fees				1.27x	
	DSC - Second Mortgage plus Fees				1.11x	
	DSC - Third Mortgage plus Fees				0.97x	
	Financial Ratios					
	Operating Expense Ratio				41.26%	
	Break-even Economic Occupancy Ratio (all debt)				98.17%	

*The Affiliate Loan will be repaid from available cash flow; therefore, the debt service coverage should not fall below 1.10. The Underwriter has included the debt service on the Affiliate Loan Note for illustrative purposes only.

Notes to the Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restrictions. However, this Development will be utilizing Housing Credits ("HC") in conjunction with the MMRN financing, which will impose rent restrictions. The Gross Potential Rental Revenue is based upon the FHFC

2021 restricted rents for Orange County less utility allowance as required by the HC program, which is supported by the Appraisal. Below is the rent roll for the Development:

Orange County (Orlando-Kissimmee-Sanford MSA)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	60	684	60%			$859	$83	$ 776		$ 776	$ 776	$ 776	$ 558,720
1	1.0	36	727	60%			$859	$83	$ 776		$ 776	$ 776	$ 776	$ 335,232
2	2.0	96	985	60%			$1,030	$110	$ 920		$ 920	$ 920	$ 920	$ 1,059,840
2	2.0	60	999	60%			$1,030	$110	$ 920		$ 920	$ 920	$ 920	$ 662,400
3	2.0	60	1,220	60%			$1,191	$114	$ 1,077		$ 1,077	$ 1,077	$ 1,077	$ 775,440
		312	294,912											$ 3,391,632

2. First Housing has included vacancy and collection loss at a total of 4.00%, which is more conservative than the Appraisal. The current occupancy reported at the property is 99.99% as of the December 21, 2021, rent roll.

3. The Ancillary Income category includes sources such as late fees, damage fees, cleaning fees and other misc. income. Total Ancillary Income of $275 per unit/per year is supported by the Appraisal.

4. Based upon operating data from comparable properties, third-party reports (Appraisal and Market Study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.

5. Since this property is out of their initial 15 year compliance period, the newly passed House Bill 7061 allows property owners to apply for a 100 percent Real Estate Tax exemption when a new Land Use Restriction Agreement ("LURA") has been recorded. The Development will be responsible for Non-Advalorem Taxes of $19,550.

6. The Applicant has submitted a draft Property Management Agreement between the Applicant and Royal American Management, Inc. The Management fee shall be payable at 4.0% or $7,500 of gross collections received during the preceding month, whichever is greater. First Housing has based the management fee on 4.0%. The Appraisal utilized a management fee of 3.75%.

7. The Owner will be responsible for water, sewer, trash common area utilities, with tenants responsible for in-unit electric. The Appraiser estimated this line item at $700 per unit per year.

8. Replacement Reserves of $301 per unit per year are required, which is consistent with post-rehabilitation reserve schedule included as part of the Document and Cost Review.

9. Refer to Exhibit 1, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

Section B

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Site Inspection:	First Housing completed a site inspection on January 27, 2022. The Development was generally in very good condition with no major issues in a well developed residential area. No major issues were noted just routine maintenance and upgrades needed. The grounds were well maintained. To the North is a water retention area. To the South are single family homes. To the East is single-family and multifamily residential and to the West is water retention, single-family and multifamily residential. The Development is location on Commander Drive, east of S. Semoran Boulevard. Many necessary locational amenities are located within 2.5 miles of the Development. The primary influences in the area include Orlando International Airport, Orlando Regional Medical Center, and close proximity to major highways. Other influences include Orlando Executive Airport, The Florida Mall and Advent Health East Orlando.
Appraisal:	First Housing reviewed an Appraisal Mill Creek Apartments, dated August 31, 2021 (Report Date), prepared by Novogradac. Based on the report, the estimated market value "As Is" if vacant and encumbered, free and clear of financing, as of August 19, 2021 is \$2,300,000. The Development's leased fee market value assuming current affordable encumbrances "As Is", as of August 19, 2021 is \$44,400,000. The Development's leased fee market value assuming achievable market rents "As Proposed", as of August 19, 2021 is \$81,300,000. The Development's leased fee market value assuming achievable LIHTC rents "As Proposed", as of August 19, 2021 is \$45,300,000. The Market Valuation was signed and certified by Brad Weinberg. His Certified General Real Estate Appraiser Florida State license number is RZ3249, which expires November 30, 2022.
Market Study:	Colliers prepared a Market Study for Mill Creek Apartments, dated December 23, 2021. The Development contains 312 units in 25 three-story buildings. The improvements were constructed in 2006 and were 99.7% leased as of the inspection date. The site area is 25.61 acres. The Developer intends to renovate the property with renovations that include upgrades to the dwelling units, building

exteriors and common areas. All renovations are scheduled to be completed with tenant's in place and minimal turnover is expected.

Common amenities will include swimming pool (lyft to be provided with rehab), clubhouse, community room/after school care room, business center, laundry facility, playground and new bike racks. Unit amenities include updated appliance packages (excluding microwaves), patio/balconies, additional storage on patio, ceiling fans and walk in closets.

The Development is located at 5087 Commander Drive. Primary access is located along the east side of Commander Drive and the other is located just to the south also along the east side of Commander Drive. The Development is located near State Road 436, Toll Road 528, Toll Road 408, Toll Road 417 and the Orlando International Airport. The Development has average frontage along a secondary street in the South Semoran/Conway area of Orlando. The layout of the site and improvements provide for average exposure and visibility.

The Development's site is located in the East Orlando apartment submarket. The Primary Market Area ("PMA") is defined as a 5-mile radius surrounding the Development. The PMA has a total population of 221,554 people, 87,376 total households and has an average household size of 2.53 people. As of October 2021, the unemployment rate was 4.3% for the nation, 4.0% in Florida, and 4.4% in the PMA.

Colliers estimates that there are 15,975 qualified rental households in the Development's PMA. After accounting for a stabilized market vacancy of 3%, the proposed Development reflects a fair share capture rate of about 1.89% of total qualified renter households. Including the Development's 312 units Colliers estimates a total competitive supply of 4,217 units. As such, when accounting for market vacancy of 3% and any market/oriented/non-revenue units, Colliers estimated a penetration rate of 25.6%.

The Development's PMA, or sub-market, for the purpose of determining a like-kind inventory of competitive units in the Occupancy Analysis, consists of 6 like-kind existing properties with a total of 1,433 units, located within five miles of the Development. These properties are 99.9% occupied. Within the PMA, the market supply has a weighted average occupancy of 96.9% and he restricted supply has a weighted average occupancy of 98.8%, while the overall weighted average occupancy for the PMA was 97.4%. Since the Development exists it already competes with the other properties in the market and is expected to have a minimal impact on the comparables.

The Development's Capture Rates ("CR") within a 5-mile radius for the 60% income band is 1.89%, which suggests the size of the Development is appropriate relative to the number of income-qualified renter households.

Based on First Housing's calculation, the Development's achievable average market rents will be 177% greater than the Development's gross 60% Area Median Income ("AMI") Low Income Housing Tax Credit ("LIHTC") Rents.

Environmental Report: Partner Engineering and Science, Inc. ("Partner") prepared a Phase I Environmental Site Assessment ("ESA"), dated September 20, 2021. The Phase I ESA was completed in conformance with the scope and limitations of ASTM Practice E 1527-13.

The ESA was performed for Mill Creek Apartments, which is a total area of approximately 25.61 acres. Based upon Partner's research, the Development revealed no evidence of Recognized Environmental Conditions, Controlled Recognized Environmental Conditions, or Historical Recognized Environmental Conditions in connection with the site.

The potential exists that asbestos-containing materials ("ACMs") are present on-site. Readily visible suspect ACMs were observed in good condition. No damaged or suspect friable material was observed. As such no sampling was conducted. As per Freddie Mac Guidelines, an ACM Operation and Maintenance Plan is therefore not required.

Radon sampling was conducted with limited sampling consisting of fifteen (15) canisters. Radon was not detected above the EPA Action level (4.0 pCi/L) for radon in residential buildings in any of the samples obtained for analysis.

Capital Needs Assessment:	Partner prepared a Capital Needs Assessment ("CNA"), dated December 2, 2021 for the Development. The Apartment buildings were constructed in 2005. The Development contains 312 units situated in 13 three-story garden-style residential buildings and one single-story community building. Immediate repairs totaling $291,720 were noted in the CNA. Immediate repairs include: $134,200 to build up patio deck for all covered units (budget includes 16 ADA units), and patio sliding door threshold (budget includes 16 ADA units). Deferred Maintenance Repairs to be completed within the next 12 months in the amount of $7,942,760 include items such as site work, doors/hardware, drywall/floor/ceiling paint, fire protection/plumbing/HVAC and electrical.

Document and Cost Review:

First Housing reviewed a Document and Cost Review ("DCR"), dated February 9, 2022 prepared by Partner. The property consists of thirteen (13) three-story apartment buildings, for a total of 312 units comprised of 96 one-bedroom/one bath units, 156 two-bedroom/two bath units, and 60 three-bedroom, two/bath units, plus one single story Community Building that contains a leasing/management office suite, community room with kitchen, common laundry, exercise room, computer room and restrooms. The renovation scope includes, but is not limited to:

- Replacement of existing kitchen appliances
- Light fixtures
- New HVAC equipment
- 16 units will be ADA accessible
- Exterior painting
- Repairs to exterior wall surfaces and gutters/downspouts.
- Repair/replace existing sidewalks curbs and parking as required for full ADA mobility compliance
- Provide portable pool lift at pool deck, compliant with Florida Building Code, Accessibility Section 1009.2
- Restriping parking/driving areas
- Upgrades to landscaping and irrigation
- Repairs to grading and drainage around building perimeters

Partner was provided with a Standard Form of Agreement Between

Owner and Contractor (AIA Document A102-2017), the agreement is undated, the basis of payment is the Cost of Work Plus a Fee with a Guaranteed Maximum Price ("GMP") was submitted for review for accuracy and completion. The Agreement is dated February 1, 2022. The Agreement appears to conform to general industry standards. The contract sum is guaranteed by the contractor not to exceed $9,843,637.22.

The GMP of $9,843,637.22 reflects a cost of $26.49 per square foot of gross building area and $31,550 per dwelling unit. Partner's estimated cost for this project is $9,993,562, or $26.90 per square foot of gross building area and $32,031 per dwelling unit, which is within an acceptable range when performing conceptual cost analysis reports. Allowances total $122,450 or 1.2% of the construction contract amount, which is below the threshold that Partner typically recommends for a project.

The project design is in general conformance with the 2020 Florida Building Code, the 2020 Florida Building Accessibility Code, NEPA101 Life Safety Code (2020) with Florida Amendments, NFPA 1 Uniform Fire Code (2020) with Florid Amendments, Titles I and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35 ("ADA") and Section 504 of the Rehabilitation Act of 1973 ("Section 504").

Partner received a letter, dated January 3, 2022 from the Architect of Record, Pacific Rim Architect. Mark Anderson of Pacific Rim Architects, has signed the Florida Housing Finance Corporation "Architect's Fair Housing, Section 504, and ADA Design Certification" letter that states there will be 16 mobility units (5% of the total units in the Development, rounded up) plus an additional 8 audio/visual units (2% of the total units in the Development, rounded up), for a total of 24 Section 504 Units.

First Housing has been provided a certification from the GC which confirms that not more than 20% of the project shall be subcontracted to any one entity and that no construction cost will be subcontracted to any entity that has common ownership or is an affiliate of the GC or the Developer.

ADA Accessibility Review:	Executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Form 128, certifying that the plans for the Development comply with these requirements is a condition of closing.

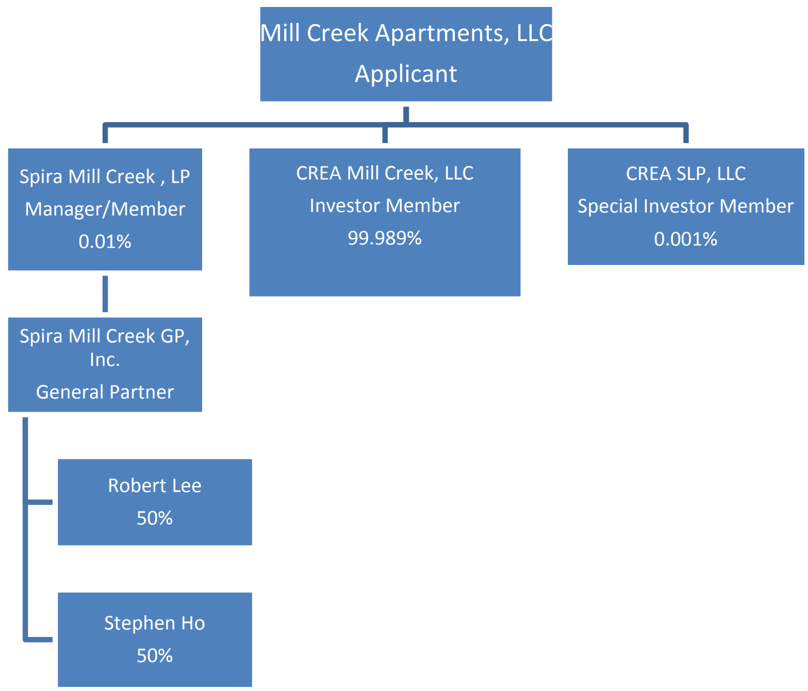
Applicant Information

Applicant: Mill Creek Apartments, LLC

Type: A Florida Limited Liability Company

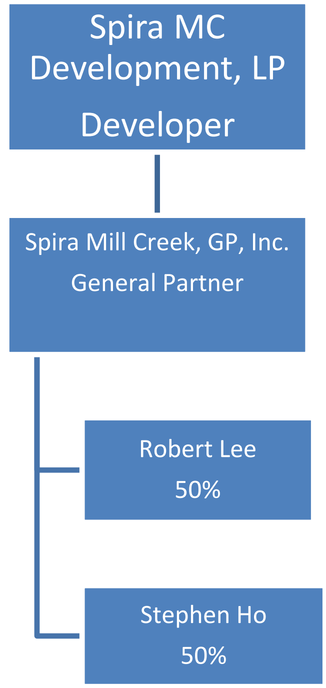
FEI#: 61-1995289

Ownership Structure:



The Applicant was formed on April 15, 2021, to own and operate the Development. The Managing Member, with 0.01% interest in the Applicant, is Spira Mill Creek, LP, which was formed on May 6, 2021. The Special Limited Member with 0.001% interest in the Applicant is CREA SLP, LLC, which was formed on August 1, 2007. First Housing verified that the Applicant and General Partner have active status in Sunbiz. The Developer is Spira MC Development, LP.

Developer Structure:



Contact Person:

Robert Lee
Managing Partner
885 West Georgia Street Suite 1480 HSBC Building
Vancouver, BC
Canada, V6C 3E8
604-716-6225
robert@spiraequitypartners.com

Experience:

The Applicant, and Managing Member were created to own, and operate the Development, but have no development experience. The development experience lies within the Principals, Robert Lee and Stephen Ho.

Robert Lee and Stephen Ho are principals of Spira Equity Partners ("Spira"), an experienced affordable housing developer having preserved over 1,500 LIHTC units throughout California, Arizona and Florida over the past six years with total development costs of approximately $417MM. Spira is also a "Freddie Mac Select Sponsor", recognizing Sprira's successful track record and alignment with Freddie Mac's mission to provide liquidity, stability and affordability to the U.S. housing market. Robert Lee and Stephen Ho have deep experience in multi-family rehabilitation and affordable housing and will work in conjunction with the wider development team leveraging Florida specific expertise and local presence.

Credit Evaluation:

The Applicant and Developer are newly formed entities with no credit history. Dun and Bradstreet ("D&B") Reports were requested; however, no information was available.

A D&B Report was pulled for Spira Mill Creek, LP, dated January 4, 2022, which revealed a moderate-high overall business risk. The report revealed no bankruptcy, no judgments, no lawsuits, and no UCCs. A D&B Report was pulled for Spira MC Development, LP, dated January 4, 2022, which revealed a moderate-high overall business risk. The report revealed no bankruptcy, no judgments, no lawsuits, and no UCCs.

Robert Lee and Stephen Ho are Canadian citizens, therefore no information was found.

Trade/Bank References:

Bank and trade references for the Applicant, General Partner, and Developer, were not available. First Housing received statements indicating Mill Creek Apartments, LLC, Spira Mill Creek GP, Inc, Spira Mill Creek, LP and Spira MC Development, LP are newly formed single purpose entities were created solely for this Development.

First Housing has received and reviewed satisfactory bank statements for Spira Preservation Fund II, LP, Robert Lee and Stephen Ho.

First Housing sent out trade references for the following: Robert Lee and Stephen Ho. At this time no responses have been received.

Financial Statements and Contingent Liabilities:

The Applicant, Managing Member, and Developer are all single purpose entities; therefore, tax returns and financials were not available. First Housing reviewed the following satisfactory financial statements:

Spira Preservation Fund II, LP Unaudited Financial Statements December 31, 2021	
Cash & Equivalents	$5,707,425
Total Assets	$122,152,851
Total Liabilities	$227,314
Total Equity	$121,925,537

In lieu of personal guarantees, this entity has been added as a guarantor for this transaction. This entity was formed as of May 5, 2019, and has 1130572 BC Ltd., as 50% member (the entity is owned 100% by Mr. Lee) and SSTH Development Ltd., as a 50% member (the entity is owned 100% by Mr. Ho). Please note that the Guarantor is not a party to the organizational structure of the Applicant.

Based on a schedule, dated as of January 11, 2022, Spira Preservation Fund II, LP does not have any contingent liabilities.

First Housing received 2019 and 2020 tax returns for Spira Preservation Fund II, LP.

A satisfactory financial statement, dated August 31, 2021 was received and reviewed for Robert Lee.

Mr. Lee did not report any contingent liabilities.

First Housing received 2019 and 2020 tax returns for Robert Lee.

A satisfactory financial statement, dated as of August 31, 2021 was received and reviewed for Stephen Ho.

Mr. Ho did not report any contingent liabilities.

First Housing received 2019 and 2020 tax returns for Stephen Ho.

Summary: Based upon its review of the Financial Statements, Schedule of Contingent Liabilities, and provided Real Estate Owned Schedules, First Housing concludes that the Guarantors have the requisite financial strength to operate the Development.

Guarantor Information

Guarantor Name:	Mill Creek Apartments, LLC, Spira Mill Creek, LP, Spira Mill Creek GP, Inc., Spira Preservation Fund II, LP and Spira MC Development, LP.
Nature of the Guarantees:	The Guarantors will sign standard OCHFA Construction Completion, Operating Deficit Guaranty, Environmental Indemnity, and Recourse Obligation Guarantees. The Construction Completion Guaranty will be released upon 100% lien free completion as approved by the Servicer. For the MMRN, Guarantors are to provide the standard OCHFA Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x debt service coverage ratio on the MMRN Loan and 90 percent occupancy and 90 percent of the gross potential rental income, all for 12 consecutive months as certified by an independent Certified Public Accountant and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by the OCHFA or its agent. Notwithstanding the above, the Operating Deficit Guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.
Financial Statements:	Financial Statements for the Guarantors were summarized in the "Applicant Information" section of this credit underwriting report.
Contingent Liabilities:	Contingent Liabilities for the Guarantors were summarized in the "Applicant Information" section of this credit underwriting report.
Summary:	Based upon review of the financial statements and contingent liabilities, First Housing concludes that the above referenced Guarantors have sufficient net worth for the purpose of collateralizing the OCHFA Guarantees.

Syndication Information

Syndicator Name:	CREA, LLC
Contact Person:	Richard Shea Senior Vice President 30 S. Meridian Suite 400 Indianapolis, IN 46204 (858) 386-5199 Telephone rshea@creallc.com
Experience:	CREA's primary business is being a general partner or managing member in Investment Partnerships or Investment Limited Liability Companies (collectively "Investment Partnerships") organized to invest in operating limited partnerships ("Operating Limited Partnerships") which acquire and rehabilitate or construct affordable housing properties (the "Properties"). The Operating Limited Partnerships qualify the Properties for LIHTC under Section 42 of the Internal Revenue Code ("IRC 42"). This program among other items restricts rental charges and requires units in the Properties to be leased to low-or moderate income individuals or families subject to provisions in IRC 42. The Company and its wholly-owned affiliates are the sole general partner or managing member in over 76 Investment Partnerships with assets totaling approximately $7.1 Billion.
Financial Statements:	First Housing has received and reviewed Audited Financial Statements for CREA, LLC.

CREA, LLC. Unaudited Financial Statement (Dollars in millions) December 31, 2021	
Cash and Cash Equivalents	$14,609,346
Total Assets	$395,460,589
Total Liabilities	$374,165,585
Equity	$21,295,004

General Contractor Information

General Contractor:	MFIB AZ, LLC d/b/a MFRG-ICON Construction
Type:	An Arizona Corporation
Contact:	Justin R. Krueger, CEO (Florida Certified General Contractor License Number CGC1528831, valid through August 31, 2022) 15721 N. Greenway Hayden Loop Suite 200 Scottsdale, AZ 85260 Jkrueger @mfrg-icon.com (800)787-9090
Experience:	MFRG-ICON has experience in the LIHTC industry since 1992. They have offices in Scottsdale, Arizona, Los Angeles, California, and Nashville, Tennessee. They are comprised of over 80 employees, all with diversified construction backgrounds, to handle any type of project and effectively collaborate with Architects, Engineers, Owners, Consultants, and Trades. In addition to being experts in the renovation of Tax Credit, Bond and HUD properties, MFRG-ICON has over 30,000 affordable apartment units built or renovated and close to $2 billion in construction.
P&P Bond:	The General Contractor will obtain a P&P Bond for 100% of the Construction Contract's value. The cost is inclusive of the Construction Contract's Schedule of Values. Receipt of an executed P&P Bond is a condition of the closing.
Credit Evaluation:	A credit report has been received for MFRG-ICON, dated February 11, 2022, which indicates a PAYDEX score of 79 for paying 2 days past due. The report revealed no bankruptcies, no law suites and 1 UCC.
Bank and Trade References:	First Housing has received several satisfactory trade references at this time. Bank statements for an operating account held by Arizona Bank & Trust confirming liquidity were received.

Statements: First Housing has received and reviewed unaudited financial statements as summarized below:

MFRG-ICON Construction Unaudited Balance Sheet December 31, 2021	
Cash	$8,539,073
Total Assets	$28,081,192
Total Liabilities	$21,584,704
Total Equity	$6,496,488

Summary: FHDC recommends that MFRG-ICON be accepted as the General Contractor for the construction of this Development based on its experience and financial strength. Additionally, a 100% Payment and Performance Bond will be provided.

Property Manager Information

Management Company:	Royal American Management, Inc. (“RAM”)
FEI:	59-1886258
Contact:	Kerri Toth President 1002 West 23rd Street Suite 400 Riviera Beach, FL 32405 (850) 769-8981 Kerri.toth@royalamerican.com
Experience:	RAM is a subsidiary of Royal American Companies, which was founded in Panama City, Florida, in 1968 by Joseph F. Chapman, III. RAM is a Licensed Real Estate Brokerage Corporation located in Panama City, Florida, with regional offices in Miami, Florida; Orlando, Florida; Charlotte, North Carolina; and Bainbridge, Georgia. RAM manages 192 properties totaling 18,000 residential rental units throughout the Southeast and has extensive experience in several types of multifamily property management and programs including: Luxury, RD, HUD Section 8, Bond, HOME, SAIL and HOPE VI apartment communities.
Management Agreement:	The Applicant has submitted a draft Property Management Agreement between Mill Creek Apartments, LLC and Royal American Management, Inc. The Agreement reflects a management fee of 4.0% or $7,500 of gross collections received during the preceding month, whichever is greater.
Management Plan:	The Applicant has submitted a Management Plan, which outlines the roles and responsibilities of the management agent.
Summary:	RAM has an acceptable amount of experience in the management of affordable multifamily housing.

15 Year Pro Forma – Mill Creek Apartments

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA															
INCOME: Gross Potential Rental Income	**$3,391,632**	**$3,459,465**	**$3,528,654**	**$3,599,227**	**$3,671,212**	**$3,744,636**	**$3,819,528**	**$3,895,919**	**$3,973,837**	**$4,053,314**	**$4,134,380**	**$4,217,068**	**$4,301,409**	**$4,387,438**	**$4,475,186**
Ancillary Income	$85,800	$87,516	$89,266	$91,052	$92,873	$94,730	$96,625	$98,557	$100,528	$102,539	$104,590	$106,682	$108,815	$110,991	$113,211
Gross Potential Income	**$3,477,432**	**$3,546,981**	**$3,617,920**	**$3,690,279**	**$3,764,084**	**$3,839,366**	**$3,916,153**	**$3,994,476**	**$4,074,366**	**$4,155,853**	**$4,238,970**	**$4,323,750**	**$4,410,225**	**$4,498,429**	**$4,588,398**
Less:															
Physical Vac. Loss Percentage: 3.00%	$104,323	$106,409	$108,538	$110,708	$112,923	$115,181	$117,485	$119,834	$122,231	$124,676	$127,169	$129,712	$132,307	$134,953	$137,652
Collection Loss Percentage: 1.00%	$34,774	$35,470	$36,179	$36,903	$37,641	$38,394	$39,162	$39,945	$40,744	$41,559	$42,390	$43,238	$44,102	$44,984	$45,884
Total Effective Gross Income	**$3,338,335**	**$3,405,101**	**$3,473,203**	**$3,542,668**	**$3,613,521**	**$3,685,791**	**$3,759,507**	**$3,834,697**	**$3,911,391**	**$3,989,619**	**$4,069,411**	**$4,150,800**	**$4,233,816**	**$4,318,492**	**$4,404,862**
EXPENSES: Fixed:															
Real Estate Taxes	$19,550	$20,137	$20,741	$21,363	$22,004	$22,664	$23,344	$24,044	$24,765	$25,508	$26,274	$27,062	$27,874	$28,710	$29,571
Insurance	$171,600	$176,748	$182,050	$187,512	$193,137	$198,931	$204,899	$211,046	$217,378	$223,899	$230,616	$237,535	$244,661	$252,000	$259,560
Variable:															
Management Fee Percentage: 4.00%	$133,533	$136,204	$138,928	$141,707	$144,541	$147,432	$150,380	$153,388	$156,456	$159,585	$162,776	$166,032	$169,353	$172,740	$176,194
General and Administrative	$109,200	$112,476	$115,850	$119,326	$122,906	$126,593	$130,391	$134,302	$138,331	$142,481	$146,756	$151,158	$155,693	$160,364	$165,175
Payroll Expenses	$366,000	$376,980	$388,289	$399,938	$411,936	$424,294	$437,023	$450,134	$463,638	$477,547	$491,873	$506,630	$521,828	$537,483	$553,608
Utilities	$218,400	$224,952	$231,701	$238,652	$245,811	$253,185	$260,781	$268,604	$276,663	$284,962	$293,511	$302,317	$311,386	$320,728	$330,350
Maintenance and Repairs/Pest Control	$265,200	$273,156	$281,351	$289,791	$298,485	$307,439	$316,663	$326,163	$335,947	$346,026	$356,407	$367,099	$378,112	$389,455	$401,139
Reserve for Replacements	$93,912	$93,912	$93,912	$93,912	$93,912	$93,912	$93,912	$93,912	$93,912	$93,912	$96,729	$99,631	$102,620	$105,699	$108,870
Total Expenses	**$1,377,395**	**$1,414,565**	**$1,452,822**	**$1,492,200**	**$1,532,732**	**$1,574,451**	**$1,617,393**	**$1,661,593**	**$1,707,090**	**$1,753,921**	**$1,804,942**	**$1,857,463**	**$1,911,527**	**$1,967,179**	**$2,024,467**
Net Operating Income	**$1,960,939**	**$1,990,537**	**$2,020,381**	**$2,050,467**	**$2,080,789**	**$2,111,340**	**$2,142,114**	**$2,173,104**	**$2,204,301**	**$2,235,698**	**$2,264,469**	**$2,293,337**	**$2,322,289**	**$2,351,313**	**$2,380,395**
Debt Service Payments															
First Mortgage - Berkadia/OCHFA/Freddie Mac	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272	$1,489,272
Second Mortgage - Berkadia/OCHFA/Freddie Mac	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074	$230,074
Third Mortgage -Affiliate Loan	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378	$258,378
First Mortgage Fees -OCHFA	$53,174	$52,559	$51,922	$51,265	$50,585	$49,883	$49,156	$48,406	$47,630	$46,828	$46,000	$45,143	$44,257	$43,342	$42,396
Total Debt Service Payments	**$2,030,898**	**$2,030,282**	**$2,029,646**	**$2,028,988**	**$2,028,309**	**$2,027,606**	**$2,026,880**	**$2,026,130**	**$2,025,354**	**$2,024,552**	**$2,023,723**	**$2,022,866**	**$2,021,981**	**$2,021,066**	**$2,020,120**
Cash Flow after Debt Service	**-$69,958**	**-$39,745**	**-$9,265**	**$21,479**	**$52,480**	**$83,734**	**$115,234**	**$146,974**	**$178,948**	**$211,146**	**$240,746**	**$270,470**	**$300,308**	**$330,247**	**$360,275**
Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	**1.27**	**1.29**	**1.31**	**1.33**	**1.35**	**1.37**	**1.39**	**1.41**	**1.43**	**1.46**	**1.47**	**1.49**	**1.51**	**1.53**	**1.55**
DSC - Second Mortgage plus Fees	**1.11**	**1.12**	**1.14**	**1.16**	**1.18**	**1.19**	**1.21**	**1.23**	**1.25**	**1.27**	**1.28**	**1.30**	**1.32**	**1.33**	**1.35**
DSC - Third Mortgage plus Fees	**0.97**	**0.98**	**1.00**	**1.01**	**1.03**	**1.04**	**1.06**	**1.07**	**1.09**	**1.10**	**1.12**	**1.13**	**1.15**	**1.16**	**1.18**
Financial Ratios															
Operating Expense Ratio	**41.26%**	**41.54%**	**41.83%**	**42.12%**	**42.42%**	**42.72%**	**43.02%**	**43.33%**	**43.64%**	**43.96%**	**44.35%**	**44.75%**	**45.15%**	**45.55%**	**45.96%**
Break-even Economic Occupancy Ratio (all debt)	**98.17%**	**97.28%**	**96.42%**	**95.58%**	**94.77%**	**93.98%**	**93.22%**	**92.48%**	**91.77%**	**91.08%**	**90.48%**	**89.90%**	**89.35%**	**88.82%**	**88.31%**

Note: The Affiliate Loan will be repaid from available cash flow, therefore, the debt service coverage should not fall below 1.10. The Underwriter has included the debt service on the Seller Note for illustrative purposes only.

50% Test for Acquisition Rehab.

Tax-Exempt Note Amount	$33,000,000
Less: Debt Service Reserve Funded with Tax-Exempt Note Proceeds	$0
Less Proceeds Used for Cost of Issuance	$0
Other:	$0
Equals Net Tax-Exempt Note Amount	$33,000,000
Total Depreciable Cost	$22,422,384
Plus Building/Land Cost	$39,180,000
Aggregate Basis	$61,602,384
Net Tax-Exempt Note to Aggregate Basis Ratio	53.57%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

DEVELOPMENT
NAME: Mill Creek Apartments
DATE: February 17, 2022

FINAL REVIEW **REQUIRED ITEMS:**	**STATUS** **Satis. / Unsatis.**	**NOTE**
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	UnSatis.	1.
2. Final site plan and/or status of site plan approval.	N/A	
3. Permit Status.	UnSatis.	2.
4. Pre-construction analysis ("PCA").	UnSatis.	3.
a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract.	Satis.	
b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	N/A	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	UnSatis.	
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	UnSatis.	4.
13. Management Agreement and Management Plan.	UnSatis.	5.
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	6.
16. Firm commitment letter(s) for any other financing sources.	Satis.	7.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	N/A	

19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	UnSatis.	8.
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	N/A	
25. Receipt of GC Certification	Satis.	
26. Reliance for OCHFA as agent for FHFC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Satis.	

NOTES AND DEVELOPER RESPONSES:

Notes:

1. Closing is conditioned upon receipt of final plans and specifications.
2. Receipt of Permits.
3. Receipt and review of satisfactory GC Contract and SOV.
4. Receipt of credit authorization for GC.
5. Receipt of executed Management Agreement and Management Plan.
6. At this time a firm commitment letter from the Syndicator is not available. First Housing is relying on the LOI provided. Closing is conditioned upon receipt of an Amended and Restated Limited Partnership Agreement.
7. Receipt of a firm commitment from Berkadia is not available. First Housing is relying on the term sheets provided.
8. Receipt of Form 128 from construction consultant.

DISCUSSION ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 21, 2022
RE:	**CONSIDER APPROVAL AND ADOPTION OF FISCAL YEAR 2021, ANNUAL AUDITED FINANCIAL STATEMENTS.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING.

BACKGROUND

Enclosed for your approval and adoption, is a copy of Fiscal Year 2021 Annual Audited/Financial Statements (draft). The 2021 Annual Audited/Financial Statement continues to reflect sound operational and financial management, a positive bottom-line and a clean audit. Also enclosed for your review is a copy of the summary report of the Audited Financial Statements prepared by Kayode Adetayo, Chief Financial Officer.

The Joint Committee met on February 17, 2022, to discuss the Authority's FY 2021 Audited and Financial Statements.

A presentation of the Authority's audited financial statements was made before the Committee by Esther Nichols – Auditor, The Nichols Group. Ms. Nichols focused attention on the Management Letter. The Financial Statements reflects total revenues of $3,462,318, with net revenue of $830,705– a good year in a difficult bond market environment. After presentation and discussion, the Committee accepted the Audited Financial Statements for FY 2021 and recommended acceptance and adoptions of the Audited Financial Statements by the Board of Directors, at its March 2, 2022, Board meeting.

ACTION REQUESTED

Board approval of the Joint Committees' recommendation for acceptance and adoption of the Authority's Fiscal Year 2021 Annual Audited Financial Statements for year-ending September 30, 2021.

MEMORANDUM

To: W.D. Morris, Executive Director

From: Olukayode Adetayo, Chief Financial Officer OA

Date: February 11, 2021

Subject: Executive Summary of the Authority's Fiscal Year 2021 Audited Financial Statements.

This is a summary of the audited financial statements for fiscal year 2021 that reflects the overall financial position picture of the Authority which includes both the Operating Fund and the Bond Funds. The bottom line is that the Authority's financial position is strong and there were no audit findings.

OPERATING FUND:

The total assets of this fund is $56,966,889 while the total liabilities are $976,307. This produces an Asset to Liability ratio of 58.35 to 1 reflecting a strong financial position. Of the total assets, $18,049,303 comprise of cash and cash equivalents; $353,690 are program fees receivable; $17,100,518 are due from other funds; $15,836,715 are mortgage backed securities; $5,216,343 are notes receivables, $49,656 are prepaid expenses; $97,885 are accrued loan interest; $262,779 are fixed assets; net pension liability determined by GASB 71 is $429,953. For the Authority financial statements this is a theoretical liability. An explanation of GASB 71 and GASB 68 is provided at the end of this summary.

Total revenues earned were $3,462,318. Total expenses were $2,631,613. The net income for the fiscal year is $830,705 and the changes in Net Position for the fiscal year is $1,648,240. Total revenues earned included $39,599 as interest on loans, $1,499,794 investment income and $1,929,261 as fee income and other.

The total operating expenses for the year reflected in the audited financial statements were $2,631,613; $2,598,256 represents general and administrative operating expenses, and $33,357 represents pension expenses.

The Authority, for its regular operations for fiscal year 2021, budgeted $2,900,712 for revenues. The actual revenues were $3,283,038, resulting in an excess budgeted revenue amount of $382,326.

The Authority, for its regular operations for fiscal year 2021, budgeted $1,823,569 for expenses. The actual expenses of $1,660,276, shown above, were below the budgeted amount by $163,293 which includes $118,538 as write-off for DPA foreclosures. Net of this write-off amount actual expenses would be $1,541,738, a decrease of $281,831.

BOND FUNDS:

SINGLE FAMILY PROGRAM

The total assets including internal balances are $59,854,553 while the total liabilities are $56,932,369. The Asset to Liability ratio is 1.06:1. The parity test is generally 1:1 where the bonds outstanding are GNMA/FNMA collateralized. The required parity test by the rating agencies under the indenture is 1.02:1. The parity test is met and exceeded. Based on the audited financial statements, the Asset/Liability ratio of 1.06:1 reflects a continuing strong financial position in the Single Family program.

MULTI-FAMILY PROGRAM

The total assets are $477,361,880 while the total liabilities are $484,584,479. The total Asset to total Liability ratio is approximately 0.99:1. The acceptable parity test is generally 1:1. Therefore the Asset/Liability ratio parity test is slightly below parity. This is attributed to some of the Developers / Borrowers buying a portion of their bonds which could only be repaid from surplus cash flow from the respective projects, and the Developers / Borrowers have also provided "Construction Guarantees Completion" to the various projects irrespective of the parity ratio analysis.

As the economy growth continues and the Covid-19 Pandemic is waning down, particularly in the housing industry, the overall results of the fiscal year 2021 Annual Audit demonstrate that the Authority's financial position remains strong: the Multifamily Program while doing well has not fully met the parity test; the Single Family program is financially sound and continues to produce positive cash flows; and the Operating Fund continues to produce a solid net income, with expenditures under control.

Summaries / Status

SUMMARY OF STATEMENT NO. 71 PENSION TRANSITION FOR CONTRIBUTIONS MADE SUBSEQUENT TO THE MEASUREMENT DATE—AN AMENDMENT OF GASB STATEMENT NO. 68

(ISSUED 11/13)

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This benefit will be achieved without the imposition of significant additional costs.

Orange County Housing Finance Authority

(A Component Unit of Orange County, Florida)

Independent Auditor's Reports and Basic Financial Statements

For the Year Ended September 30, 2021

THE NICHOLS GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Independent Auditor's Reports and Basic Financial Statements
For the Year Ended September 30, 2021

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FINANCIAL SECTION

THE NICHOLS GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

1635 Eagle Harbor Pkwy, Suite 4
Fleming Island, FL 32003
t; 904-264-1665
f: 904-269-9683
www.tng.cc

INDEPENDENT AUDITOR'S REPORT

To the Board Members of the Orange County Housing Finance Authority
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Housing Finance Authority (Authority), a component unit of Orange County, Florida as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective position of the business-type activities, each major fund, and the aggregate remaining financial fund information of the Authority, as of September 30, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of proportionate share of net pension liability, and schedules of contributions on pages 5-9 and 41-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

The Nichols Group

The Nichols Group, PA
Certified Public Accountants
Fleming Island, Florida

January 31, 2022

THE NICHOLS GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

1635 Eagle Harbor Pkwy, Suite 4
Fleming Island, FL 32003
t; 904-264-1665
f: 904-269-9683
www.tng.cc

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board Members of the Orange County Housing Finance Authority
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Housing Finance Authority (Authority), a component unit of Orange County, Florida as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 31, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

The Nichols Group

The Nichols Group, PA
Certified Public Accountants
Fleming Island, Florida

January 31, 2022

Management's Discussion and Analysis
(Unaudited)

This section of the Orange County Housing Finance Authority's (Authority) financial statements presents management's analysis of the Authority's financial performance during the fiscal year that ended on September 30, 2021. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

In the current year, the Authority issued: $20,830,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2021A (Dunwoodie Place Apartments).

The following bonds were fully redeemed in the current year: $10,000,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2005D (Lake Harris Cove Apartments); $4,000,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2014A (Dean Woods Place); $26,000,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2019A (Willow Key Apartments); $20,000,000 Orange County Housing Finance Authority Homeowner Mortgage Revenue Bonds (Multi-County Program) NIBP Series 2009B and 2011A; and, $22,000,000 Orange County Housing Finance Authority Homeowner Mortgage Revenue Bonds (Multi-County Program) NIBP Series 2009C and 2011B.

Overview of the Financial Statements

The financial statements consist of two parts: management's discussion and analysis (MD&A) and the basic financial statements. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Basic Financial Statements

The Authority utilizes enterprise funds for financial reporting purposes. These funds include the activities of the operating fund of the Authority (Operating Fund) and the single family and multifamily bond programs, which are administered by the Authority and are included as one fund as they essentially fulfill the same purpose (Bond Programs Fund). As the Authority only presents its financial information using enterprise funds, under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments* (GASB 34), it is considered to be a "special purpose government engaged only in business-type activities." Accordingly, the Authority only presents fund financial statements as defined in GASB 34. Additionally, under GASB 34 the Operating Fund and the Bond Programs Fund are each considered major funds.

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its services provided, as well as its profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, non-capital financing and financing activities and provides answers to such questions as where did cash come from, what was cash used for and what was the change in the cash balance during the reporting period.

Financial Analysis

Our analysis of the financial statements of the Authority begins below. One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority and changes in them. You can think of the Authority's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in interest rates, economic conditions, regulations and new or changed government legislation.

Net position

To begin our analysis, a summary of the Authority's Statement of Net Position is presented in Table A-1.

Table A-1
Condensed Statement of Net Position
(In thousands of dollars)

	Fiscal Year 2021	Fiscal Year 2020	Dollar Change	Percentage Change
Cash and investments	$ 109,424	$ 128,222	$ (18,798)	-14.7%
Loans receivable	460,720	484,241	(23,521)	-4.9%
Fees and other receivables, net	6,676	7,255	(579)	-8.0%
Capital assets, net	263	271	(8)	-3.0%
Total assets	577,083	619,989	(42,906)	-6.9%
Deferred outflow of resources	249	240	9	3.8%
Current liabilities	85,158	80,119	5,039	6.3%
Long-term liabilities	440,234	477,808	(37,574)	-7.9%
Total liabilities	525,392	557,927	(32,535)	-5.8%
Deferred inflow of resources	526	214	312	145.8%
Net position				
Net investment in capital assets	263	271	(8)	-3.0%
Restricted	(4,300)	7,318	(11,618)	-158.8%
Unrestricted	55,451	54,499	952	1.7%
Total net position	$ 51,414	$ 62,088	$ (10,674)	-17.2%

Total changes in assets and liabilities reflect changes due to bond issues and redemptions in fiscal year 2021. As shown in Table A-1 above, net position decreased during 2021 mostly because of the decrease in restricted net position due to the decrease in net positions of the bond programs as shown in the following Table A-4.

Table A-2
Condensed Statement of Revenues, Expenses and Changes in Net Position
(In thousands of dollars)

	Fiscal Year 2021	Fiscal Year 2020	Dollar Change	Percentage Change
Loan interest and fee income	$ 20,043	$ 20,389	$ (346)	-1.7%
Investment Income, including changes in fair value of investments	2,532	7,633	(5,101)	-66.8%
Total operating revenues	22,575	28,022	(5,447)	-19.4%
General and administrative expenses	22,965	13,039	9,926	76.1%
Interest and other expenses	10,284	13,277	(2,993)	-22.5%
Total operating expenses	33,249	26,316	6,933	26.3%
Change in net position	(10,674)	1,706	(12,380)	-725.7%
Beginning net position, as previously reported	62,088	60,439	1,649	2.7%
Prior period adjustment	-	(57)	(57)	100.0%
Beginning net position, restated	62,088	60,382	1,592	2.6%
Ending net position	$ 51,414	$ 62,088	$ (10,674)	-17.2%

While the Statement of Net Position shows the change in net position, the Statement of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of these changes.

As can be seen in Table A-2 above, the net decrease in operating revenues resulted primarily from a decrease in changes in fair value of investments.

Individual Major Fund Analysis

Operating Fund

Table A-3
Condensed Statement of Revenues, Expenses and Changes in Net Position – Operating Fund
(In thousands of dollars)

	Fiscal Year 2021	Fiscal Year 2020	Dollar Change	Percentage Change
Investment Income, including changes in fair value of investments	$ 1,533	$ 650	$ 883	135.8%
Fee income and other revenue	1,929	2,348	(419)	-17.8%
Total operating revenues	3,462	2,998	464	15.5%
General and administrative expenses	2,598	2,074	524	25.3%
Pension	33	134	(101)	-75.4%
Total operating expenses	2,631	2,208	423	19.2%
Net Transfers	818	1,028	(210)	-20.4%
Change in net position	1,649	1,818	(169)	-9.3%
Beginning net position	54,066	52,951	2,801	5.3%
Ending net position	$ 55,715	$ 54,769	$ 946	1.7%

During the current fiscal year, the Operating Fund Statement of Revenues, Expenses and Changes in Net Position reflects that net position increased by approximately $1,649 thousand as compared to an increase in fiscal year 2020 of approximately $1,818 thousand. The decrease in the change in net position was primarily due to a decrease of net transfers as a result of the Single Family 2020 bond issuance and interest transfers.

Bond Programs Fund

Table A-4
Condensed Statement of Revenues, Expenses and Changes in Net Position – Bond Programs Fund
(In thousands of dollars)

	Fiscal Year 2021	Fiscal Year 2020	Dollar Change	Percentage Change
Investment Income	$ 15,517	$ 22,073	$ (6,556)	-29.7%
Fee income and other revenue	3,595	2,951	644	21.8%
Total operating revenues	19,112	25,024	(5,912)	-23.6%
General and administrative expenses	20,366	10,965	9,401	85.7%
Interest and other expenses	10,211	11,907	(1,696)	-14.2%
Debt issuance cost	40	1,237	(1,197)	-96.8%
Total operating expenses	30,617	24,109	6,508	27.0%
Net Transfers	(818)	(1,028)	210	-20.4%
Change in net position	(12,323)	(113)	(12,210)	
Beginning net position, as previously reported	7,318	7,489	(171)	-2.3%
Prior period adjustment	703	(57)	646	100.0%
Beginning net position	8,021	7,432	475	6.4%
Ending net position	$ (4,302)	$ 7,319	$ (11,621)	-158.8%

During the current fiscal year, the Bond Programs Fund net position decreased by $12,323 thousand, consisting of a decrease in net position of $171 thousand before a prior period adjustment of ($703) thousand. (See Note 21).

Capital Assets and Long-Term Debt

Capital Assets

As of September 30, 2021, the Authority had approximately $263 thousand invested in a variety of capital assets, net of accumulated depreciation. As shown in Table A-5, this represents a net decrease (additions, deductions and depreciation) from the end of last year.

Table A-5
Capital Assets
(In thousands of dollars)

	Fiscal Year 2021	Fiscal Year 2020
Land	$ 112	$ 112
Building	412	412
Furniture and Fixtures	128	119
Total capital assets	652	643
Less: accumulated depreciation	(389)	(372)
Net Capital Assets	$ 263	$ 271

Long-Term Debt

As of September 30, 2021, the Authority had $440,235 thousand in outstanding long-term debt, net of the current portion of $879 thousand. This represents a net decrease of $37,573 thousand from the prior fiscal year. A summary of long-term debt is included in the following Table A-6.

Table A-6
Long-Term Debt
(In thousands of dollars)

	Fiscal Year 2021	Fiscal Year 2020
Operating fund:	$ 430	$ 797
Bond programs funds:		
Multifamily	400,994	411,953
Single family	39,690	66,148
Total bond programs funds	440,684	478,101
Total debt outstanding	441,114	478,898
Current portion of long-term debt	879	1,090
Total long-term debt, noncurrent	$ 440,235	$ 477,808

For more detailed information regarding the Authority's capital assets and long-term debt, please refer to the notes to the financial statements.

Economic Factors and Next Year's Budget

The Authority's Board of Directors and management considered many factors when setting the fiscal year 2022 budget. These factors include the expected operating costs of the Authority, as well as projected issuance costs for single family projects, which in turn consider such factors as anticipated population growth of the participating counties and the economy of the region as a whole.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, 2211 East Hillcrest Street, Orlando, Florida 32803.

BASIC FINANCIAL STATEMENTS

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Statement of Net Position
September 30, 2021

	Operating Fund	Bond Programs Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 18,049,303	$ -	$ 18,049,303
Restricted cash and cash equivalents	-	11,411,111	11,411,111
Program fees receivable	353,690	-	353,690
Accrued loan interest	97,885	656,929	754,814
Accrued investment interest	-	294,133	294,133
Prepaid expenses	49,656	7,181	56,837
Total current assets	18,550,534	12,369,354	30,919,888
Noncurrent assets:			
Restricted cash and cash equivalents	-	14,803,322	14,803,322
Restricted investments	-	65,160,526	65,160,526
Internal balances	17,100,518	(17,100,518)	-
Mortgage backed securities	15,836,715	62,527,953	78,364,668
Loans receivable-net	-	382,355,278	382,355,278
Notes receivable - net	5,216,343	-	5,216,343
Capital assets-net	262,779	-	262,779
Total noncurrent assets	38,416,355	507,746,561	546,162,916
Total assets	56,966,889	520,115,915	577,082,804
Deferred Outflows of Resources			
Contributions	249,278	-	249,278
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	546,354	10,054,570	10,600,924
Accrued interest payable	-	1,289,167	1,289,167
Third party loans	-	72,388,808	72,388,808
Notes payable, current portion	-	544,274	544,274
Bonds payable, current portion	-	335,000	335,000
Total Current Liabilities	546,354	84,611,819	85,158,173
Noncurrent Liabilities:			
Notes payable	-	37,856,503	37,856,503
Bonds payable - net	-	401,948,008	401,948,008
Net pension liability	429,953	-	429,953
Total Noncurrent Liabilities	429,953	439,804,511	440,234,464
Total Liabilities	976,307	524,416,330	525,392,637
Deferred Inflows of Resources			
Contributions	525,998	-	525,998
Net Position			
Net investment in capital assets	262,779	-	262,779
Restricted	-	(4,300,415)	(4,300,415)
Unrestricted	55,451,083	-	55,451,083
Total net position	$ 55,713,862	$ (4,300,415)	$ 51,413,447

See accompanying notes.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2021

	Operating Fund	Bond Programs Fund	Total
Operating Revenues			
Interest on loans	$ 39,599	$ 14,478,565	$ 14,518,164
Investment income	1,499,794	165,880	1,665,674
Unrealized gains on investments	(6,336)	872,876	866,540
Fee income and other revenue	1,929,261	3,595,154	5,524,415
Total operating revenues	3,462,318	19,112,475	22,574,793
Operating Expenses			
Interest	-	9,943,184	9,943,184
Unrealized loss on investments	-	267,767	267,767
Bond issuance cost	-	40,000	40,000
General and administrative	2,598,256	20,366,280	22,964,536
Pension	33,357	-	33,357
Total operating expenses	2,631,613	30,617,231	33,248,844
Operating Income (loss)	830,705	(11,504,756)	(10,674,051)
Transfers in	817,535	5,877,258	6,694,793
Transfers out	-	(6,694,793)	(6,694,793)
Total transfers	817,535	(817,535)	-
Changes in Net Position	1,648,240	(12,322,291)	(10,674,051)
Net Position, Beginning as previously stated	54,769,103	7,318,395	62,087,498
Prior Period Adjustment	(703,481)	703,481	-
Net Position, Beginning restated	54,065,622	8,021,876	62,087,498
Net Position, End of Year	$ 55,713,862	$ (4,300,415)	$ 51,413,447

See accompanying notes.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Statement of Cash Flows
For the Year Ended September 30, 2021

	Operating Fund	Bond Programs Fund	Total
Cash Flows from Operating Activities			
Cash received from developers and homeowners	$ 2,570,582	$ 18,010,746	$ 20,581,328
Cash received (paid) for housing programs	(34,117)	8,841,267	8,807,150
Cash advances of loan principal	-	8,826,234	8,826,234
Receipts (payments) for internal balances	2,379,083	(2,379,083)	-
Cash payments for operating and administrative expenses	(2,692,082)	(23,770,989)	(26,463,071)
Net cash provided by operating activities	2,223,466	9,528,175	11,751,641
Cash Flows from Noncapital Financing Activities			
Proceeds from issuance of bonds payable	-	30,588,902	30,588,902
Principal repayments on bonds and note payable	-	(67,662,475)	(67,662,475)
Interest paid on bonds and note payable	-	(9,806,992)	(9,806,992)
Proceeds from taxable loan draws (net)	-	-	-
Transfers from other funds	-	-	-
Payments for bond issuance costs	-	-	-
Net cash provided by noncapital financing activities	-	(46,880,565)	(46,880,565)
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(9,450)	-	(9,450)
Net cash used by capital financing activities	(9,450)	-	(9,450)
Cash Flows from Investing Activities			
Proceeds from principal paydowns of MBS	650,922	26,998,298	27,649,220
Payments for the issuance of MBS	(14,404,401)	(1,521,390)	(15,925,791)
Purchase of investments	-	(125,396,156)	(125,396,156)
Sale of investments	(3,383)	133,873,723	133,870,340
Interest received	1,507,146	249,884	1,757,030
Net cash provided by (used in) investing activities	(12,249,716)	34,204,359	21,954,643
Net Change in Cash and Cash Equivalents	(10,035,700)	(3,148,031)	(13,183,731)
Cash and Cash Equivalents, Beginning of Year	28,085,003	29,362,464	57,447,467
Cash and Cash Equivalents, End of Year	$ 18,049,303	$ 26,214,433	$ 44,263,736
Reconciliation of Cash and Cash Equivalents			
Current cash and cash equivalents	$ 18,049,303	$ -	$ 18,049,303
Current cash and cash equivalents - for debt service	-	11,411,111	11,411,111
Cash and cash equivalents - restricted	-	14,803,322	14,803,322
Total cash and cash equivalents	$ 18,049,303	$ 26,214,433	$ 44,263,736
Reconciliation of Changes in Operating Income to Net Cash Provided by (Used In) Operating Activities			
Operating income	$ 830,705	$ (11,504,756)	$ (10,674,051)
Adjustments to reconcile changes in operating income to net cash provided by (used in) operating activities:			
Depreciation	17,172	-	17,172
Bond issuance cost		-	-
Interest expense	-	9,943,183	9,943,183
Investment interest income	(1,499,794)	(165,880)	(1,665,674)
Gain on sale of MBS	-	-	-
Unrealized gain on investments	6,336	(605,109)	(598,773)
Transfers	817,535	(817,535)	-
Change in operating assets and liabilities:			
Loans receivable	-	8,841,267	8,841,267
Accrued loan interest receivable	(34,117)	(62,974)	(97,091)
Program fees receivable	2,760	-	2,760
Notes receivable	598,961	-	598,961
Prepaid expenses	(9,104)	(397)	(9,501)
Third party loans	-	8,826,234	8,826,234
Accounts payable and other liabilities	(3,802)	(3,364,311)	(3,368,113)
Total adjustments	1,392,761	21,032,931	22,425,692
Net Cash Provided by Operating Activities	$ 2,223,466	$ 9,528,175	$ 11,751,641

See accompanying notes.

1. Reporting entity

The Orange County Housing Finance Authority (Authority), a public body corporate and politic with no taxing power, was established on October 13, 1978, by the Board of County Commissioners of Orange County, Florida (Board) in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, *Florida Statutes*. The Authority was created to finance dwelling accommodations for low, moderate and middle-income persons. The Authority is authorized to borrow money through the issuance of bonds, notes or other obligations to finance multifamily housing developments and single family residential housing.

Financial oversight and accountability to the citizens of Orange County is provided by the Board. The Board appoints the Authority members, who serve a term of four years. The Board has the power to remove a member of the Authority from office without cause.

The Authority is a component unit of Orange County, Florida (County) for financial reporting purposes; the Authority has no component units that meet the criteria for inclusion in the Authority's basic financial statements.

Bonds and other obligations issued by the Authority are conduit debt and are payable, both as to principal and interest, solely from the assets of the various programs which are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of the Authority, the state of Florida or of any local government therein. Neither the full-faith, credit and revenues, nor the taxing power of Orange County, the state of Florida or any local government therein, shall be pledged to the payment of the principal or interest on the obligations.

Pursuant to interlocal agreements with the surrounding Florida counties of Seminole, Osceola and Lake, the Authority is also authorized to issue bonds to fund projects located within those counties and to provide mortgage loans under its programs to the residents of those counties.

2. Summary of significant accounting policies

A. Measurement focus, basis of accounting and financial statement presentation

The accounting records of the Authority are organized on the basis of funds as prescribed by accounting principles generally accepted in the United States of America (GAAP) applicable to governments as established by the Governmental Accounting Standards Board (GASB); and when applicable to governmental entities, statements of the Financial Accounting Standards Board (FASB). The operations of each fund are accounted for within a separate set of self-balancing accounts recording cash and other financial resources, together with related liabilities, net position, revenues and expenses.

The Authority accounts for its activities through the use of enterprise funds. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of a change in financial position is necessary or useful for sound financial administration (business-type activities). Because the Authority has only business-type activities, it is considered to be a special purpose government for financial reporting purposes. As such, the Authority presents its fund activity separately with a total column to denote the financial position, changes in financial position and cash flows at the reporting unit level (the Authority as a whole). All activities are considered to be operating in nature.

The accompanying financial statements present the financial position, changes in financial position and cash flows of the Operating Fund, which reports all of the funds controlled by the Authority, and the Bond Programs Fund, which accounts for all of the multifamily and single family bond programs of the Authority. The Operating Fund and Bond Programs Fund are each considered major funds.

The financial statements are prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

B. Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid financial instruments with an original maturity of 90 days or less at the time of purchase to be cash equivalents.

C. Investments

Investments in direct obligations of the United States of America or any agency thereof, federal instrumentalities and mutual funds are carried at fair value as determined in an active market. Investments in certificates of deposit are carried at amortized cost.

D. Loans receivable

Loans receivable are carried at original cost, including unamortized discount, less principal collections. Servicing of loans is provided by various approved and qualified private lending institutions and servicing organizations on behalf of the Authority. Servicing costs on single family issues are recorded as a reduction of interest income.

E. Mortgage backed securities (MBS)

The Authority has entered into various investment agreements with the bond trustees (financial institutions) (Bond Trustees) who are custodians of Government National Mortgage Association (GNMA) and Federal National Mortgage Association (FNMA) securities which are collateral on the majority of single-family bonds. These agreements require the Bond Trustees to hold these securities to maturity, thus requiring the GNMA and FNMA securities to be redeemed at their face value. GASB Statement No. 72, *Fair Value Measurement and Application*, requires these MBS to be recorded at fair value, which will reflect current period fluctuations in their value.

F. Allowance for losses on loans and notes receivable

No allowance has been established in the Bond Programs Fund for loans receivable based upon management's evaluation of the loan portfolio and the ratings of the insurance companies, financial institutions and developers, which guarantee payment of loan principal and interest. As described in Note 7, the Authority makes loans through its Operating Fund for down payment assistance and to various agencies. These loans have very favorable interest rates and repayment terms. An allowance has been established based upon management's evaluation of the balances therein. These loans are included as notes receivable in the accompanying financial statements.

G. Internal balances

Down payment assistance and bond issuance costs paid for by the Operating Fund on behalf of the single family bond program are presented as internal balances on the Statement of Net Position. Bond Program Fund reimbursements of these balances to the Operating Fund are anticipated to result from residual proceeds upon retirement of bonds payable.

H. Interfund transfers

Transfers of resources between funds occur when the custody of the mortgage-backed securities changes due to the retirement of bond issues.

I. Bond discounts and premiums

Discounts and premiums on the sale of bonds are capitalized and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Costs relating to issuing bonds that were paid for through the use of other funding sources are expensed when incurred.

J. Capital assets

Capital assets are stated at historical cost and are depreciated based on various useful lives ranging from 3 to 39 years using the straight-line method. The Authority has established a capitalization threshold for capital assets of $1,000.

K. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Authority only has one item that qualifies for reporting in this category: It is the contributions made to the pension plan in the 2021 fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority only has one item that qualifies for reporting in this category: It is the deferrals of pension expense that result from the implementation of GASB Statement No. 68 (GASB 68)*, Accounting and Financial Reporting for Pensions* – an amendment of GASB 27.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the Florida Retirement System (FRS or the System) and additions to/deductions from FRS' plan net position has been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

M. Fee income

In connection with the administration of its bond programs, the Authority receives various fees from developers for each of the bond issues administered. These fees are based on either a percentage of bonds, mortgage loans or GNMA certificates outstanding or a certain dollar amount, as provided for in the bond issue documents and recognized as income in the year for which they are assessed. The portion of these fees assessed for the Authority's operating costs is recognized in the Operating Fund. The portion of these fees assessed for bond and trustee fees is recognized in the Bond Programs Fund. In addition to these fees, the Authority receives the residual, if any, of single family project funds upon full payment of the bonds.

N. Interest Income

Interest on mortgage loans and investments is recognized as income when earned. Interest on mortgage loans is recorded net of service fees.

O. General and administrative expenses

The Bond Programs Fund recognizes various trustee costs, bond issue costs, and project operating expenses, as defined in trust indentures, as general and administrative expenses.

Operating Fund general and administrative expenses represent the Authority's operating costs.

P. Income taxes

The Authority is exempt from income taxes; therefore, no provision for tax liability has been included in the Authority’s financial statements.

The Authority’s Forms 8038 filed in connection with its bond issues, and payroll tax returns, are subject to examination by the IRS, generally for three years after they were filed.

Q. Use of restricted resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

R. Net position

Net investment in capital assets includes the Authority's capital assets, net of the accumulated depreciation on those assets.

Restricted net position is used to indicate a segregation of a portion of net position equal to the assets restricted for meeting various covenants as defined in the bond indentures or other laws or regulations. Unrestricted net position relates to that portion of net position not restricted for the purposes defined above.

S. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Recently issued accounting standards

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. Previously effective for the year ended

September 30, 2021, the requirements of this Statement have been extended to be effective for the year ended September 30, 2022.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Previously effective for the year ended September 30, 2022, the requirements of this Statement have been extended to be effective for the year ended September 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. To the extent relevant, standards for SBITAs are based on the standards established in Statement No. 87, *Leases as amended*. The requirements of this Statement are effective for the year ended September 30, 2023.

4. Description of programs

The various bond programs of the Authority, since its establishment, are as follows:

	Total Bonds Issued
Certificate of deposit	$ 20,040,000
Multifamily	1,372,244,292
Single family	2,425,447,240
	$ 3,817,731,532

A. Certificate of deposit program

The certificate of deposit program issued Multifamily Housing Revenue Bonds 1983 Series A, B, C and D. All bonds issued under this program were retired in prior years.

B. Multifamily programs

The multifamily programs have issued the following:

- Collateralized Loan-to-Lender Revenue Bonds, 1982 Series A
- First Mortgage Housing Revenue Bonds, 1982 Series A
- Housing Development Revenue Bonds, 1983 Series A, C; and 1984 Series B
- Multifamily Guaranteed Mortgage Revenue Bonds, 1983 Series A and B
- Multifamily Guaranteed Mortgage Revenue Refunding Bonds, 1988 Series B; and 1989 Series A
- Multifamily Housing Revenue Bonds, 1983 Series C; 1985 Series B, D, E, G, H, J, K, L, M,N; 1988 Series A, C; 1994 Series A; 1995 Series A; 1997 Series A, B, D; 1998 Series A,

C,D, G, K; 1999 Series A, B, E, G, I, L; 2000 Series A, E, F; 2001 Series A, C, F, G; 2002 Series A, C, E, G; 2003 Series A; 2004 Series A; 2005 Series A, B, C, D; 2006 Series A, B;2007 Series A, B, C, D, E, F, G, H, I, J, K, L, M, N, 0, P; and 2008 Series A

- Multifamily Housing Revenue Refunding Bonds, 1990 Series B;1991 Series A, B; 1992 Series A; 1993 Series A, B; 1994 Series B; 1995 Series B; 1997 Series C, E, F; 1999 Series K; and 2001 Series E
- Multifamily Mortgage Revenue Bonds, 1983 Series A; 1984 Series A; 1985 Series A and 2009 Series A
- Multifamily Mortgage Revenue Refunding Bonds, 1989 Series B; and 1995
- Multifamily Rental Housing Revenue Bonds, 1990 Series A
- Subordinated Multifamily Housing Revenue Bonds, 1994 Series B; 1998 Series I, M; 1999 Series D; and 2000 Series C, D
- Taxable Multifamily Housing Revenue Bonds, 1998 Series B, E, 1999 Series F, H, J, M; 2000 Series G; 2001 Series B, D, H; 2002 Series B, D, F; 2002 Series H; and 2003 Series B
- Variable Rate Demand Multifamily Housing Revenue Bonds, 1985 Series F and I
- Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, 1998 Series F
- Variable Rate Housing Revenue Refunding Bonds, 1998 Series J
- Variable Rate Multifamily Housing Revenue Bonds, 2000 Series H
- Taxable Multifamily Mortgage Revenue Bonds, NIBP Series 2009A
- Multifamily Mortgage Revenue Bonds, NIBP 2009 Series A-1 and A-2
- Multifamily Mortgage Revenue Bonds, NIBP 2011 Series A-1 and A-2
- Multifamily Mortgage Revenue Bonds, NIBP 2009 Series A-3
- Multifamily Mortgage Revenue Bonds, NIBP 2009 Series A-4, 2011 Series B
- Multifamily Mortgage Revenue Bonds, NIBP 2009 Series A-5, 2011 Series C
- Multifamily Housing Revenue Bonds, 2013 Series A and B
- Multifamily Housing Revenue Bonds, 2014 Series A, B and C
- Multifamily Housing Revenue Bonds, 2015 Series A
- Multifamily Housing Revenue Note, 2016 Series A
- Taxable Multifamily Housing Revenue Note, 2016 Series B
- Multifamily Housing Revenue Bonds, 2016 Series C
- Multifamily Housing Revenue Bonds 2016 Series D
- Multifamily Housing Revenue Bonds 2017 Series A
- Multifamily Housing Revenue Bonds 2017 Series B
- Multifamily Housing Revenue Bonds 2017 Series C
- Multifamily Housing Revenue Bonds 2018 Series A-1
- Multifamily Housing Revenue Bonds 2019 Series A
- Multifamily Housing Revenue Note, 2019 Series A-1
- Multifamily Housing Revenue Bonds, 2020 Series A
- Multifamily Housing Revenue Bonds, 2020 Series B
- Multifamily Housing Revenue Bonds, 2021 Series A

Proceeds from the sale of the bonds were used to finance the construction or acquisition of multifamily housing developments located in Orange and Seminole Counties, Florida which are intended for occupancy in part by persons of low, moderate, and middle-income.

C. Single family programs

The single family programs have issued the following:

- Single Family Bond Issues 1980; 1982 Series A; 1983 Series A; 1984 Series A; and 1985 Series A

The proceeds of the bonds were used primarily to purchase mortgage loans from certain qualified lending institutions on single-family residences for persons of low to moderate income in Orange County, Florida.

The Program also issued the following:

- Single Family Housing Revenue Bonds 1987 Series A, B, C, D, E, F; 1988 Series A; 1989 Series A, B, C, D, E; 1990 Series A; 1991 Series A; 1992 Series A, B; 1994 Series A; Series 1994; Series 1995; 1996 Series A, B; 1997 Series A, B; 2001 Series A-1 (AMT), A-2 (ST AMT), A-3 (Taxable); and 2002 Series A (AMT)
- Homeowner Revenue Bonds 1998 Series A-1 (AMT), A-2 (Taxable); 1999 Series A-1 (AMT), A-2 (Non-AMT), A-3 (Short-term AMT), A-4 (Taxable); 2000 Series A-1 (AMT), A-2 (Short-term AMT), A-3 (Taxable), B-1 (AMT), B-2 (Short-term AMT), B-3 (Taxable); 2001 Series A-1 (AMT), A-2 (Short-term AMT), A-3 (Taxable); 2002 Series A (AMT); 2002 Series B (AMT); 2003 Series A (AMT); and 2004 Series A (AMT)
- Homeowner Revenue Bonds 2001 Series C-1 (AMT), Series C-2 (Variable Rate AMT), Series C-3 (Non-AMT), and Series C-4 (Taxable)
- Homeowner Revenue Bonds 2006 Series A-1 (AMT), and Series A-2 (AMT)
- Homeowner Revenue Bonds 2007 Series A (AMT), and Series B (AMT)
- Homeowner Mortgage Revenue Bonds, NIBP 2009 Series (Multi-County Program)
- Homeowner Mortgage Revenue Bonds, NIBP 2009 Series B (Non-AMT) and 2011 A (Non-AMT) (Multi-County Program)
- Homeowner Mortgage Revenue Bonds, NIBP 2009 Series C (Non-AMT) and 2011 B (Non-AMT) (Multi-County Program)
- Homeowner Revenue Bonds 2013 Series A Taxable (Multi-County Program) Refunding Bonds
- Homeowner Revenue Bonds 2014 Series A (Non-AMT)(Multi-County Program)
- Homeowner Revenue Bonds 2017 Series A (Non-AMT)(Multi-County Program)
- Homeowner Revenue Bonds 2018 Series A (Non-AMT)(Multi-County Program)
- Homeowner Revenue Bonds 2020 Series A (Non-AMT)(Multi-County Program)
- Homeowner Revenue Bonds 2020 Series B (Federally Taxable Pass-Through)(Multi-County Program)

The proceeds of the bonds are used primarily to purchase GNMA certificates to the extent mortgage loans are originated by participating lenders. The mortgage loans are intended for single family residences for persons of low to moderate income in Orange, Seminole, Lake and Osceola Counties, Florida.

D. Operating fund

The Authority's operating fund collects program fees from the various bond issues. Expenses are those incurred in operating the Authority, which are determined by budgetary restrictions imposed by Board of Directors. The operating fund also makes second and third mortgage loans used for down payment assistance as well as loans to various agencies that assist in providing housing for handicapped, homeless and low-income people in the area served by the Authority. These loans are typically non-interest bearing or have interest rates substantially below the prevailing market rate and include other favorable terms of repayment.

5. Cash, cash equivalents and investments

At September 30, 2021, the Authority had the following cash, cash equivalents and investments:

	Fair Value	Credit Quality Rating (S&P/Moodys)	Maturity (Years)
Operating fund			
Bank deposits	$ 12,244,902	NA	NA
U.S. Bank Money Market Account	5,804,401	NA	NA
Operating fund cash and cash equivalents	18,049,303		
Total operating fund cash and cash equivalents	$ 18,049,303		
Bond Programs fund			
Single Family			
US Bank Money Market 5-CT	$ 6,503,409	Aa1/P-1	< 90 days
First American Government Obligations	9,647,146	Aaa-mf	< 90 days
Total single family cash and cash equivalents	16,150,555		
Multifamily			
Bank deposits	1,371,139	NA	NA
Money Market Funds	8,171,454	AAAm/Aaa-mf	< 90 days
US Bank Money Market 5-CT	455,279	Aa1/P-1	< 90 days
BNY Mellon Cash Reserve	66,006	A-1+/P-1	< 90 days
Total multifamily cash and cash equivalents	10,063,878		
US Treasury Note	20,643,791	NA/Aaa	< 2 years
US Treasury S&L Government Certificate	42,539,738	NA	< 90 days
Berkshire Hathaway Guaranteed Investment Contracts	1,976,997	A-1+(1)/Aa2	5-10
Total multifamily investments	65,160,526		
Total mulifamily cash, cash equivalents and investments	75,224,404		
Total bond programs fund cash, cash equivalents and investments	$ 91,374,959		

Bank deposits are secured as provided by Chapter 280, *Florida Statutes*. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2021, all of the Authority's bank deposits were in qualified public depositories.

Certain of the Authority's investments are subject to credit risk, interest rate risk and concentration of credit risk considerations, as defined by GASB 40. Cash equivalents are not exposed to credit risk, as defined by GASB 40.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. GASB 40 requires the disclosure of investments in any one issuer that represent 5% or more of total investments. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from this requirement. As of September 30, 2021, the Authority's Operating Fund had no investments which are subject to concentration of credit risk disclosure requirements.

Fair value measurements

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Government Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. The Authority's financial instruments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access at the measurement date.

Level 2 – Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 – Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

The categorization of financial instruments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. The US Treasury Note and S&L Government Certificate classified as Level 1 of the fair value hierarchy are valued using quoted market prices in active markets. We believe the market is an actively traded market given the high level of daily trading volume. The mortgage backed securities and Guaranteed Investment Contracts classified as Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities.

	Fair Value	Level 1	Level 2	Level 3
Operating Fund				
Mortgage backed securities	$ 15,836,715	$ -	$ 15,836,715	$ -
Total Operating Fund	15,836,715	-	15,836,715	-
Bond Programs Funds				
Guaranteed Investment Contracts	1,976,997	-	1,976,997	-
Mortgage backed securities	62,527,953	-	62,527,953	-
US Treasury Note	20,643,791	20,643,791	-	-
US Treasury S&L Government Certificate	42,539,738	42,539,738	-	-
Total Bond Programs Funds	127,688,479	63,183,529	64,504,950	-
Total Financial Instruments by Fair Value Level	$ 143,525,194	$ 63,183,529	$ 80,341,665	$ -

Operating Fund Investment Risk Mitigation Policies

The Operating Fund investment policy limits maturities of direct obligations of the United States of America, any agency thereof, and federal instrumentalities to two years from the date of purchase, limits investments in money market mutual funds to those with weighted average maturities of 90 days or less, and limits maturities of certificates of deposit to one year.

The Authority manages credit risk in its Operating Fund by limiting investments authorized to direct obligations of the United States of America or any agency thereof, federal instrumentalities, interest-bearing time or demand deposits with any qualified depository institution and money market mutual funds registered under the Federal Investment Company

Act of 1940 and with credit quality ratings equivalent to or better than Standard & Poor's rating of AAAm or the equivalent by another rating agency.

In the Operating Fund, the Authority manages concentration of credit risk by diversification of its investment portfolio to minimize the impact of potential losses from one type of security or individual issuer. In addition, the Authority invests in investments issued by or explicitly guaranteed by the U.S. Government.

Bond Program Funds

Credit quality ratings, weighted average maturities and concentration of credit risk permitted for multifamily and single family investments are based on policies provided in respective trust indentures, which vary among projects. Such investments are made at the direction of trustees based on the underlying trust indenture policies.

6. Mortgage backed securities

At September 30, 2021, mortgage backed securities consisted of investments in the following securities with maturity dates ranging from years 2023 to 2050.

	Operating Fund	Single Family	Multifamily	Total
Federal Home Loan Mortgage Corporation	$ 626,405	$ 242,151	$ -	$ 868,556
Federal National Mortgage Association	509,163	1,060,648	20,152,169	21,721,980
Government National Mortgage Association	14,701,147	41,072,985		55,774,132
	$ 15,836,715	$ 42,375,784	$ 20,152,169	$ 78,364,668

In connection with the retirement of certain single family mortgage revenue bond programs, the Authority has transferred residuals consisting in part of mortgage backed securities from the Bonds Program Funds to the Operating Fund.

Operating fund mortgage backed securities include $1,298,137 held as collateral by Federal Home Loan Bank.

The mortgage backed securities are valued at fair value and bear interest at various rates ranging from 3.00% to 7.05%.

7. Loans receivable

Loans receivable at September 30, 2021 were as follows

Single family mortgage loans	$ 1,149,831
Multifamily mortgage loans	381,205,447
Total	$ 382,355,278

Single family mortgage loans receivable relate to down payment assistance loans issued during 2006 and 2007 in amounts up to $35,000 per household and down payment assistance loans issued during 2007 through 2011 in amounts up to $10,000 per household. These loans are secured by second mortgages and, in the opinion of management do not have a material exposure to loss.

Multifamily mortgage loans are collateralized by a first mortgage deed and, with the exception of 13 privately placed issues, either an insurance policy or an irrevocable letter of credit. The related insurance company or financial institution must have a rating greater than or equal to the rating on the bonds. Due to the nature of these notes and the repayment terms, all are considered to be long-term for financial reporting purposes. Multifamily mortgage loans receivable are pledged as collateral for the payment of principal and interest on the related indebtedness.

8. Notes receivable

Notes receivable of the Operating Fund are summarized as follows at September 30, 2021:

$78,929 fifth mortgage loan, secured by property, $254 due monthly	$	58,708
Down payment assistance notes receivable, secured by property, issued from 1991 through 1997		313,527
Down payment assistance notes receivable, secured by property, issued from 2006 through 2011		1,523,305
Down payment assistance notes receivable, secured by property, issued since 2014		3,308,325
Other notes receivable, secured by property, primarily due 2030		1,660,063
		6,863,928
Less allowance for losses on notes receivable		(1,647,585)
	$	5,216,343

Due to the nature of these notes and the repayment terms, substantially all are considered to be long term receivables for financial reporting purposes.

Down payment assistance ("DPA") notes issued from 1991 through 1997 were in amounts up to $2,500 per household and are due after the first mortgage has been paid in full. An allowance has been established for approximately $313,527 of these DPA notes. DPA notes issued from 2006 through 2011 were in amounts up to $10,000 per household with varying repayment terms allowing for repayments on some notes to be deferred up to 5 years from the date of issuance. An allowance has been established for approximately $1,334,058 of these DPA notes, which equates to the amount of loans for which foreclosure notices have been received. It is reasonably possible that a change in this estimated allowance may occur in the near term; however, an estimate of possible additional valuation allowance for these notes, if any, cannot be made. All of the DPA notes are secured by second or third mortgages.

Other notes receivable consist of five notes, two which require only principal payments and three which require principal and interest payments. All five notes were made to entities associated with multifamily housing projects, are secured by property and are expected to be fully collectable.

9. Interfund transfers

The Authority reports interfund transfers between the Operating Fund and Bond Programs Fund. In 2021, the net activity of $817,535 interfund transfers were between the Single Family Custody Account in the Operating Fund and the Single Family 2011A, 2011B, and 2014A Bond Funds.

10. Capital assets

Capital assets of the Operating Fund are summarized as follows at September 30, 2021:

	Balance 10/1/2020	Additions	Deletions	Balance 9/30/2021
Land	$ 112,000	$ -	$ -	$ 112,000
Building	411,671	-	-	411,671
Furniture and fixtures	118,955	9,450	-	128,405
Less accumulated depreciation	(372,125)	(17,172)	-	(389,297)
Total capital assets, net	$ 270,501	$ (7,722)	$ -	$ 262,779

11. Accounts payable and other liabilities

	Operating Fund	Bond Programs Fund	Total
Reserve payable	$ -	$ 2,006,679	$ 2,006,679
Program fee payable	-	365,583	365,583
Trustee fee payable	-	44,463	44,463
Tax credit equity payable	-	7,637,575	7,637,575
Third party loans	-	72,388,808	72,388,808
Unearned revenue	216,653	-	216,653
Line of credit proceeds	-	270	270
Payroll and related liabilities	304,008	-	304,008
Accounts payable	25,693	-	25,693
	$ 546,354	$ 82,443,378	$ 82,989,732

Reserve payables represent amounts due to developers and other third parties for tax credits and other costs associated with bond programs.

12. Collateralized Bank Loan

In 2017, the Authority entered into a $20 million limited line of credit agreement with the Federal Home Loan Bank (Bank) to provide financing for the support of the Single-Family Program. All advances under this agreement are fully collateralized with pledged mortgage backed securities.

At September 30, 2021, the amount pledged for advances was $7,407,390 made up of FNMA and GNMA securities with rates ranging from 3.50% to 5.49%, maturity dates ranging from 2037 to 2046 and pledge dates ranging from 2016 to 2017. The market value of these securities held in safekeeping by the bank at September 30, 2021 was $1,298,137.

The ending balance of the line of credit at September 30, 2021 is $0.

13. Bonds and notes payable

Bonds are issued in the form of serial, term and capital appreciation bonds and are both taxable and tax-exempt depending on the particular terms of the issue. The annual percentage rate, maturity, principal balance outstanding and other information relating to bond and notes indebtedness at September 30, 2021 were as follows:

Series	Type		Annual Percentage Rate	Principal Maturity	Principal Balance Outstanding	Current Portion	
Multifamily Bonds:							
1995 A	Term		7.000	2026	$ 2,210,000	$ -	
1997 E	Term	*	0.033	2025	16,160,000	-	
1998 C	Term		7.000	2028	1,070,000	-	
2001 A	Term	*	0.073	2034	8,450,000	-	
2001 F	Term		7.250	2032	4,060,000	-	
2002 A	Term	*	0.066	2035	11,340,000	-	
2002 B	Term	*	0.000	2035	(370,000)	-	
2004 A	Term	*	0.068	2037	11,100,000	-	
2005 A	Term	*	0.068	2038	7,385,000	-	
2005 B	Term	*	0.068	2038	5,530,000	-	
2007 A	Term	*	0.074	2040	7,650,000	-	
2007 B	Term	*	0.088	2042	4,185,000	-	
2007 C	Term	*	0.777	2042	5,130,000	-	
2007 D	Term	*	0.777	2042	1,550,000	-	
2007 E	Term	*	0.777	2042	2,700,000	-	
2007 F	Term	*	0.777	2042	1,345,000	-	
2007 G	Term	*	0.064	2042	7,460,000	-	
2007 H	Term	*	0.064	2042	6,890,000	-	
2007 I	Term	*	0.711	2043	3,990,000	-	
2007 J	Term	*	0.802	2043	1,215,000	-	
2007 K	Term	*	0.802	2043	1,950,000	-	
2007 L	Term	*	0.711	2043	3,895,000	-	
2007 M	Term	*	0.799	2043	4,425,000	-	
2007 N	Term	*	1.445	2043	3,890,000	-	
2007 O	Term	*	1.445	2043	2,000,000	-	
2007 P	Term	*	0.752	2043	6,050,000	-	
2009 A-1 NIBP	Term		3.880	2040	6,030,000	-	
2009 A-2 NIBP	Term		2.480	2044	5,100,000	-	
2009 A-3 NIBP	Term		2.320	2044	7,070,000	-	
2009 A-4 NIBP	Term		2.320	2044	9,150,000	-	
2009 A-5 NIBP	Term		2.320	2044	6,240,000	-	
2013 A	Term		5.650	2030	14,601,060	-	
2013 B	Term		2.470	2048	20,700,000	-	
2014 B	Term		5.250	2042	14,680,000	-	
2014 C	Term		5.250	2054	8,000,000	-	
2016 D SENIOR	Term		4.500	2051	8,975,000	-	
2016 D SUBORDINATE	Term	*	8.877	2051	7,500,000	-	
2017 A SENIOR	Term		5.000	2052	15,477,000	-	
2017 A SUBORDINATE	Term	*	8.877	2052	6,500,000	-	
2018 A-1	Term		4.830	2035	17,091,145	-	1)
2020 A	Term		4.150	2052	20,956,607	-	
2020 B	Term		0.350	2023	42,400,000	-	
2021 A	Term		0.200	2024	20,830,000		
Total Multifamily Bonds Payable:					362,560,812	-	
Multifamily Notes:							
2016A Housing Revenue Note			4.320	2033	12,843,090	194,896	
2019 A-1 Multifamily Housing Revenue Note			4.330	2035	25,557,687	349,378	
Total Multifamily Notes Payable:					38,400,777	544,274	
Total Multifamily Bonds and Notes Payable:					$ 400,961,589	$ 544,274	

Bonds and notes payable, continued

Series	Type	Annual Percentage Rate	Principal Maturity	Principal Balance Outstanding	Current Portion	
Single Family Bonds:						
2014A	Serial	2.050-3.000	2020-2024	$ 110,000	$ 40,000	2)
2014A	Term	3.550-4.000	2030-2040	2,065,000	-	
2017A	Serial	1.250-2.750	2020-2028	895,000	125,000	3)
2017A	Term	3.150-4.000	2032-2040	8,020,000	-	
2018A	Serial	2.150-3.600	2020-2030	665,000	75,000	4)
2018A	Term	3.850-4.250	2033-2049	8,865,000	-	
2020 A & 2020 B	Serial	.0.600-2.100	2022-2050	1,310,000	95,000	5)
2020 A & 2020 B	Term	1.650-3.000	2035-2050	15,861,566	-	
Total Single Family Bonds Payable:				37,791,566	335,000	
Total Bonds and Notes Payable:				$ 438,753,155	$ 879,274	

1) Net of unamortized premium of	$ (31,928)	2018 A-1 Lake Weston Lake Apartments
2) Net of unamortized premium of	(544,095)	SERIES 2014A
3) Net of unamortized premium of	(635,467)	SERIES 2017A
4) Net of unamortized premium of	(457,374)	SERIES 2018A
5) Net of unamortized premium of	(261,766)	SERIES 2020A
	$ (1,930,630)	

*This bond issue has a variable interest rate. The rate shown is the rate in effect at year end. Other interest rates are fixed and have not changed from the prior year.

Scheduled principal and interest payments commencing October 1, 2021, are as follows (variable rate debt interest payments are based on rates applicable at September 30, 2021):

	Bonds Payable		Notes Payable		
Fiscal Year Ending September 30,	Principal	Interest	Principal	Interest	Total
2022	$ 335,000	$ 9,284,445	$ 544,274	$ 1,742,361	$ 11,906,080
2023	355,000	9,642,172	540,835	1,627,281	12,165,288
2024	63,575,000	9,481,038	564,702	1,603,414	75,224,154
2025	16,470,000	9,419,158	589,623	1,578,494	28,057,275
2026	2,535,000	9,253,595	615,644	1,552,472	13,956,711
2027-2031	16,916,060	44,521,129	3,510,536	7,330,046	72,277,771
2032-2036	42,216,145	38,186,912	32,035,163	4,050,402	116,488,622
2037-2041	46,345,000	33,987,090	-	-	80,332,090
2042-2046	101,650,000	24,883,571	-	-	126,533,571
2047-2051	42,546,566	19,248,228	-	-	61,794,794
2052-2055	67,408,607	3,522,403	-	-	70,931,010
Total Bonds and Notes Outstanding	400,352,378	211,429,741	38,400,777	19,484,470	669,667,366
Unamortized Premium, net	1,930,630.00	-	-	-	1,930,630
Total	$ 402,283,008	$ 211,429,741	$ 38,400,777	$ 19,484,470	$ 671,597,996

Assets of the various programs are pledged for payment of principal and interest on the applicable bonds. Each issue is collateralized by a separate collateral package. In addition, certain assets are further restricted for payment of interest and principal in the event that the related debt service and other available funds are insufficient.

Provisions of the bond resolutions provide for various methods of redemption. Bonds are to be redeemed at par, primarily from prepayments of mortgage loans securing the issues, from unexpended bond proceeds and excess program revenues. Bonds are generally redeemable at the option of the Authority at premiums ranging up to 6%. Certain term bonds require mandatory sinking fund payments for their redemption.

The interest rate on the Authority's variable rate multifamily bonds is computed weekly by a remarketing agent at a rate that will price the bonds at a market value of approximately 100% of the principal balance outstanding, plus accrued interest.

14. Changes in long-term debt

Long-term debt is summarized as follows at September 30, 2021:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Current Portion
Operating Fund					
Net pension liability	$ 797,238	$ 255,126	$ (622,412)	$ 429,952	$ -
Bond Programs Fund					
Bonds payable - Multifamily	373,313,179	30,588,902	(41,309,341)	362,592,740	-
Bonds payable - Single Family	66,148,296	-	(26,458,028)	39,690,268	335,000
Total bonds payable	439,461,475	30,588,902	(67,767,369)	402,283,008	335,000
Notes payable	38,639,760	-	(238,983)	38,400,777	544,274
Total Bond Programs Fund	478,101,235	30,588,902	(68,006,352)	440,683,785	879,274
Total long-term debt	$ 478,898,473	$ 30,844,028	$ (68,628,764)	$ 441,113,737	$ 879,274

15. Net position

Restricted net position

Pursuant to various trust indentures and loan agreements, upon satisfaction of all bondholder indebtedness and payment of all authorized expenses, any remaining funds are disbursed to the Authority or the respective developer as described in each trust indenture or loan agreement.

The following is a summary of restricted assets, liabilities, and net position as of September 30, 2021:

Total restricted cash & cash equivalents	$ 26,214,433
Total restricted investments	65,160,526
Total restricted current assets	958,243
Total restricted noncurrent assets	444,883,231
Total restricted assets	537,216,433
Total current liabilities payable from restricted assets	84,611,819
Total noncurrent liabilities payable from restricted assets	456,905,029
Total restricted liabilities payable from restricted assets	541,516,848
Total restricted net position	$ (4,300,415)

Unrestricted net position

Unrestricted net position represents all resources not included in the other components of net position. At September 30, 2021, $20,000 of the Authority's Operating Fund unrestricted net position has been designated as a general contingency account.

16. Retirement plans

Florida Retirement System:

General Information - All of the Authority's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Pension Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

<u>Contributions</u> - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular—8.28% and 9.10%; Special Risk Administrative Support—34.12% and 36.04%; Special Risk—22.73% and 24.17%; Senior Management Service—25.57% and 27.29%; Elected Officers'—47.46% and 49.70%; and DROP participants—15.32% and 16.68%. Added to these employer rates include the 1.66% contribution for HIS and the assessment of 0.06 % for administration of the Pension Plan.

The Authority's contributions to the Pension Plan totaled $52,706 for the fiscal year ended September 30, 2021.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u> – At September 30, 2021, the Authority reported a

liability of $104,509 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Authority's proportionate share of the net pension liability was based on the Authority's 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the Authority's proportionate share was 0.001383523%, which was an increase of 0.000274937% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the Authority recognized Pension Plan pension income $60,892. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,913	$ -
Change of assumptions	71,511	-
Net difference between projected and actual earnings on Pension Plan investments	79,480	364,607
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	-	123,471
Authority Pension Plan contributions subsequent to the measurement date	15,907	-
Total	$ 184,811	$ 488,078

The deferred inflows of resources related to the Pension Plan, totaling $15,907 resulting from Authority contributions to the Pension Plan subsequent to the measurement date, will be recognized as a reduction to the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2022	$ (73,409)
2023	(48,962)
2024	(56,284)
2025	(75,236)
2026	(68,885)
Thereafter	3,602
Total	$ (319,174)

Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Discount rate and long-term expected rate of return	6.80 percent

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study completed in 2019 for the period July 1, 2013 through June 30, 2018.

The mortality assumption was based on the PUB-2010 base table, projected generationally with Scale MP-2018 details.

The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with the 4.17 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2021 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80 percent reported investment return assumption is the same as the investment return assumption chosen by the 2021 FRS Actuarial Assumption Conference for funding policy purposes.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.2%

(1) As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return. The 6.80 percent rate of return assumption used in the June 30, 2021 calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2020 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 5.80%, or one percentage point higher, 7.80%, than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Authority's proportionate share of the net pension liability	$ 467,373	$ 104,509	$ (198,804)

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan- At September 30, 2021, the Authority did not report payables for any outstanding amount of contributions required for the year.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS Plan payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS Plan payment of $30 and a maximum HIS Plan payment of $150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the

HIS Plan contribution for the fiscal year was 1.66%. The Authority contributed 100% of its statutorily required contributions for the current and preceding four years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Authority’s contributions to the HIS Plan totaled $15,595 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the Authority reported a liability of $325,444 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was also determined by an actuarial valuation as of June 30, 2020. The Authority’s proportionate share of the net pension liability was based on the Authority’s 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the Authority's proportionate share was 0.002653115%, which was an increase of 0.000058803% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the Authority recognized HIS Plan pension expense of $27,116. In addition, the Authority reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 10,890	$ 136
Change of assumptions	25,573	13,409
Net difference between projected and actual earnings on HIS Plan investments	339	-
Changes in proportion and differences between Authority HIS Plan contributions and proportionate share of contributions	23,929	24,375
Authority HIS Plan contributions subsequent to the measurement date	3,736	-
Total	$ 64,467	$ 37,920

The deferred outflows of resources related to the HIS Plan, totaling $3,736 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2022	$ 9,161
2023	5,511
2024	970
2025	3,067
2026	734
Thereafter	3,368
Total	$ 22,811

Actuarial Assumptions - The total pension liability as of June 30, 2021, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 – June 30, 2018. July 1. 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	2.21 percent

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions used in the June 30, 2021 valuation were based on the most recent experience study for the FRS Pension Plan completed in 2019 for the period July 1, 2013 through June 30, 2018.

The mortality assumption was based on the PUB-2010 base table, projected generationally with Scale MP-2018 details.

Discount Rate - The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 2.16% as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 1.16%, or one percentage point higher, 3.16%, than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Authority's proportionate share of the net pension liability	$ 376,245	$ 325,444	$ 283,825

HIS Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Investment Plan

The SBA administers the defined contribution plan, qualified under Section 401(a) of the Internal Revenue Code, officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the 2020-21 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's Investment Plan pension expense totaled $66,201 for the fiscal year September 30, 2021.

17. Deferred compensation plan

The Authority participates in a deferred compensation plan available under Internal Revenue Code Section 457(b) (Plan). Plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Authority is required to contribute on behalf of each participant 5% of earnings for the plan year. Participants may select additional individual levels of contributions (not to exceed maximum contribution limits established by the Internal Revenue Service.) Plan assets are managed by Voya Financial. The Authority has no management control over the assets of the Plan. Accordingly, the assets of the Plan are not included in these financial statements. For the year ended September 30, 2021, the Authority contributed $43,880 to the Plan.

18. Commitments and contingencies

In 1995, as part of the Single Family Housing Revenue Bond Series 1994 (1994 Bonds), the trustee for the 1994 Bonds received $675,000 in exchange for an agreement whereby the trustee for the 1994 Bonds will remit an amount equal to 6.0689655% of each interest payment received by the trustee on GNMA certificates to a third party. During the year ended September 30, 2021, the Authority remitted $442 under such agreement.

In 1995, as part of the Single Family Housing Revenue Bond Series 1995 (1995 Bonds), the trustee for the 1995 Bonds received $261,000 in exchange for an agreement whereby the trustee for the 1995 Bonds will remit an amount equal to 3.67647% of each interest payment received by the trustee on GNMA certificates to a third party. During the year ended September 30, 2021, the Authority remitted $234 under such agreement.

19. Other bondholder information

The Authority has currently financed more than 50 separately collateralized multifamily housing projects, certain of which have required debt service payments to be made by the provider of credit enhancement due to developer payment defaults. No debt service payment default has ever occurred on any publicly offered Authority indebtedness. Developer payment defaults may result in:

- Prepayments by the provider of credit enhancement guaranteeing the obligations of the defaulting developer with respect to such bonds in whole or in part.
- The refunding and early redemption of bonds prior to their stated maturities at their original principal amount plus accrued interest.

The guarantor or provider of other credit enhancement may also be a partner or hold other ownership interests in the developer. Under such circumstances, it may be advantageous for the provider of credit enhancement to prepay the program loan upon developer payment default and eliminate the project from participation in the housing programs of the Authority.

The public policy goal of the Authority is to provide affordable housing to persons of low, moderate and middle income. The Authority realizes that in certain instances, the financial difficulties of the developers may result, in part, from the deed restrictions and other covenants required by the Authority in furtherance of this public policy and which are required by federal income tax law. The Authority intends to make every effort to preserve the participation of troubled projects in providing affordable housing to persons of low, moderate and middle income without impairing the security for bonds issued by the Authority.

20. Risk management

The Authority is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. No settlements in excess of claims have been incurred in the past three fiscal years. The Authority's health insurance is covered by Orange County, Florida's Self-Insurance Fund, a risk management pool to which risk is transferred in exchange for annual premium payment.

21. Prior period adjustment

The prior year's net position of the Operating Fund was overstated and the Bond Programs Fund was understated by $703,481 due to a classification error in a prior year transfer between these funds. The Authority has restated the financial statements to correct the beginning fund net positions. These changes have no impact to the change in net position for the year ended September 30, 2021.

22. Subsequent events

The Authority issued $43,000,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds 2021 Series B (Stratford Point Apartments), dated November 5, 2021.

During the period October 1, 2021 through January 15, 2022, pursuant to various trust indentures, bonds in the aggregate amount of $11,491,966 were called for redemptions. The bonds were called at a redemption price equal to par value plus accrued interest.

Bond Calls:

Date Called	Redemption		Redemption Amount	Program	Series
10/01/21	Partial	$	(210,000)	Multifamily Housing Revenue Bonds	1995 Series A (H.A.N.D.S., Inc. Project)
10/01/21	Partial		(60,000)	Multifamily Housing Revenue Bonds	1998 Series C (Alhambra Trace Apartments Project)
10/01/21	Partial		(130,000)	Multifamily Housing Revenue Bonds	2001 Series F (H.A.N.D.S., Inc. Project)
10/01/21	Partial		(10,000)	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
10/01/21	Partial		(5,000)	Multifamily Housing Revenue Bonds	2007 Series L (Fountains at Millenia Phase III)
10/01/21	Partial		(5,000)	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
10/01/21	Partial		(15,922)	Multifamily Housing Revenue Note	2016 Series AB (Buchanan Bay Townhomes)
10/01/21	Partial		(18,159)	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Pointe Apartments)
10/01/21	Partial		(26,298)	Multifamily Housing Revenue Bonds	2019 Series A-1/A-2 Chapel Trace Apartments
10/06/21	Partial		(100,000)	Multifamily Housing Revenue Bonds	2007 Series (Oviedo Town Center)
10/06/21	Partial		(105,000)	Multifamily Housing Revenue Bonds	2007 Series N and O (Spring Lake Apartments Phase II)
10/10/21	Partial		(17,251)	Multifamily Housing Revenue Bonds	2013 Series AB - (Nassau Bay Apartments)
10/15/21	Partial		(145,000)	Multifamily Housing Revenue Bonds	1997 Series E (Post Fountains at Lee Vista)
10/15/21	Full		(8,450,000)	Multifamily Housing Revenue Bonds	2001 Series A (Charleston Club Apartments)
10/15/21	Partial		(100,000)	Multifamily Housing Revenue Bonds	2005 Series A (The Cove at Lady Lake Apartments)
10/15/21	Partial		(1,000)	Multifamily Housing Revenue Bonds	2016 Series D (Westwood Park Apartments)
10/15/21	Partial		(3,000)	Multifamily Housing Revenue Bonds	2017 Series A (Vista Pines Apartments)

Continued on next page:

Bond Calls, continued:

Date Called	Redemption	Redemption Amount	Program	Series
11/01/21	Partial	(5,000)	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
11/01/21	Partial	(5,000)	Multifamily Housing Revenue Bonds	2007 Series K (Fountains at Millenia Phase II)
11/01/21	Partial	(5,000)	Multifamily Housing Revenue Bonds	2007 Series L (Fountains at Millenia Phase III)
11/01/21	Partial	(5,000)	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
11/01/21	Partial	(70,000)	Multifamily Housing Revenue Bonds	2009 Series A-3 (Oak Harbor Apartments)
11/01/21	Partial	(15,979)	Multifamily Housing Revenue Note	2016 Series AB (Buchanan Bay Townhomes)
11/01/21	Partial	(2,000)	Multifamily Housing Revenue Bonds	2016 Series D (Westwood Park Apartments)
11/01/21	Partial	(1,000)	Multifamily Housing Revenue Bonds	2017 Series A (Vista Pines Apartments)
11/01/21	Partial	(15,941)	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Pointe Apartments
11/01/21	Partial	(26,393)	Multifamily Housing Revenue Bonds	2019 Series A-1/A-2 Chapel Trace Apartments
11/10/21	Partial	(17,332)	Multifamily Housing Revenue Bonds	2013 Series AB - (Nassau Bay Apartments)
11/15/21	Partial	(140,000)	Multifamily Housing Revenue Bonds	2002 Series B (Millenia Boulevard Apartments)
11/15/21	Partial	(100,000)	Multifamily Housing Revenue Bonds	2004 Series A (Lee Vista Club Apartments)
12/01/21	Partial	(10,000)	Multifamily Housing Revenue Bonds	2007 Series I and J (Rolling Acres - Phase I and II)
12/01/21	Partial	(15,000)	Multifamily Housing Revenue Bonds	2007 Series L & M (Millenia - Phase III and IV)
12/01/21	Partial	(60,000)	Multifamily Housing Revenue Bonds	2011 Series C (Seville Place)
12/01/21	Partial	(16,037)	Multifamily Housing Revenue Note	2016 Series AB (Buchanan Bay Townhomes)
12/01/21	Partial	(1,000)	Multifamily Housing Revenue Bonds	2016 Series D (Westwood Park Apartments)
12/01/21	Partial	(2,000)	Multifamily Housing Revenue Bonds	2017 Series A (Vista Pines Apartments)
12/01/21	Partial	(18,296)	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Pointe Apartments)
12/01/21	Partial	(26,488)	Multifamily Housing Revenue Bonds	2019 Series A-1/A-2 Chapel Trace Apartments
12/10/21	Partial	(17,413)	Multifamily Housing Revenue Bonds	2013 Series AB - (Nassau Bay Apartments)
12/15/21	Partial	(100,000)	Multifamily Housing Revenue Bonds	2005 Series B (Lakeside Pointe Apartments)
01/01/22	Partial	(5,000)	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
01/01/22	Partial	(15,000)	Multifamily Housing Revenue Bonds	2007 Series K,L,M (Fountains at Millenia Ph. II, III ,IV)
01/01/22	Partial	(100,000)	Multifamily Housing Revenue Bonds	2011 Series B (River Ridge)
01/01/22	Partial	(16,095)	Multifamily Housing Revenue Note	2016 Series AB (Buchanan Bay Townhomes)
01/01/22	Partial	(16,084)	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Pointe Apartments)
01/01/22	Partial	(26,584)	Multifamily Housing Revenue Bonds	2019 Series A-1/A-2 Chapel Trace Apartments
01/03/22	Partial	(60,000)	Multifamily Housing Revenue Bonds	2009 Series A-1 (Crestwood Apartments)
01/03/22	Partial	(100,000)	Multifamily Housing Revenue Bonds	2009 Series A-4 (NIBP - River Ridge)
01/04/22	Partial	(50,000)	Multifamily Housing Revenue Bonds	2011 Series A (Lake Sherwood)
01/06/22	Partial	(100,000)	Multifamily Housing Revenue Bonds	2007 Series P (Southwinds Cove PH)
01/10/22	Partial	(17,495)	Multifamily Housing Revenue Bonds	2013 Series AB - (Nassau Bay Apartments)
01/15/22	Partial	(145,000)	Multifamily Housing Revenue Bonds	1997 Series E (Post Fountains at Lee Vista Project)
01/15/22	Partial	(100,000)	Multifamily Housing Revenue Bonds	2004 Series A (Lee Vista Club Apartments)
01/15/22	Partial	(2,000)	Multifamily Housing Revenue Bonds	2016 Series D (Westwood Park Apartments)
01/15/22	Partial	(1,000)	Multifamily Housing Revenue Bonds	2017 Series A (Vista Pines Apartments)
Total Multifamily		(10,830,767)		
10/01/21	Partial	(261,252)	Homeowner Revenue Bonds	Series 2020 B (Federally Taxable) (Multi County Program)
11/01/21	Partial	(14,268)	Homeowner Revenue Bonds	Series 2020 B (Federally Taxable) (Multi County Program)
12/01/21	Partial	(15,081)	Homeowner Revenue Bonds	Series 2020 B (Federally Taxable) (Multi County Program)
01/01/22	Partial	(370,598)	Homeowner Revenue Bonds	Series 2020 B (Federally Taxable) (Multi County Program)
Total Single Family		(661,199)		
Total Redemptions		$ (11,491,966)		

Management has evaluated subsequent events through January 31, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Schedule of Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years*

	2021	2020	2019	2018	2017**	2016	2015	2014	2013	2012
Authority's proportion of the net pension liability (asset)	0.001383523%	0.001108586%	0.001175885%	0.002178499%	0.002049555%	0.002133429%	0.002358959%	0.002017176%	PRIOR INFORMATION NOT AVAILABLE	
Authority's proportionate share of the net pension liability (asset)	$ 104,509	$ 480,477	$ 404,958	$ 656,175	$ 606,453	$ 538,693	$ 304,691	$ 123,077		
Authority's covered payroll	$ 960,686	$ 915,222	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037		
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.88%	52.50%	45.46%	66.76%	66.19%	67.33%	38.24%	99.00%		
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%		

*The amounts presented for each fiscal year were determined as of June 30.
** NPL has been increased by $208 due to implementation of GASB 75.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Schedule of Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 52,706	$ 36,833	$ 36,461	$ 62,085	$ 53,355	$ 52,027	$ 57,513	$ 44,185	PRIOR INFORMATION NOT AVAILABLE	
Contributions in relation to the contractually required contribution	$ (52,706)	$ (36,833)	$ (36,461)	$ (62,085)	$ (53,355)	$ (52,027)	$ (57,513)	$ (44,185)		
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Authority's covered payroll	$ 960,686	$ 915,222	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037		
Contributions as a percentage of covered payroll	5.49%	4.02%	4.09%	6.32%	5.82%	6.50%	7.22%	6.04%		

*The amounts presented for each fiscal year were determined as of June 30.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Schedule of Proportionate Share of the Net Pension Liability
Florida Retirement System Health Insurance Subsidy
Last Ten Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Authority's proportion of the net pension liability (asset)	0.002653115%	0.002594312%	0.002632276%	0.002980015%	0.002600868%	0.002614177%	0.002560091%	0.002360065%	PRIOR INFORMATION NOT AVAILABLE	
Authority's proportionate share of the net pension liability (asset)	$ 325,444	$ 316,761	$ 294,525	$ 315,408	$ 278,097	$ 304,671	$ 261,089	$ 220,672		
Authority's covered payroll	$ 960,686	$ 915,222	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037		
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.88%	34.61%	33.06%	32.09%	30.35%	38.08%	32.77%	33.00%		
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%		

*The amounts presented for each fiscal year were determined as of June 30.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Schedule of Contributions
Florida Retirement System Health Insurance Subsidy
Last Ten Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 15,595	$ 14,950	$ 14,617	$ 16,161	$ 13,765	$ 13,399	$ 9,786	$ 8,085	PRIOR INFORMATION NOT AVAILABLE	
Contributions in relation to the contractually required contribution	$ (15,595)	$ (14,950)	$ (14,617)	$ (16,161)	$ (13,765)	$ (13,399)	$ (9,786)	$ (8,085)		
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Authority's covered payroll	$ 960,686	$ 915,222	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037		
Contributions as a percentage of covered payroll	1.62%	1.63%	1.64%	1.64%	1.50%	1.67%	1.23%	1.11%		

*The amounts presented for each fiscal year were determined as of June 30.

COMBINING BOND PROGRAMS FUND STATEMENTS

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Combining Statement of Net Position
Bond Programs Fund
September 30, 2021

	Multifamily Fund	Single Family Fund	Total
Assets			
Current assets:			
Restricted cash and cash equivalents	$ 10,063,878	$ 1,347,233	$ 11,411,111
Accrued loan interest	656,929	-	656,929
Accrued investment interest	120,831	173,302	294,133
Prepaid expenses	2,100	5,081	7,181
Total current assets	10,843,738	1,525,616	12,369,354
Noncurrent assets:			
Restricted cash and cash equivalents	-	14,803,322	14,803,322
Restricted Investments	65,160,526	-	65,160,526
Mortgage backed securities	20,152,169	42,375,784	62,527,953
Loans receivable-net	381,205,447	1,149,831	382,355,278
Total noncurrent assets	466,518,142	58,328,937	524,847,079
Total assets	477,361,880	59,854,553	537,216,433
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	10,009,065	45,505	10,054,570
Accrued interest payable	1,193,089	96,078	1,289,167
Third party loans	72,388,808	-	72,388,808
Note payable, current portion	544,274	-	544,274
Bonds payable, current portion	-	335,000	335,000
Total Current Liabilities	84,135,236	476,583	84,611,819
Noncurrent Liabilities:			
Due to other funds	-	17,100,518	17,100,518
Notes payable	37,856,503	-	37,856,503
Bonds payable-net	362,592,740	39,355,268	401,948,008
Total Noncurrent Liabilities	400,449,243	56,455,786	456,905,029
Total Liabilities	484,584,479	56,932,369	541,516,848
Net Position			
Restricted	(7,222,599)	2,922,184	(4,300,415)
Total net position	$ (7,222,599)	$ 2,922,184	$ (4,300,415)

See accompanying notes.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Combining Statement of Revenues, Expenses and Changes in Net Position
Bond Programs Fund
For the Year Ended September 30, 2021

	Multifamily Fund	Single Family Fund	Total
Operating Revenues			
Investment income	$ 90,019	$ 75,861	$ 165,880
Unrealized gains on investments	-	872,876	872,876
Interest on loans	14,478,565	-	14,478,565
Fee income and other revenue	3,594,478	676	3,595,154
Total operating revenues	18,163,062	949,413	19,112,475
Operating Expenses			
Interest	8,451,483	1,491,701	9,943,184
Unrealized losses on investments	267,767	-	267,767
Bond issuance cost	-	40,000	40,000
General and administrative	20,282,084	84,196	20,366,280
Total operating expenses	29,001,334	1,615,897	30,617,231
Operating loss	(10,838,272)	(666,484)	(11,504,756)
Transfers in	-	5,877,258	5,877,258
Transfers out	-	(6,694,793)	(6,694,793)
Total Transfers	-	(817,535)	(817,535)
Changes in Net Position	(10,838,272)	(1,484,019)	(12,322,291)
Net Position, Beginning as previously stated	3,615,673	3,702,722	7,318,395
Prior Period Adjustment	-	703,481	703,481
Net Position, Beginning restated	3,615,673	4,406,203	8,021,876
Net Position, End of Year	$ (7,222,599)	$ 2,922,184	$ (4,300,415)

See accompanying notes.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Combining Statement of Cash Flows
Bond Programs Fund
For the Year Ended September 30, 2021

	Multifamily Fund	Single Family Fund	Total
Cash Flows from Operating Activities			
Cash received from developers and homeowners	$ 18,010,070	$ 676.00	$ 18,010,746
Cash paid for housing programs	8,880,568	(39,301)	8,841,267
Cash advances of loan principal	8,826,234	-	8,826,234
Payments for internal balances	-	(2,379,083)	(2,379,083)
Cash payments for other general and administrative expenses	(23,654,454)	(116,535)	(23,770,989)
Net cash provided by (used in) operating activities	12,062,418	(2,534,243)	9,528,175
Cash Flows from Noncapital Financing Activities			
Proceeds from issuance of bonds payable	30,588,902	-	30,588,902
Principal repayments on bonds and note payable	(41,548,324)	(26,114,151)	(67,662,475)
Interest paid on bonds and note payable	(8,588,037)	(1,218,955)	(9,806,992)
Net cash provided by noncapital financing activities	(19,547,459)	(27,333,106)	(46,880,565)
Cash Flows from Investing Activities			
Proceeds from principal paydowns of MBS	201,131	26,797,167	26,998,298
Payments for the issuance of MBS	-	(1,521,390)	(1,521,390)
Purchase of investments	(66,208,470)	(59,187,686)	(125,396,156)
Sale of investments	72,466,734	61,406,989	133,873,723
Interest	96,993	152,891	249,884
Net cash used in investing activities	6,556,388	27,647,971	34,204,359
Net Change in Cash and Cash Equivalents	(928,653)	(2,219,378)	(3,148,031)
Cash and Cash Equivalents, Beginning of Year	10,992,531	18,369,933	29,362,464
Cash and Cash Equivalents, End of Year	$ 10,063,878	$ 16,150,555	$ 26,214,433
Reconciliation of Cash and Cash Equivalents			
Current cash and cash equivalents - for debt service	10,063,878	1,347,233	11,411,111
Cash and cash equivalents - restricted	-	14,803,322	14,803,322
Cash and Cash Equivalents, End of Year	$ 10,063,878	$ 16,150,555	$ 26,214,433
Reconciliation of Changes in Operating Income to Net Cash Provided by Operating Activities			
Operating loss	$ (10,838,272)	$ (666,484)	$ (11,504,756)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Interest expense	8,451,483	1,491,700	9,943,183
Investment interest income	(90,019)	(75,861)	(165,880)
Unrealized gain on investments	267,767	(872,876)	(605,109)
Transfers	-	(817,536)	(817,536)
Change in operating assets and liabilities:			
Loans receivable	8,880,568	(39,301)	8,841,267
Accrued loan interest receivable	(62,973)		(62,973)
Prepaid expenses	(2,100)	1,703	(397)
Third party loans	8,826,234	-	8,826,234
Accounts payable and other liabilities	(3,370,270)	5,959	(3,364,311)
Total adjustments	22,900,690	(1,867,759)	21,032,931
Net cash provided by (used in) operating activities	$ 12,062,418	$ (2,534,243)	$ 9,528,175

See accompanying notes.

THE NICHOLS GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

1635 Eagle Harbor Pkwy, Suite 4
Fleming Island, FL 32003
t; 904-264-1665
f: 904-269-9683
www.tng.cc

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board Members of the Orange County Housing Finance Authority, Orlando, Florida.

Report on the Financial Statements

We have audited the financial statements of the Orange County Housing Finance Authority (Authority), a component unit of Orange County, Florida (County), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 31, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 31, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition(s) met. In connection with our audit we determined that the Authority did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 10.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 2.
c. All compensation earned by or awarded employees, whether paid or accrued, regardless of contingency as $1,044,298.97.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $14,836.57.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as $0.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statues. The Authority did not amend its final adopted budget.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Board Members of the Authority, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

The Nichols Group

The Nichols Group, PA
Certified Public Accountants
Fleming Island, Florida

January 31, 2022

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f: 904-269-9683
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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Board Members of the Orange County Housing Finance Authority
Orlando, Florida

We have examined the Orange County Housing Finance Authority's (Authority), compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General.* Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide legal determination of the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of the Florida Auditor General, Orange County, Board Members and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

The Nichols Group

The Nichols Group, PA
Certified Public Accountants
Fleming Island, Florida

January 31, 2022

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. MORRIS
EXECUTIVE DIRECTOR

DISCUSSION ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 16, 2022
RE:	**PROPOSED REVISIONS TO THE AUTHORITY'S MULTI-FAMILY OPEN-CYCLE APPLICATION.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

Enclosed is a copy of a letter from Mitchell Glasser, Manager – Orange County Housing and Community Development Division – requesting priority consideration for developments that have received financial support from the Orange County Housing Trust Fund (OCHTF), for the development of new construction for workforce housing. The Local Housing Trust fund was one of a variety of initiatives adopted by the Board of Orange County Commissioners' after more than two years of exhaustive work accomplished by its Housing For All Initiative Task Force.

The OCHFT provides a needed source of local gap financing for the development of workforce housing. The proposed revisions to the Authority's Open Cycle Application will provide flexibility and priority for development(s) having received financing from the OCHTF via a set-aside of Tax-Exempt bonds on an annual basis. At its meeting of February 17, 2022, the Joint Committee discussed revisions and made some changes; and recommended Board approval at its meeting of March 2, 2022.

ACTION REQUESTED

Board approval of the proposed revisions to the Authority's Multi-Family Open Cycle Application.

ORANGE COUNTY GOVERNMENT FLORIDA
HOUSING AND COMMUNITY DEVELOPMENT DIVISION
MITCHELL L. GLASSER, Manager
525 East South Street • Orlando, Florida 32801
407-836-5150 • Fax: 407-836-5193
www.OrangeCountyFL.net

November 8, 2021

W.D. Morris
Executive Director
Orange County Housing Finance Authority
2211 Hillcrest St
Orlando, FL 32803

RE: Priority of OCHFA Issued Multifamily Mortgage Revenue Bond Allocation

Dear Mr. Morris:

I understand that the Orange County Housing Finance Authority has placed a temporary hold on processing applications for Multi-Family requests for Bond Volume Cap due to the current limited availability of Local Bond Allocation. This letter is to request when the processing of applications is resumed there is consideration to prioritize OCHFA Issued Multifamily Mortgage Revenue Bond (MMRB) allocations for two affordable housing projects in Orange County— Barnett Villas and Emerald Villas Phase Three.

Barnett Villas (156 units) and Emerald Villas Phase Three (90 units) are two of the four projects selected by the Orange County Board of County Commissioners on September 14, 2021 as the result of a competitive Request for Proposal (RFP) process. The purpose of the RFP was to provide financing to "jumpstart" the construction of affordable multi-family developments. These two projects have been awarded $4,500,000 and $5,000,000, respectively, from Orange County's local Affordable Housing Trust Fund. While these are substantial loan awards, both of these projects require OCHFA Issued MMRB to move forward with construction.

Orange County strongly supports these projects and also believes they are well-aligned with OCHFA's priorities. As part of their award, Barnett Villas and Emerald Villas Phase Three have committed to the following features:

- Setting aside 25% of the total units for very low income households that are earning 50% AMI or less;
- Achieving Gold level certification under Florida Green Building Coalition (FGBC) and ICC 700 National Green Building Standard, respectively; and
- Providing new tenant screening standards for "low-barrier" units to assist households that may have experienced economic hardship due to the pandemic.

In addition to these features, both Barnett Villas and Emerald Villas Phase Three meet all zoning requirements for development, rank high on Orange County's Access & Opportunity Model due to their proximity to transit, employment centers, and community resources, and are qualified for full waivers of their school and transportation impact fees.

With this information, Orange County respectfully requests the prioritization of OCHFA Issued MMRB for Barnett Villas and Emerald Villas Phase Three when the Orange County Housing Finance Authority resumes processing Multi-Family requests for Bond Volume Cap.

Sincerely,

Mitchell Glasser, Manager
Housing and Community Development Division

MG:SE

cc: Byron W. Brooks, AICP, County Administrator, County Administrator's Office

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. MORRIS
EXECUTIVE DIRECTOR

July 2022

2023 Orange County Housing Finance Authority
OPEN CYCLE TAX-EXEMPT BOND APPLICATION

Dear Applicant:

The Orange County Housing Finance Authority ("the Authority"/"OCHFA") is now accepting Applications for the **2023 Open Cycle Allocation**. Effective Tuesday, July 5, 2022, the Authority's 2023 Open Cycle Application Process begin and the Authority will accept submissions of applications. The Authority will continue to accept submissions of applications until all of the Authority's then applicable volume cap allocation is committed or the application process is suspended. All applications must be complete and all applicable fees paid at the time of submission to the Authority for the applications to be considered.

Questions relating to this application and the policies of the Authority should be directed to W.D. Morris, Executive Director, and no other persons unless otherwise authorized by the Executive Director.

SET-ASIDE OF PRIVATE ACTIVITY VOLUME CAP REGION 14 (ORANGE COUNTY)

The Orange County Housing Finance Authority will set-aside up to 50% of its Annual Private Activity Volume Cap for proposed development(s) that have received a pending commitment or actual financing from the Orange County Housing Trust Fund (OCHTF) and that have been selected by the Orange County Board of County Commissioners for this purpose.

Accordingly, beginning with the 2023 Annual Volume Cap Allocations or with the 2022 State Pool Reallocations; in the event Private Activity Bond Volume Cap becomes available at the State and allocated to the Authority. OCHFA will set-aside up to 50% of any Annual Volume Cap Allocation (on a first-come, first served basis) of the State's reallocation of Volume Cap (November 2022). This provision will be applicable in regions (14 only).

2211 E. HILLCREST ST. , ORLANDO, FL 32803 | OFFICE (407) 894-0014 FAX (407) 897-6679 | WEBSITE WWW.OCHFA.COM

All applications approved for Housing Trust Funds through Orange County, must comply with the following, mandatory requirements.

I) OCHFA FEASIBILITY CRITERIA FOR TRUST FUND DEVELOPMENT(S):

1. Written evidence of OCHTF award.
2. Must achieve a minimum 1:10 Debt Service Coverage Ratio; and in the event of subordinate financing, the combined Debt Service Coverage Ratio requirement is 1.10, if sold to third parties or 1.00, if held by related parties or seller.
3. Must close bond financing within 155 days (to include approved third party Underwriting Report), once the Division of Bond Finance approves allocation.
4. All proposed developments supported with OCHTF must be new construction.
5. Completeness of Financing Plan – Must have complete financing plans which, based on the information submitted, appear to be feasible.
6. Meets Legal, Regulatory & Policy Requirements – must clearly meet all legal, regulatory and policy requirements.
7. Experience of Applicant - Applicant must demonstrate a level of experience which would reasonable lead the staff to expect completion of the transaction.
8. Experience of Project/Finance Professionals – Professionals that demonstrate a level of experience which would reasonable lead the staff to expect the transaction will be completed.
9. Demonstrated Market Need – Proposed Development(s) must be located in Market where the additional housing will not “compete” for tenants with other existing affordable housing in the immediate market. Applicant must provide a current Market Study, to include a map reflecting all other affordable rental units within a one (1) mile radius.

II) ABILITY TO PROCEED (READINESS)

1. Evidence of Site Control – Must submit proper evidence of Site Control
2. Evidence of Zoning – Must submit evidence of proper zoning designation.
3. Evidence of Concurrence – Must submit evidence of concurrence with local comprehensive plans.
4. Preliminary Site Plan – Must submit evidence of Preliminary site plan approval (if required).

III) MAXIMUM ALLOCATION OF VOLUME CAP

1. OCHFA will not allocate more than 33% of its annual volume cap to any one project sponsor and/or applicant without the approval of a supermajority of the Board.

All other applications for Regions 6 (Lake & Seminole Counties) and Region 14 (Orange County), not requesting set-aside volume cap, will be reviewed on a first come, first served basis; and must meet the threshold requirements of the Authority, as set forth in the application. These application(s), subject to volume cap, will be submitted to the Board of Directors’ for consideration, in the order of their receipt by the Authority, and if approved, will be submitted to the State Division of Bond Finance (in order of receipt) to be placed on the waiting list for Private Activity Bond Allocation.

All proposed projects that involve acquisition and rehabilitation of existing properties must include; a current Comprehensive Property Assessment/Condition Report (with estimated costs) as part of the application. The report must be prepared by a third-party firm, experienced in preparing such reports.

Application to the Authority only commits OCHFA to consider the applicable proposed development and financing; and does not create any rights in favor of the applicant. The Authority has concerns that market conditions, in some of the sub-market areas in the Orlando MSA, are saturated/over-built and will not support new affordable multi-family housing units; due to population, income and occupancy characteristics.

As such applicants for new construction must, **provide a market study demonstrating the need for affordable multi-family housing units in the sub-market area** where the development is proposed; and such study must show that the additional housing will not "compete" for tenants with other existing and/or planned affordable multi-family housing in the immediate market area.

CONTROL OF THE PROPERTY

The Authority will only consider a request for inducement when the Applicant can demonstrate control of the real estate. Control of the real estate can be evidenced by proof of ownership or by an executed Purchase Contract, Deed or Option Agreement. Such instrument should clearly state the time period for which the instrument is effective, the purchase price to be paid and the cost of any extensions in the contract period, if applicable.

PROPER ZONING FOR USE INTENDED AND CONCURRENCE

For new construction, the subject site, at the time the application is submitted, must be zoned for multi-family use with the appropriate number of units per acre and must meet concurrency requirements. Letters from the counties or municipalities confirming the multi-family zoning and concurrence requirements or other official documentation are required to accompany an application for it to be considered complete.

AUTHORITY POLICIES RELATING TO TAX EXEMPT BONDS

1. **Financing Plan** – The Authority must approve the financing plan for each development for which it adopts an Inducement Resolution. Elements of a financing plan include identification of a credit enhancement provider (if credit enhancement is part of the financing plan) and the basic structure of the proposed transaction. If a third party credit enhancement is not proposed, then the method of obtaining an investment grade credit rating, if applicable, must be identified. If the applicant proposes to have the Authority issue bonds without benefit of a credit rating, the Applicant must comply with the Authority's policy relating to unrated bonds. Authority staff will analyze the financing plan submitted by an Applicant to determine the degree to which the financing plan is feasible and likely to be completed within the timeframe proposed. The Authority reserves the right to utilize its Financial Advisor and a third party real estate underwriter to evaluate the financial feasibility and risk characteristics of each proposed financing.

2. **Unrated & Unenhanced Bonds** – The Authority will consider issuing bonds without an investment grade rating on a "private placement" basis to a "Qualified Institutional Buyer" (as that term is defined by Rule 144A promulgated by the Securities and Exchange Commission (the "SEC") or via an underwritten "limited public offering" to one or more "Accredited Investors" (as that term is defined in Regulation D promulgated by the SEC) (collectively referred to as "Sophisticated Investors" herein) under policies approved by the Authority and attached hereto as Exhibit A.

3. **Bond Counsel** – The Authority has retained Greenberg Traurig, P.A. as Bond Counsel in connection with its single-family and multi-family housing bonds. Greenberg Traurig, P.A. is a nationally recognized firm and has significant experience serving as Bond Counsel in matters pertaining to tax-exempt housing revenue bonds.

4. **Issuer's Counsel and Disclosure Counsel** – The Authority has retained Greenberg Traurig, P.A. as Issuer's Counsel and Disclosure Counsel. In the role of Disclosure Counsel Greenberg Traurig, P.A. prepares and

authorizes the release of all offering documents, including Preliminary and Final Official Statements, Disclosure Agreements and any Limited Offering Statements or other Authority offering documents.

5. **Financial Advisor** – The Authority has retained CSG Advisors Incorporated, as its Financial Advisor. CSG Advisors Incorporated represents the interests of the Authority and serves in an oversight capacity for multi-family bond transactions. The applicant may also engage its own financial advisor to assist in obtaining and negotiating the terms of any credit enhancement, structuring the bonds, obtaining an investment grade rating on the bonds, obtaining market pricing on the bonds, and managing the transaction to assure an orderly and timely closing.

6. **Investment Banker/Underwriter** – For bonds sold via public offering, the Applicant is required to provide the name of a qualified banking firm to underwrite and sell the bonds. The Authority maintains a list of qualified banking firms approved to underwrite and sell its bonds in the public markets, attached hereto as Exhibit B. Underwriters not presently approved by the Authority may be considered, provided a summary of the underwriter's firm experience underwriting housing bonds is submitted to the Authority. The Authority reserves the right to approve or disapprove, for any reason, any Underwriter(s) nominated by an applicant.

7. **Bond Related Fees** – In connection with an application for inducement and the subsequent issuance of housing revenue bonds, the Authority, and its professionals will charge the following fees:

A. ORANGE COUNTY HOUSING FINANCE AUTHORITY FEES:

1) **Application Fee:** At the time an Application is submitted, the Applicant must include a check in the amount of ten basis points (0.10%) of the total tax-exempt and taxable bond principal requested. **Under NO circumstances will the Authority's Application Fee be refunded**.

2) **Initial Bond Financing Fee:** An initial Bond Financing Fee equivalent to 30 basis points (0.30%) of the total bond amount requested will be due upon the adoption of an Inducement Resolution by the Authority. The Applicant must submit this payment before professionals engaged by the Authority will commence working on a bond transaction. This portion of the Initial Bond Financing Fee is a good faith deposit and, in the event an induced transaction does not close for any reason, the payment received will be applied against any fees and expenses incurred by the Authority's Issuer/Disclosure Counsel, Bond Counsel and Financial Advisor.

3) **Remaining Bond Financing Fee:** On or prior to the date of closing, the Applicant (or Borrower) shall pay the balance of the Remaining Bond Financing Fee due (net of the ten basis points (0.10%) Application Fee and thirty basis points (**0.30%**) Initial Bond Financing Fee. The total Bond Financing Fee for a development is based on:

   - 0.75% of the amount of tax-exempt and taxable bonds issued.

4) **Annual Administration Fee:** The Authority charges an Administration Fee in an amount equal to thirty basis points (**0.30%**) per annum of the total bonds outstanding payable in arrears in semi-annual installments, subject to a minimum fee of Ten Thousand Dollars ($10,000) per annum.

5) **Optional Fee Structures**: In an effort to provide flexibility, and compliment a variety of financial structures, an applicant can choose from one of the following fee options for their proposed development.

   (a) **Long-Term Tax-Exempt Financing**: For transactions where the tax-exempt bonds remain outstanding after conversion to permanent (long-term tax-exempt financing), an Applicant can elect to pay Upfront Issuer Fees and ongoing Annual Administrative Fees under Options "1" or "2" as listed below. Note that under Option-2, the Annual Administration Fee will be reduced from 30-basis points (0.30%) annually to 15-basis points (0.15%) annually in exchange for higher Upfront Issuer Fees paid at closing. The Applicant must elect either Option 1 or Option 2 in its Application.

(b) **Short-Term Tax-Exempt Financing**: For transactions where the tax-exempt bonds are redeemed in full after conversion to permanent (short-term, tax-exempt financing), an Applicant must pay Upfront Issuer Fees under Option-3 as listed below (subject to maximum fees permitted under IRS Section 148 of the Tax Code). In such a financing, the Applicant must elect Option-3 in its Application.

OPTION 1 - LONG TERM FEES

	Bond Amount(s)				
Fee Description	<$10MM	$10 < $15MM	$15 < $20MM	$20 < $25MM	$25MM – up
Application Fee	0.10%	0.10%	0.10%	0.10%	0.10%
Initial Bond Financing Fee	0.30%	0.30%	0.30%	0.30%	0.30%
Remaining Bond Financing Fee	0.35%	0.35%	0.35%	0.35%	0.35%
Total Fees	**0.75%**	**0.75%**	**0.75%**	**0.75%**	**0.75%**
Annual Administration Fee	0.30%	0.30%	0.30%	0.30%	0.30%

OPTION 2 - LONG TERM FEES/REDUCED ANNUAL ADMINISTRATION FEES

	Bond Amount(s)				
Fee Description	<$10MM	$10 < $15MM	$15 < $20MM	$20 < $25MM	$25MM – up
Application Fee	0.10%	0.10%	0.10%	0.10%	0.10%
Initial Bond Financing Fee	0.30%	0.30%	0.30%	0.30%	0.30%
Upfront Issuer Fee	2.00%	1.75%	1.50%	1.35%	1.25%
Total Fees	**2.40%**	**2.15%**	**1.90%**	**1.75%**	**1.65%**
Annual Administration Fee	0.15%	0.15%	0.15%	0.15%	0.15%

OPTION 3 - SHORT TERM FEES

	Bond Amount(s)				
Fee Description	<$10MM	$10 < $15MM	$15 < $20MM	$20 < $25MM	$25MM - up
Application Fee	0.10%	0.10%	0.10%	0.10%	0.10%
Initial Bond Financing Fee	0.30%	0.30%	0.30%	0.30%	0.30%
Upfront Issuer Fee	2.00%	1.75%	1.50%	1.35%	1.25%
Total Fees	**2.40%**	**2.15%**	**1.90%**	**1.75%**	**1.65%**

B. PROFESSIONAL FEES:

1) **Third-Party Underwriter Fee**: A third-party mortgage underwriting of the development will be required by the Authority, a payment in the amount of Fourteen Thousand Four Hundred and Ninety-Two Dollars ($14,492) or such applicable fee in effect at the time must be paid to the independent firm designated by the Authority to provide mortgage underwriting services. **All third-party reports will be performed by independent third-party firms that are to be engaged on behalf of the Authority as approved by the Authority's staff**.

2) **Rehabilitation Construction Loan Servicing**: A third-party construction loan servicing firm will be required to provide construction administration for all acquisition and rehabilitation projects that are not credit enhanced. Where credit enhancement is involved, the Authority will rely upon the Credit Enhancer to provide construction loan servicing. Fees and expenses of the third-party construction loan servicer will be the responsibility of the developer; however, the selection of such entity in un-enhanced transactions shall be made by the Authority. All reports produced by the third-party construction loan servicer will be delivered to the Authority, and copied to the trustee, the developer,

and any holder of bonds who desires such reports. The third-party construction loan servicer's obligations, in un-enhanced transactions, will run to the Authority, the trustee and the bondholders and not the developer.

3) **Issuer/Disclosure Counsel Fee:** Greenberg Traurig, P.A. charges a fee payable at closing of Seven Thousand Five Hundred dollars ($7,500) for preparing all documents on behalf of the Authority, reviewing all documents prepared by Bond Counsel and other parties to the transaction, and providing legal opinions on matters relating to the Authority. Greenberg Traurig, P.A. also prepares and oversees printing and distribution of any Preliminary and Final Disclosure documents relating to bonds issued by the Authority, for which a fee in the amount twenty five basis points (0.25%) of the tax-exempt and taxable bonds issued, subject to a minimum fee of Fifteen Thousand Dollars ($15,000), plus actual expenses incurred and payable at closing.

4) **Bond Counsel Fee:** Bond Counsel charges a fee payable at closing in an amount equal to Forty Two Thousand Dollars ($42,000) for up to Twelve Million Dollars ($12,000,000) in tax-exempt bonds issued plus ten basis points (**0.10%**) of the amount of bonds issued over Twelve Million Dollars ($12,000,000), payable at closing for its services as Bond Counsel. If more than one (1) Series of bonds are issued (e.g. taxable bonds, mezzanine bonds, etc.), Bond Counsel charges an additional Five Thousand Dollars ($5,000).

5) **Issuer Financial Advisor Fee:** CSG Advisors Incorporated charges a fee payable, at closing, in an amount equal to fifteen basis points (**0.15%**) of the first Five Million Dollars ($5,000,000) in bonds issued and ten basis points (**0.10%**) of the principal amount of bonds issued in excess of Five Million Dollars ($5,000,000), subject to a minimum fee of Seven Thousand Five Hundred Dollars ($7,500), for its services as Financial Advisor to the Authority.

The applicant is responsible for paying all professional fees and expenses of professionals engaged on behalf of the issuer for services provided in connection with the financing, including actual fees and costs incurred should an approved financing fail to close for any reason.

COMPLIANCE WITH FEDERAL AND STATE LAWS RELATING TO TAX EXEMPT BONDS

The proposed project must comply with all federal and state laws relating to the use of tax-exempt bonds, including, but not limited to, the following:

1. **Ninety-Five Percent Test** – 95% or more of the net proceeds of the bonds must be used to provide tax exempt facilities such as a residential rental property;

2. **Residential Rental Property** – To qualify, the project must be classified as a residential rental property (i.e., a multi-family housing development) consisting of one or more similarly constructed units which (i) must be used for other than on a transient basis; (ii) made available for rental to the general public; and (iii) satisfy the continuous rental and very low or low income occupancy requirements. Hotels, motels, dormitories, fraternity and sorority houses, rooming houses, hospitals, nursing homes, retirement homes, sanitariums, or rest homes are not residential rental properties. Each rental unit must contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

3. **Low or Very Low Income Leasing** – The project must be continuously subject to Very Low or Low Income leasing requirements. The Borrower must elect to set aside either (i) twenty percent (20%) of the units for rental to persons and families with household incomes of fifty percent (50%) or less of Area Median Income; or (ii) forty percent (40%) of the units for rental to persons and families with household incomes of sixty percent (60%) or less of Area Median Income, or choose Income Averaging Option. In either case, household income limits are adjusted for family size.

4. **Private Activity Bond Allocation** – If the Applicant is a private person (not a governmental unit or a 501(c)(3) not-for-profit corporation), the issuance will be a "private activity bond" and, as such, will require an allocation of Private Activity Bond Volume Cap from the Florida State Board of Administration. Pursuant to state law, local housing finance authorities may apply for allocations of Bond Volume Cap on the first business day of each calendar year. If approved, the local authority has 155 days from the date of approval to issue tax-exempt bonds for the intended purpose, or the allocation must be returned to the State for reallocation to other projects or requests.

5. **Rehabilitation** – If the Applicant intends to acquire an existing housing development, at a minimum, all deferred maintenance items and structural deficiencies identified in the Property Assessment/Condition Report must be corrected and all improvements must meet current code requirements after rehabilitation is completed. At a minimum, at least fifteen percent (15%) of the net tax-exempt bonds issued must be used for rehabilitation expenditures that have been or are completed within a two-year period of the date of issuance. Rehabilitation expenditures generally mean any actual amount properly chargeable to a capital account and incurred in connection with the rehabilitation of the Project.

APPLICATION INFORMATION AND FORMAT REQUIRED FOR INDUCEMENT REQUEST

To be considered, the Applicant must prepare a clear, brief and concise proposal which fully responds to questions #1 through #20 within this section; and submit the application as follows:

a) Five (5) hardcopies [one (1) marked original and four (4) copies] that are bound, organized with tabs/dividers; and
b) Two (2) portable data storage devices (Flash/Thumb/USB drive or a CD Rom) containing a full, "readable" PDF file of the application)

1. Name, address, telephone number and form of organization (limited partnership, L.L.C., etc.) of the Applicant (the "Borrower" as it will appear in all bond documents).

2. Name, address, financial statements and résumé for each of the key principals of the Applicant. The résumés should specifically address principal's experience, as it is relevant to the proposed housing development. (Printed brochures on the parent Development Company should not be included in the body of the proposal but may be submitted apart from the bound proposal.

3. Detailed and accurate description of the proposed housing development, including property address, acreage, present zoning status, type of construction, number of units, unit bedroom mix, current rental rates (if appropriate), expected stabilized rental rates (specify any charges for premiums), and any amenities to be provided (include any charges for amenities). Include a location map of the proposed site **(paying special attention to the accuracy of its boundaries)** and, if available, preliminary site plan drawings, elevation renderings, unit layout drawings, etc.

4. Description of the various levels of services and care to be provided and evidence of the need for such services within the area. This section must specifically address whether the project will compete with other existing or planned affordable housing in the immediate market. Include a recently prepared local market or feasibility study or recently completed "as-completed" real estate appraisal prepared by independent professionals relating to the development.

5. Provide Evidence of Site Control and status of any site plan approvals.

6. Provide Evidence of Zoning. Describe any code or ordinance variances that must be approved before Permitting will be authorized by the jurisdiction. If the proposed financing is for rehabilitation, describe the proposed rehabilitation, and indicate the extent to which the proposed scope of work is expected to

meet local building ordinances and code. Describe the status of any preliminary site plan approvals (if required) or building permits applied for, prior to the date the application has been submitted.

7. Describe how the proposed development is in concurrence with the jurisdiction's Comprehensive Plan (including the extent to which existing roads, utilities (i.e., water and sewer), fire, police, schools, transportation, and other public services presently exist to service the project). Describe the proximity of employment centers to the project.

8. Provide evidence related to the project been located within a particular County or City limits. Also, provide documentation of specific County Commissioners' and/or City Councilman's' District; example: Property Appraisers' map.

9. Provide documentation to indicate if the site is located in an IRS designated Targeted Area for tax-exempt bond financing. Target Areas boundaries are attached hereto as Exhibit C. Please indicate whether or not the project is located in a "Difficult to Develop Area" for Tax Credits.

10. Provide the name and experience of the Architect and General Contractor.

11. Provide the name and experience of the Management Company and/or Property Manager. The proposed company/individual must be familiar with the rules, regulations, and requirements as related to compliance with federal and state provisions for Multi-Family Tax-Exempt Bond Program and/or the Low Income Housing Tax Credits Program.

12. Provide the name of the proposed Investment Banker/Underwriter(s) selected by the Applicant. If the proposed financing involves bonds that will be remarketed, provide the name of the proposed Remarketing Agent.

13. Provide the name of the Trustee (registrar, payee) and, if the bonds require a Tender Agent, provide the name of the proposed firm that will accept the duties of Tender Agent.

14. Provide a description of the proposed financing plan, including the provider name and status of any anticipated credit enhancement (if credit enhancement is part of the Financing Plan) at the time the application is submitted.

    - Include copies of any written confirmations relating to the proposed credit enhancement from lenders, mortgage underwriters, banks, or other institution expected to be a party to the credit enhancement structure. Such written confirmations will be reviewed by the Authority to determine the likelihood the proposed financing is feasible and can be completed in the timeframe proposed.

    - Indicate the anticipated investment grade rating expected on the bonds, and the rating Agency (or Agencies) expected to be used.

    - In the event the bonds are proposed to be placed or sold without an investment grade rating, provide the name and experience of the proposed Sophisticated Investor, if the bonds are to be privately placed. If non-investment grade bonds are to be underwritten and sold through a limited public offering, describe the preliminary proposed terms of the loan and bond structure, including any requirements for reserves and working capital to be funded at the time bonds are issued.

    - Indicate if any other sources of federal, state or local monies are expected to be approved for the project (include estimated equity funding expected to be raised through the sale of Low Income Housing Tax Credits), and the current status of any pending requests for such funding.

15. If the proposed development involves acquisition and rehabilitation of an existing property, provide a description of the scope of extraordinary repairs and replacement that will be implemented during the rehabilitation period and the expected timing of such improvements. Include an Architectural and Engineering Property Condition Report, assessing the current condition of the project and describing the recommended scope of improvements. Also provide the name and a brief statement of the qualifications of the firm preparing the report and indicate if the firm is an independent third-party or a related party to the Applicant.

16. Provide a detailed Development Budget for the project, including a cost breakout for any consultants and other professionals expected to be engaged by the applicant. Include preliminary Cost of Issuance Budgets for the Authority and Borrower and Sources and Uses of funds (for the time bonds are issued and upon completion of the development, if additional sources are anticipated after the issuance of bonds).

17. Provide detailed Pro Forma Operating Statements, including estimated rental rates for each type of unit. The pro forma should be based on the highest "all in" bond interest rate that would allow the project to be feasible and should include estimated operating expenses from the time the bonds are closed through the estimated stabilized rent/expense period. The Pro Forma budgets must include both aggregate and per unit amounts by line item. Line items should be sufficiently detailed to allow the Authority and its consultants to evaluate the reasonableness of the assumptions used (budgets without detail for normal and customary income and expense items are not acceptable). Extraordinary income from other operations (e.g., cable TV, laundry, etc.) may not exceed five percent (5%) of gross rents. Multi-year projections beyond the "stabilization period" are required and should reflect the Applicants "pessimistic" scenario (e.g., assuming rents inflate at a rate that is less than expense inflation).

18. Quantify all estimated fees to be paid at closing and/or over the life of the project, including the estimated amount and timing of any developer fee, consultant's fees, construction management fees and other fees expected to be realized by the Applicant. Also include fees for related parties where the principals are the same persons as those working with, or on behalf of, the Applicant in connection with the proposed housing development.

19. Provide an explanation of why tax-exempt bond financing is needed for the project. Also, if appropriate, indicate why other sources of federal or local housing subsidies, including Low Income Housing Tax Credits, SAIL, SHIP, HOME, CDBG, etc. are needed to complete the proposed housing development.

20. Describe how the project will comply with federal and state laws regulating the use of tax exempt bonds, Low Income Housing Tax Credits, and all other federal, state or local monies expected to be awarded in connection with the proposed development. Include all unit rent restrictions that will apply and indicate the current maximum rents that would be allowed, if applicable. Provide an explanation of how the marketing plan will address the need to meet very low or low and moderate income leasing requirements. Also, if applicable, indicate the extent to which any existing tenants will be affected by the proposed financing and the Applicants plans for addressing this issue.

TIMETABLE & KEY DATES RELATING TO THE COMPETITIVE CYCLE FOR INDUCEMENTS

- **Application Submission – Beginning Tuesday, July 5, 2022, OCHFA's 2023 Open Cycle Tax-Exempt Bond Application Process will open. Applications must be submitted to W.D. Morris, Executive Director, OCHFA (2211 Hillcrest St., Orlando, FL 32803). Submissions will be received Monday through Friday, 8:30am – 5:00pm, in person or via courier service, FedEx, US Mail or UPS. As a reminder, applications for Regions 6 & 14 will be received on a first come, first served basis (referenced on page 1).**

- **Review by Staff** – Authority staff, board committee and advisors, if required, will review and evaluate the applications before submitting recommendations to the Authority's full Board.

- **Consideration by Authority's Board** – The Board may decide to adopt a resolution or resolutions to induce one or more projects for bond financing at its meetings or reject all applications for any reason, including but not limited to changing market conditions or financial assumptions that render the proposed development financial infeasible.

- **Advertisement for Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing** – if one or more projects are induced, Bond Counsel will prepare TEFRA notice and the Authority staff will place the notice in the local newspaper advertising the date and location of the TEFRA hearing.

- **Conduct TEFRA Hearing** – Authority staff will conduct the TEFRA hearing. The Applicant is encouraged to attend and be prepared to participate in the TEFRA hearing.

- **Consideration by Appropriate Board of County Commissioners** – The matter will be brought before the pertaining County Commission at a regularly scheduled meeting following the TEFRA hearing.

- **Interim Period** – The Authority has no control over the allocation of Private Activity Bond Volume Cap and, therefore, accepts no liability for the final determination rendered regarding the availability of Bond Cap by the Florida State Board of Administration.

- **Application to Division of Bond Finance ("DBF")** – Authority staff, with the assistance of Bond Counsel, will deliver applications for Bond Volume Cap upon completion of the TEFRA process. A determination by the state agency generally takes one to two days after the application is received. Applicants will be notified immediately of the determination made by the SBA.

- **Commence Bond Financing** – The transaction manager may commence the bond financing process, pending approval of the proposed timetable by the Authority staff.

- **Deadline for Closing** – Private activity bonds must be issued by the Authority within one hundred fifty five (155) days of receiving notice from the Florida State Board of Administration.

CONCLUSION

The Authority appreciates your interest in submitting an application for multi-family bond financing. For your convenience, this application is also available on our website: www.ochfa.com.

If you have any questions regarding this information or the Authority's policies relating to multi-family financing using private activity tax-exempt bonds, please do not hesitate to contact me at 407-894-0014.

Sincerely yours,

ORANGE COUNTY HOUSING FINANCE AUTHORITY

W.D. Morris
Executive Director

EXHIBIT A

OCHFA PRIVATE PLACEMENT/UNRATED & UNENHANCED BOND POLICY

Bonds Without Long-Term or Permanent Credit Enhancement and Without a Rating in One of the Three Highest Rating Categories. Unless held by the borrower or a credit enhancer, or an affiliate of either of them, bonds without credit enhancement and without a rating in one of the three highest rating categories by a nationally recognized rating service (i) shall not be held in a book-entry only system; (ii) shall only be sold and subsequently transferred to a Sophisticated Investor or Investors; and (iii) shall comply with the conditions set forth in paragraph (a) or (b), as determined prior to the issuance of the bonds:

(a) (i) The bonds shall be sold in minimum denominations of One Hundred Thousand Dollars ($100,000); and

(ii) The bonds shall be sold only to Sophisticated Investors who have executed and delivered an "investor's letter", in form and substance satisfactory to the Authority including, among other things: (1) stating that the purchase of the bonds will be solely for its own account; (2) stating that such Sophisticated Investor can bear the economic risk of its investment in the bonds; (3) stating that such Sophisticated Investor has such knowledge and experience in financial business matters in general and tax-exempt obligations, in particular, and that it is capable of evaluating the merits and risks of purchasing the bonds; (4) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the borrower and the project and, if a disclosure document has been prepared, it has reviewed such disclosure document and has received the information it considers necessary to make an informed decision to invest in the bonds; and; (5) acknowledging that the Authority, its counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the borrower and the project contained in any disclosure document related to the Sophisticated Investor's purchase of the bonds; and

(iii) The bonds shall bear a legend restricting subsequent transfers to other Sophisticated Investors who have executed and delivered an "investor's letter" complying with the preceding paragraph (ii). Or

(b) (i) The bonds shall be sold in minimum denominations of Two Hundred Fifty Thousand Dollars ($250,000); and

(ii) The bonds shall be sold initially only to Sophisticated Investors who have executed and delivered an "investor's letter", in form and substance satisfactory to the Authority including, among other things: (1) stating that the purchase of the bonds will be solely for its own account; (2) such Sophisticated Investor can bear the economic risk of its investment in the bonds; (3) stating that such Sophisticated Investor has such knowledge and experience in financial business matters in general and tax-exempt obligations in particular, that it is capable of evaluating the merits and risks of purchasing the bonds; (4) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the borrower and the project and if a disclosure document has been prepared, it has reviewed such disclosure document and has received the information it considers necessary to make an informed decision to invest in the bonds; and (5) acknowledging that the Authority, its counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the borrower and the project contained in any disclosure document related to the Sophisticated Investor's purchase of the bonds; and

(iii) The bonds shall bear a legend restricting subsequent transfers to investors who by their purchase of the bonds represent that they: (1) are purchasing the bonds solely for their own account; (2) can bear the economic risk of their investment in the bonds; (3) have such knowledge and experience in financial business matters that they are capable of evaluating the merits and risks of purchasing the bonds; and (4) have made the decision to purchase the bonds based on their own independent investigation regarding the bonds and have received the information they consider necessary to make an informed decision to invest in the bonds.

(c) The indenture related to such bonds shall provide that the trustee and the paying agent shall not authenticate or register a bond unless the conditions of this policy have been satisfied.

Bonds Without Long-Term or Permanent Credit Enhancement but With a Rating in One of the Three Highest Rating Categories. Unless held by the borrower, or an affiliate of the borrower, bonds without credit enhancement but with a rating in one of the three highest rating categories by a nationally recognized rating service

(i) shall not be held in a book-entry only system;

(ii) shall be sold in minimum denominations of One Hundred Thousand Dollars ($100,000);

(iii) in the event that the initial rating on the bonds is withdrawn or is downgraded to a rating lower than one of the three highest rating categories by a nationally recognized rating agency, transfers of the bonds shall be restricted to Sophisticated Investors; and

(iv) the bonds at issuance and, thereafter, shall bear a legend stating that in the event the initial rating on the bonds is withdrawn or is downgraded to a rating lower than one of the three highest rating categories by a nationally recognized rating agency, transfers of the bonds shall be restricted to investors who by their purchase of the bonds represent that they: (1) are purchasing the bonds solely for their own account, (2) can bear the economic risk of their investment in the bonds, (3) have such knowledge and experience in financial business matters that they are capable of evaluating the merits and risks of purchasing the bonds, and (4) have made the decision to purchase the bonds based on their own independent investigation regarding the bonds and have received the information they consider necessary to make an informed decision to invest in the bonds.

“Sophisticated Investor” as used herein means a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities and Exchange Commission or an “accredited investor” as that term is defined in Regulation D of the Securities and Exchange Commission.

EXHIBIT B

OCHFA APPROVED LIST OF PROFESSIONALS

The following group of professionals has previously worked with the Authority and requires no additional information in order to be presented to the Board for consideration for inclusion in any financing. Any other professional must present qualifications and such other criteria as may be deemed appropriate by the Executive Director. The Authority reserves the right to designate any and all professionals that will work on any transaction and fees to be paid to such professionals.

APPROVED LIST OF PROFESSIONALS

UNDERWRITERS

~~Bank of America /Merrill Lynch~~
~~Banc One Capital Corporation~~
~~Dougherty & Company, LLC~~
~~First Southwest Company~~
~~George K. Baum & Co.~~
~~Hanifen, Imhoss, Inc.~~
~~John Nuveen & Co., Inc.~~
~~Key Bank/Key Capital Markets, Inc.~~
~~OREE Securities, LLC~~
~~Prudential Securities~~
~~RBC Capital~~
~~Raymond James~~
~~Samuel A. Ramirez & Co., Inc.~~
~~Stern Brothers & Co.~~

LAW FIRMS

~~Adorno & Yoss LLP~~
~~Akerman LLP~~
~~Bryant Miler Olive P.A.~~
~~Chapman & Cutler~~
~~Eckert Seamans~~
~~Foley & Lardner LLP~~
~~Gray Robinson~~
~~Greenberg Traurig~~
~~Holland & Knight~~
~~Jones, Day, Reavis & Pogue~~
~~Kutak Rock & Campbell~~
~~Miller, Canfield~~
~~Nabors, Giblin & Nickerson, P.A.~~
~~Nixon, Hargrave, Devans & Doyle~~
~~Orrick, Herrington & Sutcliffe~~
~~Powell, Goldstein, Frazer & Murphy~~
~~Ruden, McCloskey, Smith P.A.~~
~~Squire, Sanders & Dempsey~~
~~Windstead Sechrest & Minick~~

TRUSTEES

~~Bank of New York/Mellon~~
~~Chase Manhattan Trust Company, N.A.~~
~~Deutsche Bank~~
~~First Trust, N.A.~~
~~PNC Bank~~
~~Reliance Trust Company/South Bank~~
~~U.S. Bank, N.A.~~

EXHIBIT C

QUALIFIED CENSUS TRACTS FOR ORANGE, SEMINOLE, LAKE AND OSCEOLA COUNTIES:

Qualified Census Tract (QCT), Difficult Development Areas (DDA), designated by the Federal Government (HUD.GOV) Metropolitan Statistical Area (MSA): Orlando – Kissimmee – Sanford, FL.

Follow the link to view an outlined map of a particular QCT number: HUD User GIS Service -- Low-Income Housing Tax Credit 2022 Qualified Census Tract (QCT) Locator. The 2022 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS). The designation methodology is explained in the federal Register notice published September 9, 2021. (Source: *https://www.huduser.gov/portal/datasets/qct.html#2022*)

The Multi-Family mapping application provides mapping layers, showing the location of the 2021 and 2022 DDAs and QCTs. These are HUD designations, which are updated annually. Up to date information can be found on the HUD website. Users/Developers should confirm location of QCTs and DDAs.

The 2022 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) – Metropolitan – are effective January 1, 2022.

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. MORRIS
EXECUTIVE DIRECTOR

DISCUSSION ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 21, 2022
RE:	**OCHFA'S MULTI-FAMILY POLICY STATEMENT** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

Enclosed is the Authority's proposed Multi-Family Policy Statement regarding Development(s) of Special Impacts, related to Orange county Board of County Commissioners, establishing Local Housing Trust Funds for workforce housing. As a result of the County's' efforts, a unique joint venture of housing opportunity has occurred involving the partnership of a major, workforce employer, an affordable housing Developer, Orange County, Florida Housing Finance Corporation and OCHFA, that's projected to produce 1000-units of workforce housing. This proposed policy will provide flexibility for the Authority to consider providing priority for development(s) receiving financial support via Orange County Housing Trust Fund.

The proposed Multi-Family Policy Statement would provide flexibility and priority for development(s) receiving financial support via OCHTF. At its meeting on February 17, 2022, the Joint Committee recommended Board Approval of the proposed Multi-Family Policy Statement.

ACTION REQUESTED

Board approval of the Authority's proposed Multi-Family Policy Statement.

DISCUSSION ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 21, 2022
RE:	**MULTI-FAMILY POLICY STATEMENT** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

Development(s) of Special Impacts will be given priority consideration for Volume Cap Allocations and application(s) submission requirements. The Board will consider the following criteria to determine if an applicant qualifies as a Development of Special Impact:

a) All development(s) must be new construction;
b) Development(s) that demonstrate a partnership among a major local employer, developer and local and/or state government;
c) Development(s) of at least 800-units, which set aside 75% of the total units for households with income of 60% or less of the Area Median Income (AMI), and of these units, a minimum of 10% must be set aside for households with income of 50% or less of the AMI; and
d) Development(s) having a build out over a phased timeline of 2 to 4 years.

ACTION REQUESTED

Board approval of the proposed new Multi-Family Policy Statement.

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. MORRIS
EXECUTIVE DIRECTOR

DISCUSSION ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 21, 2022
RE:	**CONSIDER APPROVAL OF THE AUTHORITY'S FINANCIAL ADVISOR AGREEMENT/ CONTRACT.** MARCH 2, 2022 REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

On Thursday, February 17, 2022, the Joint Committee met to review and discuss the Authority's Agreement for Financial Advisor Services. The Financial Advisor's firm is currently serving under a temporary renewal contract entered into on January 1, 2022. The Joint Committee determined that the Authority would enter into a two year (2-year) Agreement/Contract with CSG Advisors, Inc, its current provider for financial advisory services. The Joint Committees' primary's concern related to the limited number of responses received by the Authority in this post COVID-19 pandemic environment. Enclosed is the agreement, as prepared by Counsel.

ACTION REQUESTED

Board approval of the Authority's Financial Advisory Services Agreement for a Two-year (2-year) contract period and authorization for Chair, to execute the document.

MEMORANDUM

To: W.D. Morris, Executive Director

From: Olukayode Adetayo, Chief Financial Officer

Date: February 23, 2022

RE: **CSG Fee Proposals Analysis Related To Financial Advisory Services**

Fees Relating To General Financial Advisory Services.

CSG Fee proposal for General Financial Advisory Services (i.e., services not related to a specific bond transaction) on an as-requested basis are the same hourly rates by staff category as in their previous expired contracts with the Authority. Based on past review of their records, CSG proposed an annual cap of not-to-exceed cap in the range of $7,500 - $10, 000 per annum for General Financial Advisory Services which was the same as in the previous contracts with the Authority. CSG has clearly stated that it has never been their practice to bill for the time involved in responding to routine inquiries or otherwise maintaining an effective working relationship between the Authority's staff and CSG Advisors' staff.

CSG Financial Advisors shall not charge the Hourly Rate, or any fees to the Authority, in connection with services provided to the Authority regarding its competitive Multifamily application process, its developing policies and guidelines related to unrated and subordinated bonds and the Authority application review process for Multifamily projects.

Fees Relating To Long Term Single Family MRB Issues.

CSG Advisors have made a slight change to the current proposal to the Single – Family MRB transaction advisory services based on a two (2) tier formula instead of four (4) tier formula as indicated below:-

Issue Size	Basis for Fee Cap	Minimum Fee	Maximum Fee
First $20 million	$2.00 per thousand	$30,000	$40,000
Over $20 million	$1.50 per thousand	$37,500	$45,000

The above proposed Single Family MRB transaction advisory services fee schedule is slightly higher than previous years' contract but in line with the average industry pricing fees.

Fees Relating To Long Term Multi-Family MRB Issues.

CSG Advisors have made a slight change to the current proposal to the Multi-Family MRB transaction advisory services based on a two (2) tier formula instead of four (4) tier formula as indicated below:-

Issue Size	Basis for Fee Cap	Minimum Fee	Maximum Fee
First $15 million	$1.50 per thousand	$15,000	$22,500
Over $15 million	$1.00 per thousand	$22,500	$39,500

The above proposed Single Family MRB transaction advisory services fee schedule is slightly higher than previous years' contract but in line with the average industry pricing fees.

Fees Relating to Short-Term Bonds

CSG Advisory services relating to initial issuance of (or short-term "rollovers" of) Convertible Option Bonds ("COB") or Bond Anticipation Notes ("BANs") would be the same as in the previous contract for a flat fee of $5,000 per transaction, regardless of issue size, no change.

Quantitative Computer Services Charges. CSG Advisors staff routinely prepares all cash flow and bond yield calculations for both Single Family and Multi-Family MRB issues using specialized software accessed under a licensing agreement with DBC.

Analyses Relating to New Issues. Computer charges relating to Single Family MRB new issue transactions (for preparation of rating agency cash flow "stress runs" and IRS Code yield spread computations) are proposed to be billed at the rate of $0.75 per thousand, subject to a minimum of $18,000 and a maximum of $25,000 per transaction which is the same as in the previous contract, no change.

New Issue "Supplemental Analyses." – Based on the fee structure proposed above for computer analytical services on new issues of MRBs, CSG Advisors will also perform related "Supplemental Analyses" with no added Computer Service Charge. These supplemental analyses include Cash Flow Statements required by the Authority's bond indentures in connection with:

- Extension of loan origination or MBS delivery periods;
- Replacement of Acquisition Fund investment agreements upon the expiration of existing agreements; and
- Release of funds from the Capitalized Interest Account upon completion of loan originations.

Master Indenture Consolidated Cash Flow Analyses Moody's Investors Service requires a set of consolidated cash flow analyses on an annual basis reflecting the revenues, program expenses and bond debt service relating to all series of long-term bonds issued under the Authority's Single Family Master Indentures. These analyses must be based on the dollar amount and characteristics of the specific assets (MBS and non-mortgage investments) pledged to each series of bonds as of a uniform cut-off date.

The Quantitative Services Charge for creating or updating the asset / liability database for each series of bonds to create the new "basis" for the cash flow analyses, and for performing the analyses, is proposed to be as follows: $4,000 base fee per Indenture x $1,250 per series of bonds covered by the analyses, subject to a minimum fee per Indenture of $5,000 and a maximum fee per Indenture of $17,500.

The CSG Advisors above quoted fee have changed from the previous contract, the base fee per Indenture has gone up from $2,500 to $4,000 per Indenture and the maximum fee per indenture has come down from $25,000 to $17,500 per Indenture, which is consistent with the industry average fee pricing.

Expense Reimbursements. – Documented out-of-pocket expenses relating to both long-term MRBs and short-term bonds or notes would be billed separately as of their closing / issuance date, similar to the previous contract. – No change.

In summary, the CSG Fee Proposals analysis are in line with the average industry fee pricing for the three categories financial advisory services quoted above. In addition, the Fee proposals for the new contract with the Authority are much in line with prior years' contract except for slight changes as noted above in the long term Multi-family MRB issues of reducing the pricing tiers into two categories. The General Advisory Service Fees are the fees coming out of the Authority's budget which is capped between $7,500 and $10,000; all other fees are transaction Advisory Service Fees paid from various transaction Cost of Issuance (COI) account. Over the years, CSG has consistently provided high –quality financial advisory services that contributed significantly to the Authority's strong and growing financial performance, safe and sound debt structures, enhanced understanding of available resources and revenue streams, and successful affordable housing programs.

<u>RENEWAL CONTRACT FOR FINANCIAL ADVISORY SERVICES</u>

This **RENEWAL CONTRACT FOR FINANCIAL ADVISORY SERVICES** (hereinafter referred to as this "Agreement"), made and entered into as of March 2, 2022, by and between the **ORANGE COUNTY HOUSING FINANCE AUTHORITY** (the "Authority") and **CSG ADVISORS INCORPORATED** (hereinafter referred to as "CSG" or "Financial Advisor").

I. GENERAL ADVISORY SERVICES

Financial Advisor shall provide the following general, non-transaction-related financial advisory services as deemed appropriate by the Authority ("General Advisory Services"). All financial advisory assignments to Financial Advisor shall be made by the Executive Director of the Authority in writing as appropriate to the applicable entity. No work or expenditures on the part of the Financial Advisor shall begin until receipt of written work assignments unless the fees associated with such work would be included in authorized Transaction Services.

1. Assist in the development of long-term strategic plans and an annual financial plan, including strategies to effectively utilize, leverage and enhance the Authority's operation reserves, Low Income Housing Fund and other resources available to the Authority;

2. Advise the Authority generally on structuring new programs and restructuring existing programs to address housing related needs or opportunities identified by the Authority; apprize the Authority of new and creative financing techniques or concepts and advise the Authority generally on strategy options and alternatives relating to the development of proposed programs, project finance activities and other affordable housing initiatives;

3. Conduct independent and objective reviews and evaluations of the economic feasibility and cost-effectiveness of programs, project finance transactions and/or other initiatives proposed to the Authority by third parties, including governmental entities, non-profit sponsors, for-profit developers, investment banking firms and others;

4. Assist in preparing for and making presentations (relating to the Authority in general, rather than to a particular transaction) to bond rating agencies which issue or maintain ratings on the Authority's securities;

5. Assist the Authority in making submissions and presentations relating to the Authority's past, current and proposed financing activities to governmental entities, including the Orange County Commissioners, as well as to private entities such as financial institutions and foundations;

6. Evaluate and formulate recommendations regarding financial management, investment management, investment policies and strategies and, upon request of the Authority, provide direct investment management services for certain of the Authority's general and restricted funds;

7. Evaluate the financial integrity of existing Authority programs or projects and advise the Authority regarding strategies to preserve or enhance the credit ratings of bonds relating to such programs or projects;

8. Upon request of the Authority, prepare portfolio analyses of the Authority's single-family and multi-family issues;

9. Upon request of the Authority, prepare consolidated cash flow analyses for the Authority's Homeowner Revenue Bonds, as may be necessary to maintain the AAA rating on such Bonds;

10. Maintain accurate records for each of the Authority's prior single-family bond issues pertaining to IRS 10-year and 32-year rule limitations and advise the Authority of bonds eligible for replacement refunding.

11. Be available for consultation with any person or group interested in assisting the Authority in the development of low or moderate income housing;

12. Attend meetings of the Authority's Board and other meetings of the Authority relating to financing activities or other activities as determined appropriate by the Executive Director of the Authority.

13. Such other reasonably General Advisory related services as may be requested by the Authority.

CSG shall assume responsibility for the conduct of all General Advisory Services during the term of this Agreement.

II. TRANSACTION ADVISORY SERVICES

All financial advisory assignments to Financial Advisor shall be made by the Executive Director of the Authority in writing as appropriate to the applicable entity. No work or expenditures on the part of the Financial Advisor shall begin until receipt of oral direction to proceed with a specific transaction by the Executive Director. Financial Advisor shall provide the following financial advisory services relating to new issues, remarketings, restructurings or refundings of tax-exempt or taxable note or bond transactions ("Transaction Advisory Service") as may be requested by the Authority from time-to-time:

1. Advise and consult with the Authority in structuring its taxable or tax-exempt financing transactions and the lending programs or projects which are funded with proceeds of such transactions;

2. Assist the Authority by analyzing the merits of negotiated sales vs. competitive sales vs. private placements of Authority's securities, and offer recommendations on same;

3. Coordinate the activities of the Authority's financing team in effecting the issuance of notes or bonds by the Authority, including monthly advances or draws of short-term refunding obligations;

4. Advise and assist the Authority in preparing requests for proposals from, and in selecting, service providers (underwriters, bond counsel, tax counsel, financial printers, cash flow verifiers, etc.) required to assist in effecting the issuance of Authority notes or bonds;

5. With respect to proposed single family mortgage lending programs, advise and assist in establishing appropriate program parameters and requirements including mortgage loan rates/terms, servicing arrangements, insurance coverage, participating by lenders/builders/Realtors, loan origination periods, etc., and advise the Authority generally as to the financial integrity of the proposed programs;

6. Assist in the preparation of, and/or review and comment on, (i) authorizing resolutions, bond trust indentures, notices of sale and disclosure documents of the Authority relating to note or bond transactions (ii) loan origination and servicing agreements relating to single family loan programs, and (iii) loan agreements and regulatory agreements relating to multi-family project finance transactions;

7. Review the maturities, redemption provisions, call premiums, interest rates, reserve requirements, system of funds and accounts, flow of funds and other structural characteristics or security features of proposed note or bond issues and advise the Authority as to the financial integrity of such issues;

8. Review cash flow analyses or other financial projections prepared by parties other than the Financial Advisor, particularly regarding assumptions as to interest rates, revenue sources, budgeted expenditures, debt service requirements, application of bond proceeds, investment of funds and other program parameters to assess the reasonableness of the cash flow projections based on such assumptions;

9. Upon request of the Authority, prepare (for reliance upon by rating agencies, bond trustee, bond counsel, bondholders, underwriters, municipal analysts or other third parties) detailed cash flow projections and analyses of specific bond issues and related mortgage loan programs or multi-family projects, such cash projections and analyses to be accompanied by a listing of all significant underlying assumptions;

10. Assist the Authority in making information available to bidding syndicates, individual securities dealers, municipal analysts, institutional investors, credit enhancers and rating agencies in connection with new issues and prior issues of Authority notes or bonds and generally be available to respond to inquiries from such entities regarding the structure, security features and financial integrity of such securities.

11. In connection with the issuance of Authority notes or bonds through competitive bidding, assist other members of the Authority's financing team in the preparation

and publishing of the Notice of Sale as well the preparation and distribution of the bid package, including the applicable bid forms, to prospective bidders;

12. Prepare cash flow special financial analyses to comply with asset release tests and/or cash flow certificate requirements as may be established by Authority bond trust indentures;

13. Assist Authority in negotiating bond interest rates, transaction fees and expenses, and other provisions of bond purchase contracts or remarketing agreements governing the negotiated sale of notes or bonds to underwriters of the private placement of notes or bonds to institutional investors;

14. Upon request of the Authority, perform periodic arbitrage rebate analyses as may be required by the Internal Revenue Code and trust indentures relating to Authority bond transactions;

15. In consultation with other members of the financing team, provide advice regarding the strategy for reinvestment of bond proceeds and program revenues and, upon request, prepare investment agreement bid specifications and solicit bids in compliance with applicable laws and regulations.

16. Such other reasonably Transaction related services as may be requested by the Authority.

CSG shall be responsible for the conduct of all Transaction Advisory Services during the term of this Agreement.

III. FEES RELATING TO GENERAL ADVISORY SERVICES

In consideration of the General Advisory Services described in Section II, above, the Authority hereby agrees to pay to the Financial Advisor fees and expense reimbursements according to the arrangements described below.

1. **Financial Advisory Fees**. Financial Advisory fees shall be based on the actual time expended by the Financial Advisor's staff and the schedule of hourly rates (the "Hourly Rates") by staff classifications as set forth below.

Staff Classification	Rate/Hour
Principal	$300.00
Vice President	275.00
Senior Financial Analyst	225.00
Financial Analyst	175.00

Financial Advisor shall not charge the Hourly Rate, or any fees to the Authority, in connection with services provided to the Authority regarding its competitive multifamily application process, its developing policies and guidelines related to unrated and subordinated bonds and the Authority application review process for multifamily projects.

2. **Travel Time**. Financial Advisor shall not charge the Authority for travel time between any of Financial Advisor's and the Authority office in Orlando, Florida, or other Authority meeting destinations in the State of Florida.

3. **Annual Fee Cap**. Unless specifically authorized by the Authority, the cumulative amount paid to Financial Advisor for General Advisory Services as described in Paragraph I shall not exceed the sum of ($10,000.00) for Financial Advisor during any single Contract Year (as such term is defined herein).

4. **Prior Authorization**. Financial Advisor agrees that prior to providing General Advisory Services relating to any specific task which is reasonably expected to result in aggregate billings for such Services, written authorization from the Executive Director of the Authority staff will be obtained prior to undertaking such task.

5. **Expenses**. Financial Advisor shall be reimbursed by the Authority only for reasonable fees that are documentable, direct, out-of-pocket expenses incurred in providing requested General Advisory Services to the Authority. Such expenses shall include travel-related costs (airfare, lodging, meals, rental car, etc.) and miscellaneous expenditures (courier/express deliveries, fax transmissions, long distance telephone charges, third party printing/duplication, etc.)

IV. FEES RELATING TO TRANSACTION ADVISORY SERVICES

In consideration of the Transaction Advisory Services described in Section II above, the Authority hereby agrees to pay (or cause to be paid) the Financial Advisor fees and expense reimbursements according to the arrangements described below.

1. **Single Family Mortgage Revenue Bond Transactions**.

   a. *Method of Bond Sale*. The fee schedules described below shall apply to notes or bonds issued via negotiated public sale, competitive bid or private placement.

   b. *Advisory Fee*.

Issue Size	Fee* Basis	Minimum Fee	Maximum Fee
Up to $20 million	$2.00/000	$30,000	$40,000
Over $20 million	$1.50/000	$37,500	$45,000

* per 1000 of Bonds

   c. *Quantitative Services Charges*. The following schedule of computer fees sets forth the maximum charges which will apply to those transactions for which CSG is responsible for preparation of computer cash flow analyses (if any).

(1) For each new issuance or remarketing of long-term bonds where a Cash Flow Certificate and/or IRS yield computation is required: $0.75 per thousand subject to a minimum of $18,000 and a maximum of $25,000.

(2) Maintenance Analyses (e.g. Cash Flow Statements relating to extension of loan origination or MBS delivery periods, replacement of investment agreements, release of funds from the bond trust indenture): (a) no charge other than documentable out-of-pocket expenses for any bonds for which CSG prepared the related New Issue Cash Flow Analyses and Yield Computations per (1) above; otherwise, (b) fee based on actual CSG staff time at the appropriate Hourly Rates, plus reasonable documented out-of-pocket expenses.

(3) Preparation of annual Consolidated Cash Flows required to maintain the ratings on any parity bonds: $4,000 base fee per indenture plus $1,250 per series (issue) of bonds covered by the analysis, subject to a minimum fee per indenture of $5,000 and a maximum fee per indenture of $17,500 plus reasonable documented out-of-pocket expenses.

d. *Source of Payment*. Payment to Financial Advisor for Transaction Advisory Services in paragraphs a, b, and c(1) and c(2) above will be paid from proceeds on deposit with the Trustee for cost of issuance (the particular transaction.) Payment to Financial Advisor for Advisory Services in paragraph c(3) above will be paid for by the Authority.

2. **Multi-Family Mortgage Revenue Bond Transactions**.

a. *Method of Bond Sale*. The fee schedules described below shall apply to new issuance, refunded or remarketed bonds (only where such remarketing requires restatement or amendment of original bond and disclosure documents, including any changes in the credit structure for the bonds) bonds issued via negotiated public sale, competitive bid or private placement.

b. *Advisory Fee*. The Financial Advisory Fee shall be as follows:

Issue Size	Fee* Basis	Minimum Fee	Maximum Fee
Up to $15 million	$1.50/000	$15,000	$22,500
Over $15 million	$1.00/000	$22,500	$39,500

* per 1000 of Bonds

c. *Optional Quantitative Services Charges*. The following charges will apply only to those multi-family transactions for which Financial Advisor is responsible for preparation of computer cash flow analyses; $0.75 per thousand subject to a minimum of $7,500 and maximum of $15,000.

d. *Source of Payment*. It is the mutual expectation of both the Authority and Financial Advisor that payments to Financial Advisor for this category of Transaction Advisory Services will be paid from, or recovered by the Authority from amounts paid to the Authority by the project or developer.

3. **Short-Term Bonds**. Advisory services relating to initial issuance of (or short-term "rollovers" of) Convertible Option Bonds ("COBs") or Bond Anticipation Notes ("BANs") would be provided for a flat fee of $5,000 per transaction, regardless of issue size.

4. **Transaction Expense Cap**. Unless specifically authorized by the Authority, reimbursable expenses relating to the provision of Transaction Advisory Services shall not exceed ($4,500) for any single transaction.

5. **Other Non-Bond Transactions**. The Authority and Financial Advisor acknowledge and agree that, in the event Financial Advisor is requested to provide services relating to a program, project or other undertaking of a form or type not specifically described or contemplated in this Agreement, the parties hereto may mutually agree upon (i) a scope of services to be provided by Financial Advisor (ii) fee and expense reimbursement arrangements, and (iii) funding source(s) relating to such program, project or undertaking.

V. BILLING PROCEDURES

Financial Advisor agrees to adhere to the following procedures relating to periodic billings for Advisory services provided under this Agreement.

1. **General Advisory Service Fees**. CSG agrees to periodically submit an itemized statement or invoice for General Advisory Service fees specifying the hours worked, the name of the Financial Advisor's staff performing the work, the composite hourly rate charged and the matter, project, program or activity to which Services relate.

2. **Transaction Advisory Service Fees**. Billings for Transaction Advisory Services shall be contingent upon closing or completion of the related transaction and shall not be presented to the Authority or its representatives for payment until the date of such closing or completion. Statements or invoices presented by Financial Advisor shall clearly identify the program, project or other undertaking to which the billing relates.

3. **Expense Reimbursements**. All billings for reimbursements of expenses incurred by Financial Advisor in providing either General Advisory Services or Transaction Advisory Services shall clearly state the nature and dollar amount of the expenses

incurred and shall be supportable by receipts, paid invoices or other acceptable forms of documentation provided by Financial Advisor upon request of the Authority.

Reimbursement for expenses incurred by Financial Advisor in providing services of any type under this Agreement are not contingent upon closing or completion of the related program, project, transaction or other undertaking.

VI. ADVISOR REPRESENTATIONS AND WARRANTIES

Financial Advisor and Investment Advisor each separately hereby represent and warrant to the Authority that:

1. CSG is an independent financial consulting firm not affiliated with any firm underwriting municipal securities;

2. CSG currently does not, and will not during the term of this Agreement act as a broker-dealer with respect to municipal securities; and

3. CSG will not involve itself in the development, financing and implementation of Authority programs or projects other than as contemplated and described in this Agreement unless specifically authorized in writing by the Authority to do so; and

4. CSG has the ability to perform under this Agreement.

Financial Advisor acknowledges these representations constitute material elements of this Agreement and a breach of any one such representation would render this Agreement absolutely null and void, and render Financial Advisor liable for any and all damages suffered by the Authority due to such breach.

VII. SUBCONTRACTING

Financial Advisor hereby agrees that it will not enter into any other subcontracts for any work described under this Agreement, nor will it receive compensation from any third party for services performed under this Agreement, without obtaining prior written approval from the Authority.

VIII. ACCESS TO RECORDS

The Authority and its duly authorized representatives shall have access to the books, documents, papers and records of the Financial Advisor which are pertinent to this Agreement for purposes of making audit, examination, excerpts and transcripts.

IX. OWNERSHIP OF RECORDS

All records, reports, worksheets, work products and other materials of the Financial Advisor which result from this Agreement shall be the exclusive property of the Authority unless otherwise agreed to in writing by the Authority.

X. TERM OF AGREEMENT AND SERVICE

This Agreement shall be in effect from March 2, 2022 through January 1, 2024, subject to Section XI herein. Each year ending on January 1 for the term of this Agreement shall be considered a "Contract Year."

XI. CANCELLATION RIGHTS (cause or without cause)

In the event of a determination by the Authority that the services to be provided hereunder are not being, or have not been, performed in a satisfactory or professional manner; or in the event that the Financial Advisor violates any of the covenants, agreements or other provisions of this Agreement, the Authority may terminate the Agreement for cause immediately upon delivery or written notice to the Financial Advisor.

Any party may terminate this Agreement, with or without cause, by written notice to the other parties with thirty (30) days prior notice. CSG shall not be entitled to any monetary amounts based upon a termination without cause except to the extent that moneys for services rendered are due and owing hereunder. This is a personal service contract and CSG acknowledges and agrees to the Authority's right to terminate this Agreement in accordance with the foregoing sentence.

XII. ASSIGNMENT OF INTERESTS

Except as provided in the following paragraph, Financial Advisor shall not assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of the Authority.

Notwithstanding the foregoing, Financial Advisor may (i) assign claims for money due or to become due from the Authority to a bank, trust company or other financial institution, and (ii) assign its individual obligations and rights under this Agreement to an organization which succeeds to all or substantially all of the financial advisory or investment advisory services set forth herein through a corporate reorganization in which the designated personnel who are responsible for the services set forth herein remain employees of the assignee.

XIII. COMPLIANCE WITH APPLICABLE LAWS

Financial Advisor and Investment Advisor agree to abide by the requirements of the following, as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 112467, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1972 and the Americans with Disabilities Act of 1990.

Financial Advisor agrees not to discriminate in its employment practice, and will render services under this Agreement without regard to race, color, religion, sec, national orientation, veteran status, political affiliation or disabilities.

Any act of discrimination committed by Financial Advisor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement.

XIV. MISCELLANEOUS

This Agreement shall be governed by State of Florida law, proper jurisdiction and venue for any litigation arising out of or related to this Agreement shall be located exclusively in the federal and state courts located in Orange County, Florida.

[SIGNATURE PAGES TO FOLLOW]

SIGNATURE PAGE FOR RENEWAL CONTRACT FOR FINANCIAL ADVISORY SERVICES

IN WITNESS WHEREOF, the parties hereto have affixed their signatures.

CSG ADVISORS INCORPORATED

By:____
Name:______________________________________
Title:_______________________________________

ORANGE COUNTY HOUSING FINANCE AUTHORITY

By:____
Name:______________________________________
Title:_______________________________________

Approved as to Legal Sufficiency:

By:____________________________
Greenberg Traurig, P.A.