



# Agenda Report

2725 Judge Fran Jamieson  
Way  
Viera, FL 32940

## Consent

F.28

9/15/2020

### Subject:

Resolution approving the issuance of multi-family housing revenue bonds by Brevard County Housing Finance Authority (Tropical Manor Project)

### Fiscal Impact:

None.

### Dept/Office:

County Attorney's Office

### Requested Action:

The Brevard County Housing Finance Authority (the "Authority") is requesting that the Board approve a Resolution to allow the Authority to apply for an allocation with the Florida Division of Bond Finance and to allow the issuance by the Authority of multi-family housing revenue bonds to finance the acquisition, rehabilitation and development of Tropical Manor (the "Project").

### Summary Explanation and Background:

The Authority received an application from HKH Tropical, LP for the issuance of multi-family housing revenue bonds in an amount not to exceed \$8,000,000 to finance the acquisition, rehabilitation and development of the Project. The Project is an existing 85-unit apartment complex (85 two-bedroom apartments) located at 1165 Jordan Road, Merritt Island, Florida. The apartments will be rented to individuals and families. A Land Use Restriction Agreement encumbering the property will require that a minimum of 40% of the apartment units will be set aside and available only to persons and families earning less than 60% of median income, for as long as the financing is outstanding, or for a term of 15 years, whichever is longer. The Project will include a community room, office/laundry/maintenance room, double pane energy star windows, new front doors, smart TV/computer combo in all units with landlord paid high speed internet/TV package, splash pad, tot lot, basketball court, picnic tables and barbecues, and five Americans with Disabilities Act (ADA) compliant units.

On May 27, 2020, the Authority held a public hearing, following proper publication of notice, for the purpose of receiving public input on the proposed project and bond issuance. A report of the public comments received is attached. In order to issue tax exempt bonds for the Project, the Authority must apply for and receive an allocation from the State Allocation Pool between November 16 and December 29, 2020, or from the Regional Allocation Pool after January 1, 2021. Brevard County is in Region 17, with Volusia County, which shares a total annual allocation of approximately \$57,644,854.

The tax-exempt financing will be in the form of a construction/permanent loan. As a condition of approval, the County's financial advisor will verify that the financing meets or exceeds the Guidelines of the Authority. The County's Financial Advisor has reviewed the project and anticipates the funding will be within the

County's debt issuance guidelines if it remains at proposed levels. (See attachment.)

The Board's approval of the issuance of the Bonds by the Authority to finance costs of the Project is required by applicable federal tax law.

The County's outside bond counsel has reviewed the project and stated the following: "The resolution proposed to be adopted by the BOCC satisfies the pertinent federal and state law requirements and provides that neither the County nor any of the elected officials or staff of the County will have any obligation or liability, financial or otherwise, with respect to the Project or the Bonds." (See attachment.)

Cost Benefit Analysis provided by Brevard County Housing Authority:

This issue will provide funds to finance the acquisition, rehabilitation and development of 85 rental housing units which will be available to Brevard County residents of lower and moderate income. There is no fiscal impact to the Board of County Commissioners or the Authority. The County is only authorizing the Housing Finance Authority to issue the bonds under the IRS requirements for tax exempt bonds and the County shall be indemnified from the issuance of bonds and the Project.

Contact Person: Angela A. Abbott, 264-0334, [angelaabbott@cfl.rr.com](mailto:angelaabbott@cfl.rr.com) <<mailto:angelaabbott@cfl.rr.com>>; Steven E. Miller, (813) 281-2222, [smiller@ngn-tampa.com](mailto:smiller@ngn-tampa.com) <<mailto:smiller@ngn-tampa.com>>; Jay Glover, PFM Financial Advisors LLC, (407) 406-5760, [gloverj@pfm.com](mailto:gloverj@pfm.com) <<mailto:gloverj@pfm.com>>

**Clerk to the Board Instructions:**

Return a signed Resolution to the County Attorney's Office



September 16, 2020

**M E M O R A N D U M**

**TO:** Eden Bentley, County Attorney

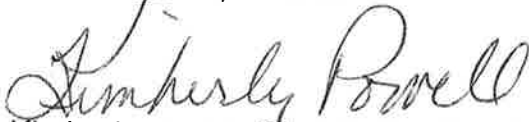
**RE:** Item F.28., Resolution Approving the Issuance of Multi-family Housing Revenue Bonds by Brevard County Housing Finance Authority – Tropical Manor Project

The Board of County Commissioners, in regular session on September 15, 2020, adopted Resolution No. 20-110, approving the issuance of multi-family mortgage Revenue Bonds, Series 2020 of the Brevard County Housing Finance Authority for the Tropical Manor Project, not to exceed \$8,000,000. Enclosed is the fully-executed Resolution.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

  
Kimberly Powell, Clerk to the Board

/ds

Encl. (1)

cc: Finance  
Budget

**RESOLUTION NO. 20-110**

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF  
BREVARD COUNTY, FLORIDA APPROVING THE ISSUANCE OF NOT  
EXCEEDING \$8,000,000 MULTIFAMILY MORTGAGE REVENUE  
BONDS, SERIES 2020 OF THE BREVARD COUNTY HOUSING  
FINANCE AUTHORITY, BREVARD COUNTY, FLORIDA FOR THE  
TROPICAL MANOR PROJECT; AND PROVIDING AN EFFECTIVE  
DATE.**

**WHEREAS**, the Board of County Commissioners of Brevard County, Florida (the "Board"), by resolution adopted on February 8, 1979, declared a need for a Housing Finance Authority to function within both the incorporated and unincorporated areas of Brevard County, Florida, to alleviate a shortage of housing and capital for investment in housing within such areas of operation; and

**WHEREAS**, the Board adopted Ordinance No. 79-09 on March 15, 1979, as amended by Ordinance No. 84-16, adopted on May 10, 1984 (the "Ordinance"), creating the Brevard County Housing Finance Authority (the "Authority"); and

**WHEREAS**, the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes (the "Act"), provides that the Authority may issue bonds for the purpose of the Act; and

**WHEREAS**, the Authority, on May 27, 2020, adopted its Resolution No. 2020-05 (the "Resolution") to implement a financing plan in concept to issue Multifamily Housing Revenue Bonds, Series 2020 (Tropical Manor Apartments) (the "Bonds") in one or more series and held a public hearing with respect to the issuance of the Bonds; and

**WHEREAS**, the proceeds of the Bonds will be used (1) to finance the acquisition, rehabilitation and development of the Tropical Manor project located at 1165 Jordan Road, Merritt Island, Florida 32953 in Brevard County (the "Project") and (2) to fund Bond financing costs and Bond reserves; and

**WHEREAS**, HKH Tropical LP, a Florida limited partnership (the "Borrower"), the borrower of the proposed Bonds and HKH Tropical GP LLC, a Florida limited liability company, and general partner of the Borrower, respectively, have submitted the Indemnification Certificate attached hereto as Exhibit A; and

**WHEREAS**, Section 147 of the Internal Revenue Code of 1986, as amended (the "Code"), requires public approval of the Bonds and the Project by an applicable elected official (in this case, the Board), following a public hearing; and

**WHEREAS**, such a public hearing following the public notice required by the Code was held by the Authority, and the minutes of such public hearing are in the public record of the Authority; and

**WHEREAS**, at such hearing reasonable opportunity was provided for all interested individuals to express their views, both orally and in writing, concerning the issuance of the Bonds and the Project and a Report Regarding Public Hearing is attached hereto as Exhibit B (the "Report"); and

**WHEREAS**, the Authority considered all comments and concerns, if any, expressed by such individuals and the Board has reviewed the Report; and

**WHEREAS**, the Board desires to approve the Project and the issuance of the Bonds for federal tax purposes pursuant to the Resolution.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA, that:**

**Section 1.** This resolution is adopted pursuant to the provisions of Section 1-181 of the Ordinance.

**Section 2.** This resolution is adopted following reasonable public notice of a public hearing which was held by the Authority on May 27, 2020 with respect to the Bonds and the Project. After consideration of the Report and representations made to the County by representatives of the Authority and comments made to this Board, the Board hereby approves the issuance by the Authority of the Bonds in an aggregate principal amount not exceeding \$8,000,000 for the purposes expressed in the Authority's Resolution. This approval is subject to the condition subsequent that the Authority's financial advisor shall verify that the Bonds meet or exceed the Authority's guidelines.


**Section 3.** The approval given herein shall not be construed as: (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any necessary rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Project, and the Board shall not be construed by reason of its adoption of this Resolution to make any endorsement, finding or recommendation or to have waived any right of the Board or to have estopped the Board from asserting any rights or responsibilities it may have in such regard.

**Section 4.** This resolution shall take effect immediately upon adoption.

This Resolution passed and adopted this 15th day of September, 2020.


(SEAL)

**BOARD OF COUNTY COMMISSIONERS OF  
BREVARD COUNTY, FLORIDA**

By:   
Bryan Andrew Lober, Chair

Attest:

As approved by the Board on September 15, 2020

By:   
Scott Ellis, Clerk of the Circuit Court  
and Ex-Officio Clerk to the Board of  
County Commissioners of Brevard  
County, Florida

Reviewed for Legal Form & Content:

By:  9-1-2020  
Assistant County Attorney

## EXHIBIT A

### INDEMNIFICATION CERTIFICATE

The undersigned hereby certifies that he or she is authorized to execute and deliver this Indemnification Certificate and further represents, in the name of and on behalf of HKH Tropical LP, a Florida limited partnership (the "Borrower") and HKH Tropical GP LLC, a Florida limited liability company (the "General Partner" and, collectively with the Borrower, the "Indemnitors"), the following:

(1) At the request of the Borrower, the Brevard County Housing Finance Authority (the "Issuer") proposes to issue its tax-exempt housing revenue bonds in an aggregate principal amount not to exceed \$8,000,000, in one or more series issued at one or more times (collectively, the "Bonds"), the proceeds of which are to be used to (i) finance all or a portion of the cost of the acquisition, development, construction and/or rehabilitation, financing and ownership of an approximately 85-unit multifamily rental housing development known as Tropical Manor, located at 1165 Jordan Road, Merritt Island, Florida 32953 (the "Project"), and (ii) fund reserves and pay costs of issuance;

(2) The issuance of the Bonds to finance the Project: (i) is appropriate to the needs and circumstances of, and will make a significant contribution to the economic growth of the community in which it is located, (ii) will provide or preserve gainful employment, (iii) will promote commerce and economic development within the State of Florida and (iv) will serve a public purpose by advancing the general welfare of the State and its people by providing for a housing development within the meaning of Chapter 159, Part IV, Florida Statutes, as amended;

(3) Brevard County, Florida (the "County") will continue to be able to cope satisfactorily with the impact of the Project and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the operation, repair, and maintenance of the Project and on account of any increases in population or other circumstances resulting therefrom;

(4) In order to finance the costs of the Project from the proceeds of the Bonds on a tax-exempt basis, it is necessary to hold a public hearing and approve the issuance of the Bonds for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

(5) The Issuer held a public hearing with respect to the issuance of the Bonds on May 27, 2020;

(6) The Borrower has requested the Board of County Commissioners (the "Board") of the County to approve the issuance of the Bonds for purposes of Section 147(f) of the Code; and


(7) The County desires indemnification from the Indemnitors as a material inducement to the Board granting the foregoing approval.

NOW THEREFORE, THE UNDERSIGNED, ON BEHALF OF THE INDEMNITORS, DOES HEREBY: Agree to defend the County and its officials, employees, attorneys and agents and the members of the Board, and hold the County and its officials, employees, attorneys and agents and the members of the Board, harmless against any and all claims, losses, liabilities or damages to property or any injury or death of any person or persons occurring in connection with the issuance of the Bonds or the acquisition, development, construction rehabilitation, ownership or operation of the Project by or on behalf of the Borrower, including in the case of any and all negligence of such indemnitee, or in any way growing out of or resulting from the Project or from the issuance, sale or delivery of the Bonds, including, but not limited to, liabilities or costs arising under the Internal Revenue Code of 1986, as amended, the Securities Act of 1933, the Securities Exchange Act of 1934 or any applicable securities law of the State of Florida, including, without limitation, all costs and expenses of the County, including reasonable attorneys' fees, incurred in connection therewith.


IN WITNESS WHEREOF, the Indemnitors have executed this Indemnification Certificate this 10th day of August, 2020.

**HKH TROPICAL LP**, a Florida limited partnership

By: HKH Tropical GP LLC, a Florida limited liability company, its general partner

By:   
Name: William Leach  
Title: President of Member

**HKH TROPICAL GP LLC**, a Florida limited liability company

By:   
Name: William Leach  
Title: President of Member



**EXHIBIT B**

**REPORT REGARDING PUBLIC HEARING**

**REPORT OF BREVARD COUNTY HOUSING FINANCE AUTHORITY**

The Brevard County Housing Finance Authority (the "Authority") conducted a public hearing on the proposed issuance by the Authority of not to exceed \$8,000,000 in Multifamily Housing Revenue Bonds, (Tropical Manor Apartments) (the "Bonds") and on the nature and location of the project to be financed with the Bonds.

The public hearing was on May 27, 2020, commencing at 3:04 p.m. and closing at 3:05 p.m., by conference call pursuant to the notice of such hearing which was published on May 19, 2020, on the Authority's website and on May 20, 2020, on the County's website. A copy of the Affidavit as to publication of notice is attached to Resolution No. 2020-05 as Exhibit C. Interested individuals were given the opportunity to express their views, both orally and in writing.

The following numbers of people attended the hearing or submitted written comments and were in favor of or opposed to the proposed issuance of the Bonds or the nature or location of the project to be financed with the Bonds:

Number of people in attendance:	<u>21</u>
Number of written comments:	<u>0</u>
Number of people in favor:	<u>0</u>
Number of people opposed:	<u>0</u>

Respectfully submitted this 10<sup>th</sup> day of August, 2020.



ANGELA A. ABBOTT, ESQUIRE, Attorney for  
the Brevard County Housing Finance  
Authority

**RESOLUTION NO. 2020-05**

**RESOLUTION REGARDING THE OFFICIAL ACTION OF  
THE BREVARD COUNTY HOUSING FINANCE  
AUTHORITY RELATIVE TO THE ISSUANCE OF NOT TO  
EXCEED \$8,000,000 MULTIFAMILY MORTGAGE  
REVENUE BONDS FOR THE PURPOSE OF ACQUIRING,  
REHABILITATING, EQUIPPING, AND DEVELOPING A  
MULTIFAMILY RESIDENTIAL HOUSING FACILITY  
FOR PERSONS OR FAMILIES OF LOW, MIDDLE OR  
MODERATE INCOME; FURTHER AUTHORIZING THE  
EXECUTION AND DELIVERY OF AN AGREEMENT BY  
AND BETWEEN THE AUTHORITY AND HKH TROPICAL  
LP; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, HKH Tropical LP (the "Company") has applied to the Brevard County Housing Finance Authority (the "Authority") to (i) issue its multifamily mortgage revenue bonds in a principal amount not to exceed \$8,000,000 (the "Bonds") for the purpose of financing the acquisition, rehabilitation, equipping and development of a multifamily residential housing facility for persons or families of low, middle or moderate income to be located in Brevard County, Florida, (the "Project"), and (ii) to loan the proceeds of the Bonds to the Company pursuant to Chapter 159, Part IV, Florida Statutes, and Chapter 159, Part II, Florida Statutes, or such other provision or provisions of Florida law as the Authority may determine advisable (the "Act"); and

**WHEREAS**, subject to the terms set forth herein and in the Memorandum of Agreement attached hereto as Exhibit A, the Company has requested that the Authority make a determination to issue the Bonds under the Act in one or more issues or series not exceeding an aggregate principal amount of \$8,000,000 and to loan the proceeds thereof available to finance the Project under a loan agreement or other financing agreement which will provide that payments thereunder be at least sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds and such other costs in connection therewith as may be incurred by the Authority, to assist the Company and promote the purposes provided in the Act; and

**WHEREAS**, the Company has submitted the Memorandum of Agreement relating to the issuance of the Bonds, attached hereto; and

**WHEREAS**, in order to satisfy certain of the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, it is necessary to hold a public hearing on the proposed issuance of the Bonds for the purposes herein stated, which date will be at least 7 days following the first publication of a notice of such public hearing in the form attached hereto as

Exhibit B, which public hearing must be conducted in a manner that provides a reasonable opportunity for persons with differing views to be heard, both orally and in writing, on both the issuance of such Bonds and the location and nature of the portion of the Project to be financed with the proceeds therefrom; and

**WHEREAS**, an affidavit as to such notice is attached hereto as Exhibit C; and

**WHEREAS**, it is intended that this Resolution shall constitute official action toward the issuance of the Bonds within the meaning of the applicable United States Treasury Regulations;

**IT IS, THEREFORE, DETERMINED AND RESOLVED BY THE BREVARD COUNTY HOUSING FINANCE AUTHORITY, THAT:**

**1. APPROVAL OF THE PROJECT.** The acquisition, construction, equipping and development of the Project and the financing thereof by the Authority through the issuance of the Bonds, pursuant to the Act, will promote the health and welfare of the citizens of Brevard County, Florida, and will thereby serve the public purposes of the Act.

**2. EXECUTION AND DELIVERY OF THE MEMORANDUM OF AGREEMENT.** The Chairman or Vice Chairman of the Authority hereby are authorized and directed to execute, for and on behalf of the Authority, the Memorandum of Agreement attached hereto as Exhibit A between the Authority and the Company providing understandings relative to the proposed issuance of the Bonds by the Authority to finance the Project in an aggregate principal amount not to exceed the lesser of (a) \$8,000,000, or (b) the cost of the Project, as determined by the Authority.

**3. AUTHORIZATION OF THE BONDS.** Subject to the terms and conditions set forth herein and in the Memorandum of Agreement attached hereto, there is hereby authorized to be issued and the Authority hereby determines to issue the Bonds, if so requested by the Company, in one or more issues or series in an aggregate principal amount not to exceed \$8,000,000 for the purpose of financing the Project described in such Memorandum of Agreement. The Bonds shall be designated the "Brevard County Housing Finance Authority Multifamily Mortgage Revenue Bonds (Tropical Manor Apartments)". The rates of interest payable on the Bonds shall not exceed the rate permitted by law.

**4. RECOMMENDATION FOR APPROVAL TO BOARD OF COUNTY COMMISSIONERS.** The Authority hereby recommends that the Board of County Commissioners of Brevard County, Florida (the "Board") approve the issuance of the Bonds and the financing of the Project. The Authority hereby directs the Chairman, Vice Chairman or Authority's Counsel, either alone or jointly, at the expense of the Company, to seek approval for the issuance of the Bonds and the financing of the Project by the Board as the applicable elected representatives of Brevard County, Florida, under and pursuant to the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended.

**5. GENERAL AUTHORIZATION.** The Chairman, the Vice Chairman, the Secretary-Treasurer and counsel for the Authority hereby are further authorized to proceed, upon execution of the Memorandum of Agreement, with the undertakings provided for therein on the part of the Authority and are further authorized to take such steps and actions as may be required and necessary in order to cause the Authority to issue the Bonds subject to the terms and conditions set forth herein and in the Memorandum of Agreement authorized hereby.

**6. AFFIRMATIVE ACTION.** This resolution is an affirmative action of the Authority toward the issuance of the Bonds, as contemplated in said Memorandum of Agreement, in accordance with the purposes of the laws of the State of Florida and the applicable United States Treasury Regulations.

**7. APPROVAL OF NOTICE AND PUBLICATION OF PUBLIC HEARING.** The form of notice of public hearing attached hereto as Exhibit B is hereby approved and the publishing thereof authorized on behalf of the Authority as referenced in Exhibit C ratified and approved by the Authority.

**8. APPOINTMENT OF COUNSEL.** The firm of Nabors, Giblin & Nickerson, P.A. is duly appointed Bond Counsel in connection with the issuance of the Bonds. Angela A. Abbott, P.A., is duly appointed Issuer's Counsel.

**9. LIMITED OBLIGATIONS.** The Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of the Authority, Brevard County, the State of Florida or any political subdivision or agency thereof but shall be payable solely from the revenue pledged therefor pursuant to a loan agreement or other financing agreement entered into by and between the Authority and the Company prior to or contemporaneously with the issuance of the Bonds.

**10. LIMITED APPROVAL.** The approval given herein shall not be construed as an approval of any necessary zoning applications nor for any other regulatory permits relating to the Project, and the Authority shall not be construed by reason of its adoption of this Resolution to have waived any right of the County and/or of any city in which the proposed Project is to be located or to have estopped the County and/or such city, if any, from asserting any rights or responsibilities it may have in that regard. In addition, this Resolution and the Memorandum of Agreement attached hereto as Exhibit A are conditioned upon and subject to: (1) the determination by the Authority, in its sole and absolute discretion at a future date in the future, that it is in the best interests of the Authority and the residents of Brevard County, Florida, to use the tax exempt volume cap allocation potentially available to the Authority to issue the Bonds; (2) receipt of the necessary volume cap tax exempt allocation from the State of Florida, Division of Bond Finance; (3) receipt of the approval of the Project and the proposed financing of the Project by the Board; (4) the ownership and control of the Company and its principals not varying more than five (5%) percent from what has been represented to the Authority in the Company's Application; (5) the number of multi-family units to be constructed by the Company not decreasing by more than five (5%) percent from the 85 units referenced in the Company's

Application; (6) the proposed Project, including, but not limited to design, materials, type of construction materials, etc. not changing materially without the prior written consent of the Authority; and (7) the closing of the Bonds occurring on or before one hundred and fifty-five (155) days after receipt of volume cap allocation from the State of Florida Division of Bond Finance, unless extended by the Authority in its sole and absolute discretion. In the event that any of the foregoing events shall not take place, if applicable, or shall occur or take place, if applicable, it shall operate as a termination of this Resolution and the Memorandum of Agreement.


**11. BOND ALLOCATION.** Upon a determination by the Authority as set forth in the Memorandum of Agreement to request private activity bond allocation with respect to such Bonds, the Chairman, Vice Chairman or Authority's Counsel are hereby authorized to execute all necessary documents for obtaining and preserving an allocation from the State of Florida, Division of Bond Finance upon request by the Company.

This Resolution shall take effect immediately.

**ADOPTED** this 27th day of May, 2020.

**BREVARD COUNTY HOUSING  
FINANCE AUTHORITY**

(SEAL)

By:   
Chairman

ATTEST:

By:   
Secretary-Treasurer

## **EXHIBIT A**

### **MEMORANDUM OF AGREEMENT FOR ISSUANCE OF MULTIFAMILY MORTGAGE REVENUE BONDS**

This Agreement between the Brevard County Housing Finance Authority (the "Authority"), a body corporate and politic of the State of Florida and HKH Tropical LP (the "Company"), a Florida limited partnership organized and validly existing under the laws of the State of Florida and authorized to do business in the State of Florida.

#### **W I T N E S S E T H:**

**1. PRELIMINARY STATEMENT.** Among the matters of mutual understanding which have resulted in the execution of this Memorandum of Agreement are the following:

(a) The Florida Housing Finance Authority Law (Chapter 159, Part IV, Florida Statutes), as amended, and the Florida Industrial Development Financing Act (Chapter 159, Part II, Florida Statutes) (collectively, the "Act") provides that the Authority may issue its revenue bonds and loan the proceeds thereof to one or more persons, firms or private corporations, or use such proceeds to defray the cost of acquiring, by purchase or construction, certain qualifying facilities.

(b) The Company is considering acquiring, rehabilitating, equipping and developing a multifamily residential housing facility for persons or families of low, middle or moderate income (the "Project") to be located within the boundaries of Brevard County, Florida. It is estimated that the cost of the acquisition, rehabilitation, equipping and development of the Project will be in excess of \$8,000,000.

(c) The Authority intends this Memorandum of Agreement to constitute its official binding commitment, subject to the terms and conditions set forth herein and in the Resolution authorizing the Authority to enter into this Memorandum of Agreement, to issue its bonds in a principal amount not to exceed \$8,000,000 (the "Bonds") in one or more series or issues pursuant to the Act in an amount to be agreed upon by the Authority and the Company and to loan the proceeds thereof to the Company, and to use such proceeds to finance the cost of acquiring, rehabilitating, equipping and developing the Project, including all costs incurred in connection with the issuance of the Bonds by the Authority, up to an amount not to exceed \$8,000,000.

(d) The Authority considers the issuance and sale of the Bonds, for the purpose hereinabove set forth, consistent with the objectives of the Act. This commitment is an affirmative official action of the Authority toward the issuance of the Bonds as herein contemplated in accordance with the purposes of both the Act and the applicable United States Treasury Regulations.

**2. UNDERTAKINGS ON THE PART OF THE AUTHORITY.** Subject to the terms and conditions set forth herein and in the Authority's Resolution dated May 27, 2020 (the "Inducement Resolution") authorizing the Authority to enter into this Memorandum of Agreement, the Authority agrees as follows:

(a) The Authority will authorize the issuance of the Bonds in the aggregate principal amount necessary and sufficient to finance the cost of acquiring, constructing, equipping and developing the Project as the Authority and the Company shall agree in writing, but in all events, the principal amount of such Bonds shall not exceed the lesser of (i) the cost of the Project, as determined by the Authority or (ii) \$8,000,000.

(b) The Authority will cooperate with the Company and with the underwriters or purchasers of the Bonds and the Authority's Counsel with respect to the issuance and sale of the Bonds and will take such further action and authorize the execution of such documents as shall be mutually satisfactory to the Authority and the Company for the authorization, issuance and sale of such Bonds and the use of the proceeds thereof to finance the cost of acquiring, rehabilitating, equipping and developing the Project.

(c) Such actions and documents may permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether *pari passu* with other series of bonds or otherwise, for the purpose of defraying the cost of completion, enlargements, improvements and expansion of the Project, or any segment thereof, or refunding of the Bonds.

(d) The loan or financing agreement (the "Loan Agreement") between the Authority and the Company shall, under the terms agreed upon by the parties, provide for payments to be made by the Company in such sums as shall be necessary to pay the amounts required under the Act, including the principal of and interest and redemption premium, if any, on the Bonds, as and when the same shall become due and payable.

(e) In authorizing the issuance of the Bonds pursuant to the Loan Agreement, the Authority will make no warranty, either expressed or implied, that the proceeds of the Bonds will be sufficient to pay all costs of acquiring, rehabilitating, equipping and developing the Project, or that those facilities encompassed by the Project will be suitable for the Company's purposes or needs.

(f) The Bonds shall specifically provide that they are payable solely from the revenues derived from the Loan Agreement between the Authority and the Company or other agreements approved by the Authority, except to the extent payable out of amounts attributable to Bond proceeds. The Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit of the Authority, Brevard County or of the State of Florida, and such fact shall be plainly stated on the face of the Bonds.

(g) Due to the tax exempt volume cap limitations established by the State of Florida on the issuance of tax exempt bonds, the Authority reserves the right, in its sole and absolute discretion, to determine if, in what amount, and when to file a Request for Allocation for the Project with the State of Florida, Division of Bond Finance. Subject to the foregoing, at any time after receipt of this Memorandum of Agreement properly executed by the Company (but before the expiration date), the Authority may file with the State of Florida, Division of Bond Finance a Request for Allocation upon receipt from the Company of an executed request therefor in the form set forth herein. Nothing contained herein shall be deemed to be a guarantee of the tax-exempt private activity bond allocation for the Company's Project.

(h) The Company has advised the Authority of the need to proceed timely to develop the Project. In that regard, assuming that the proposed financing of the Project and other matters are ultimately worked out and acceptable to the Authority, including a satisfactory third-party credit underwriting review, the Authority is desirous of assisting the Company in the financing of the Project. Accordingly, the Authority is entering into this Memorandum of Agreement so as to assist the Company in obtaining its financing for the Project. However, it is specifically understood and agreed by the Authority and the Company that the Authority, in its sole discretion, reserves the right not to issue the Bonds if it does not ultimately approve the financing.

**3. UNDERTAKINGS ON THE PART OF THE COMPANY.** Subject to the terms hereof, the Company acknowledges and agrees as follows:

(a) Although the Authority has approved the proposed Project, it has reserved the right, in its sole and absolute discretion, to determine whether or not to proceed with the issuance of the Bonds as set forth in Section 2(h) above. The Company acknowledges, understands and agrees that the Authority retains said right.

(b) The Company has been advised that the State of Florida has adopted rules and regulations regarding the use of allocations and requires that an issuer issue its bonds in substantially the entire amount of the allocation within one hundred and fifty-five (155) days from the date of the granting of an allocation, unless it is extended under certain circumstances. The Company further acknowledges that the failure to timely actually issue bonds within a specified percentage of the allocation can result in the loss of the allocation and/or additional fees to be paid by the Authority. Accordingly, the Company shall be fully responsible for determining the size of the allocation to be requested, subject to the proviso that the request shall not be for a principal amount of Bonds which exceed the amounts set forth in paragraph 2(a).

(c) The Company will use reasonable efforts to ensure that the Bonds in the aggregate principal amount as stated above are timely sold; provided, however, that the terms of such Bonds and of the sale and delivery thereof shall be mutually satisfactory to the Authority and the Company.



(d) Prior to the issuance of the Bonds, in one or more series or issues from time to time as the Authority and the Company shall agree in writing, the Company will enter into a Loan Agreement with the Authority, the terms of which shall be mutually agreeable to the Authority and Company, providing for the loan or use of the proceeds of the Bonds to finance the Project. Such agreement will provide that the Company will be obligated to pay the Authority (or pay to trustees for holders of the Bonds on behalf of the Authority, as the case may be) sums sufficient in the aggregate to enable the Authority to pay the principal of and interest and redemption premium, if any, on the Bonds, as and when the same shall become due and payable, and all other expenses related to the issuance and delivery of the Bonds. The Company will agree in such documents that if the cost of acquisition and construction of the Project exceeds the amounts allocated therefor, it shall not be entitled to any reimbursement for any such excess either from the Authority, the Bondholders or the trustee for the Bondholders.

(e) The Company shall be responsible for and timely pay the Developer Deposit required by the Authority's Guidelines for Bond Issues, the issuance fee in effect at the time the Bonds are issued and the fees and costs of Counsel to the Issuer and the fees and costs of Bond Counsel to the Issuer, plus such other fees and costs as may be required.

(f) The Company shall, in addition to paying the amount set forth in the Loan Agreement, pay all costs of operation, maintenance, taxes, governmental and other charges that may be assessed or levied against or with respect to the Project.

(g) The Company will hold the Authority free and harmless from any loss or damage and from any taxes or other charges levied or assessed by reason of any mortgaging or other disposition of the Project.

(h) The Company will take such further action as may be required to implement its aforesaid undertakings and as it may deem appropriate in pursuance thereof.

(i) All fees and costs that the Company is required to pay, including but not limited to, the issuance fee, and counsel fees and costs not paid at the time of application shall be paid in full at the time of the sale and delivery of the Bonds.

(j) The number of multi-family units to be constructed by the Company will not decrease more than five (5%) percent from the number of multi-family units that it represented that it would construct in its Application to the Authority that resulted in the issuance of the Inducement Resolution and this Memorandum of Agreement.

(k) There shall not have been a material change in the proposed Project as represented to the Authority by the Company in the Application that it filed with the Authority, including, but not limited to design, materials, type of construction materials, etc. without the prior written consent of the Authority.

(l) The closing of the sale of the Bonds shall occur on or before one hundred and fifty-five days from the date of the granting of an allocation, unless extended by the Authority at its sole and absolute discretion. In the event that the closing on the sale of the Bonds does not occur on or before said time, and the Authority chooses not to extend the closing date, the Company shall have no further rights under this Memorandum of Agreement. Further, in such event, the Authority may apply for and use the tax exempt volume allocation, if available, for the funding of such other Multifamily Mortgage projects or single family housing as it deems best serves the interests of the residents of Brevard County, Florida.

(m) The ownership and control of the Company and its principals shall not vary more than five (5%) percent from what has been represented in the Company's Application to the Authority without the prior written consent of the Authority.

(n) The Company and its principals shall have fully and timely complied with the terms of the Authority's Guidelines for Bond Issuers, including, but not limited to the timely payment of all fees and costs due to the Authority, its Counsel and its Bond Counsel.

(o) The Company and certain related parties or guarantors as determined by the Authority shall be required to enter into an environmental indemnity and certain other guaranties.

**4. GENERAL PROVISIONS.** All commitments of the Authority under Section 2 hereof and of the Company under Section 3 hereof are subject to the conditions that the following events shall have occurred not later than one hundred and fifty-five days from the date of receipt of an allocation, or such other date as shall be mutually satisfactory to the Authority and Company:

(a) The Authority shall be lawfully entitled to issue the Bonds as herein contemplated.

(b) The Authority and Company shall have agreed on mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of any trust instrument in respect thereto and Loan Agreement or other agreements incidental to the financing or referred to in Sections 2 and 3 hereof.

(c) Such other rulings, approvals, consents, certificates of compliance, opinions of counsel and other instruments and proceedings satisfactory to the Company and to the Authority as to such matters with respect to the Bonds, the Project, the Loan Agreement and any trust instrument, as shall be specified by the Company or the Authority, shall have been obtained from such governmental, as well as non-governmental, agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertinent thereto and shall be in full force and effect at the time of issuance of the Bonds.

(d) The Company and the Authority each reserve the absolute right to unilaterally cancel this Memorandum of Agreement at any time prior to the time the Bonds are issued by the Authority upon written notice of cancellation.

(e) If the events set forth in this Section 4 do not take place within the time set forth or any extension thereof, or if the Company or the Authority exercises its rights of cancellation as set forth in this Section 4, the Company agrees that it will reimburse the Authority for all the reasonable and necessary direct or indirect expenses which the Authority may incur at the Company's request arising from the execution of this Memorandum of Agreement, and the performance by the Authority of its obligations hereunder, including legal fees and expenses for counsel to the Authority and Bond Counsel. In addition, the Authority shall be entitled to keep all fees paid to it pursuant to the Authority's Application Procedures and Program Guidelines.

(f) The Company acknowledges that the Authority may, during the time this Memorandum of Agreement is in effect, issue similar "inducement" agreements to other companies for other Multifamily Mortgage projects, and/or may issue bonds or participate jointly with other authorities to issue bonds for single family housing. This Memorandum of Agreement will create no priority or rights vis a vis subsequent agreements for the issuance of multifamily or single family housing bonds.

(g) The Authority shall have obtained the consent of the Brevard County Board of County Commissioners as to the issuance of the Bonds. Further, the Authority shall have obtained private activity bond allocation sufficient to allow the issuance of the Bonds from the State of Florida, Division of Bond Finance.

**5. BINDING EFFECT.** All covenants and agreements herein contained by or on behalf of the Authority and the Company shall bind and inure to the benefit of the respective successors and assigns of the Authority and the Company whether so expressed or not.

**IN WITNESS WHEREOF**, the parties hereto have entered into this Agreement by their officers thereunder duly authorized as of the 27th day of May, 2020.

**BREVARD COUNTY HOUSING  
FINANCE AUTHORITY**

By:   
Chairman

**HKH TROPICAL LP** a Florida limited  
partnership

By: HKH Tropical GP LLC, Florida  
limited liability company, its General  
Partner

By: 

## EXHIBIT B

### NOTICE OF PUBLIC HEARING CONCERNING THE BREVARD COUNTY HOUSING FINANCE AUTHORITY'S PROPOSED ISSUANCE OF ITS MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2020, IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$8,000,000

**Public Notice** is hereby given that the Brevard County Housing Finance Authority (the "Authority") will conduct a public hearing on May 27, 2020 at 3:00 p.m., or thereafter, by means of a virtual meeting in accordance with the Tax Equity Fiscal Responsibility Act ("TEFRA") on the proposed issuance by the Authority of its Multifamily Mortgage Revenue Bonds, Series 2020 in the aggregate principal amount of not to exceed \$8,000,000 for purposes of financing the Project referenced below. The proceeds of such bonds will be used to finance the acquisition, rehabilitation, and equipping of the following Project located at the following location in Brevard County, Florida:

Owner: HKH TROPICAL LP  
Project Name: Tropical Manor Apartments  
Location: 1165 Jordan Road, Merritt Island, Florida 32953  
No. of Units: 85  
Aggregate principal amount of tax exempt Bonds: not exceeding \$8,000,000

If any member of the general public wishes to be heard at the hearing he or she may do so by calling 1-866-569-3761; Passcode 8537016177 at the time set forth above or by submitting their views in writing delivered at least 24 hours prior to the date and time of the meeting set forth above to Angela Abbott, Esq. at [angelaabbott@cfl.rr.com](mailto:angelaabbott@cfl.rr.com).

The purpose of the public hearing is to afford members of the general public an opportunity to be heard with respect to the proposed issuance of the Bonds by the Authority.

All interested parties are invited to attend and present their comments at the time and place set forth above.

IF ANY PERSON WISHES TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO ANY MATTER CONSIDERED AT THIS HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS MADE.

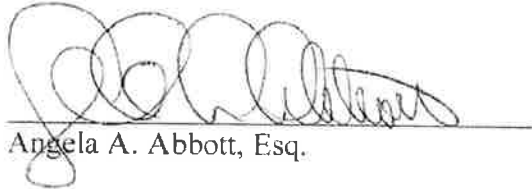
BREVARD COUNTY HOUSING FINANCE  
AUTHORITY

**EXHIBIT C**

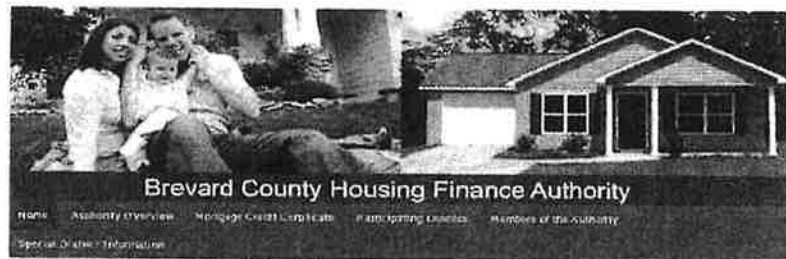
**AFFIDAVIT AS TO PUBLICATION OF NOTICE**

I, Angela A. Abbott, Esquire, attorney for the Brevard County Housing Finance Authority (the "Authority") do hereby affirm that the documents attached hereto as Schedule 1 and Schedule 2 represent (a) a screen shot showing notice of the Authority's TEFRA public hearing scheduled for May 27, 2020, which notice was placed on the Authority's website on May 19, 2020, and (b) a screen shot showing said notice of public hearing as displayed on the Brevard County calendar of events as of May 20, 2020.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 27th day of May, 2020.



Angela A. Abbott, Esq.



## Brevard County Housing Finance Authority

Home | Authority Overview | Mortgage Credit Certificate | Participating Lenders | Members of the Authority

Special Offer Information

### Brevard County Housing Finance Authority

#### Home Ownership Program

##### First Mortgage Loan Program

The Home Ownership Program is designed to help first-time homebuyers in Brevard County purchase a home. The program provides a down payment assistance loan of up to \$10,000, which is added to the first mortgage loan. The loan is repaid over the term of the first mortgage loan, and the interest rate is fixed at 3.75%.

##### How does the program work?

The program works by providing a down payment assistance loan to the homebuyer. The loan is added to the first mortgage loan, and the interest rate is fixed at 3.75%.

##### Down Payment and Closing Cost Assistance

The program provides assistance for down payment and closing costs. The assistance is provided in the form of a loan, which is added to the first mortgage loan. The loan is repaid over the term of the first mortgage loan, and the interest rate is fixed at 3.75%.

##### Mortgage Credit Certificate (MCC)

The Mortgage Credit Certificate (MCC) is a document that is issued by the Brevard County Housing Finance Authority. It is used to reduce the borrower's federal income tax liability on the interest paid on the first mortgage loan.

##### Click to learn more about Mortgage Credit Certificate (MCC)

##### What kind of home may I purchase?

The program is available for the purchase of a single-family home, a townhome, or a condominium. The home must be located in Brevard County, Florida.

##### Who qualifies?

- Homebuyer must be a U.S. citizen or permanent resident.
- Homebuyer must be at least 18 years old.
- Homebuyer must have a steady source of income.
- Homebuyer must have a good credit history.
- Homebuyer must have a valid Social Security number.
- Homebuyer must have a valid Florida driver's license.
- Homebuyer must have a valid Florida voter registration card.
- Homebuyer must have a valid Florida vehicle registration card.
- Homebuyer must have a valid Florida professional license.
- Homebuyer must have a valid Florida business license.

##### What are the steps in the process?

The steps in the process are: 1. Pre-qualification, 2. Application, 3. Approval, 4. Closing, 5. Repayment.

##### What is Recapture Tax?

Recapture Tax is a tax that is levied on the borrower when the first mortgage loan is paid off. The tax is based on the interest that has been paid on the first mortgage loan.

##### Target Areas

The program is available in the following target areas: 1. Brevard County, 2. Volusia County, 3. Seminole County, 4. Duval County, 5. Alachua County, 6. Putnam County, 7. Citrus County, 8. Hernando County, 9. Hillsborough County, 10. Manatee County, 11. Pasco County, 12. Polk County, 13. Santa Fe County, 14. St. Johns County, 15. St. Lucie County, 16. Volusia County, 17. Brevard County, 18. Volusia County, 19. Seminole County, 20. Duval County, 21. Alachua County, 22. Putnam County, 23. Citrus County, 24. Hernando County, 25. Hillsborough County, 26. Manatee County, 27. Pasco County, 28. Polk County, 29. Santa Fe County, 30. St. Johns County, 31. St. Lucie County, 32. Volusia County, 33. Brevard County, 34. Volusia County, 35. Seminole County, 36. Duval County, 37. Alachua County, 38. Putnam County, 39. Citrus County, 40. Hernando County, 41. Hillsborough County, 42. Manatee County, 43. Pasco County, 44. Polk County, 45. Santa Fe County, 46. St. Johns County, 47. St. Lucie County, 48. 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NOTICE OF PUBLIC HEARING  
CONCERNING THE BREVARD COUNTY HOUSING FINANCE AUTHORITY'S  
PROPOSED ISSUANCE OF ITS  
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2020, IN AN  
AGGREGATE AMOUNT OF NOT TO EXCEED \$8,000,000

**Public Notice** is hereby given that the Brevard County Housing Finance Authority (the "Authority") will conduct a public hearing on May 27, 2020 at 3:00 p.m., or thereafter, by means of a virtual meeting in accordance with the Tax Equity Fiscal Responsibility Act ("TEFRA") on the proposed issuance by the Authority of its Multifamily Mortgage Revenue Bonds, Series 2020 in the aggregate principal amount of not to exceed \$8,000,000 for purposes of financing the Project referenced below. The proceeds of such bonds will be used to finance the acquisition, rehabilitation, and equipping of the following Project located at the following location in Brevard County, Florida:

Owner: HKH TROPICAL LP  
Project Name: Tropical Manor Apartments  
Location: 1165 Jordan Road, Merritt Island, Florida 32953  
No. of Units: 85  
Aggregate principal amount of tax-exempt Bonds: not exceeding \$8,000,000

If any member of the general public wishes to be heard at the hearing he or she may do so by calling 1-866-569-3761; Passcode 8537016177 at the time set forth above or by submitting their views in writing delivered at least 24 hours prior to the date and time of the meeting set forth above to Angela Abbott, Esq. at [angelaabbott@cfl.rr.com](mailto:angelaabbott@cfl.rr.com).

The purpose of the public hearing is to afford members of the general public an opportunity to be heard with respect to the proposed issuance of the Bonds by the Authority.

All interested parties are invited to attend and present their comments at the time and place set forth above.

IF ANY PERSON WISHES TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO ANY MATTER CONSIDERED AT THIS HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS MADE.

BREVARD COUNTY HOUSING FINANCE AUTHORITY

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**PUBLIC RESOURCES ADVISORY GROUP**

**TO:** Brevard County Housing Finance Authority

**FROM:** Public Resources Advisory Group, Inc.

**SUBJECT:** Tropical Manor

**DATE:** May 26, 2020

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**Background:**

The Brevard County Housing Finance Authority offers its Multifamily Housing Revenue Bonds Program to stimulate the production of affordable housing. Applicants are required to submit a comprehensive application as well as a credit underwriting report. The Authority's credit underwriting reports are prepared by the same firms that provide this service to the Florida Housing Finance Corporation. The Multifamily Housing Revenue Bonds must be rated in one of three highest rating categories by a nationally recognized rating agency or be sold via private placement to a qualified institutional investor.

**Introduction:**

Kingdom Development Inc. and HumanKind Housing (the "Applicant") have submitted a request for issuance of \$8,000,000 of tax exempt bonds to finance the acquisition and rehabilitation of Tropical Manor Apartments, located at 1165 Jordan Road, Merritt Island, Florida. A newly formed Florida limited partnership, HKH Tropical LP has entered into a contract to purchase the 85-unit property.

**The Development:**

The development contains 85 units each including 900 square feet with two bedroom/one bath. A 2019 rehabilitation included new appliances, water heater and package terminal heating and air conditioning.

Additional improvements will include double pane, energy star windows, daylight sensors, timers or motion detectors on all outdoor lighting as well as outdoor seating, splash pad, tot lot, picnic tables and barbeques. The rehabilitation budget is \$2,117,265. Each unit will be equipped with a Smart TV/Computer combination and the landlord will pay for and provide high speed broadband internet and TV.

The development was built in 1968 and utilizes block construction.

**Unit Mix:**

There is an existing Housing and Urban Development Housing Assistance Payment Contract on the property with a remaining term of 18.5 years. The Applicant is applying for a new 20-year term. All units will be tax credit eligible.



**Proposed Financing Plan:**

The acquisition and rehabilitation will be financed by a Housing and Urban Development 223(f) loan of \$11,500,000 and tax credit equity of \$3,453,730 and deferred developer fee. The Authority's \$8,000,000 tax exempt note will be cash collateralized with the proceeds of the Housing and Urban Development loan.

**Process for Approval of Financing and Issuance of Bonds**

The Applicant has requested that the Authority adopt an inducement resolution in the amount of \$8,000,000. After inducement, the Authority will present the comments received at the Tax Equity and Fiscal Responsibility Act hearing to the Board of County Commissioners.

The development is also subject to credit underwriting. The credit underwriting will require a Capital Needs Assessment consistent with the guidelines issued by Florida Housing Finance Corporation.



August 26, 2020

## Memorandum

To: Frank Abbate, County Manager  
Christine M. Schverak, Assistant County Attorney

From: Jay Glover, Managing Director – PFM Financial Advisors LLC

Re: Review of Financing Structure for the Multi-Family Housing Revenue Bonds (Tropical Manor Project)

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It is our understanding that HKH Tropical LP has requested the Brevard County Housing Finance Authority (the "Authority") issue not to exceed \$8,000,000 Multi-Family Housing Revenue Bonds (Tropical Manor Project) (the "Bonds") to finance the acquisition, rehabilitation, equipping and development of Tropical Manor Project (the "Project"). The Project is an existing 85-unit apartment complex (85 two-bedroom apartments) located at 1165 Jordan Road, Merritt Island, Florida. A Land Use Restriction Agreement encumbering the property will require that a minimum of 40% of the apartment units will be set aside and available only to persons and families earning less than 60% of median income, for as long as the financing is outstanding, or for a term of 15 years, whichever is longer.

As financial advisor to Brevard County, Florida (the "County"), PFM Financial Advisors LLC (PFM) is required to certify that the Bonds will meet or exceed the County's debt issuance guidelines, which require an investment grade underlying credit rating for publically offered bonds, provided however that unrated bonds may be approved by the County provided that they are sold only to institutional investors in minimum denominations of \$100,000. We have also been asked to ensure that the proposed transaction will not have a negative financial impact on the County, impair the County's credit ratings or impact the County's ability to issue debt in the future.

The Borrower and its' representatives have indicated that a plan of finance is being developed and is currently expected to include a construction loan followed by permanent financing with a qualified institutional investor in minimum denominations of \$100,000. Therefore, it is PFM's opinion that the Bonds will meet the criteria required by the County. If the final plan of finance differs from this description, the Borrower will need to provide an updated plan of finance before the issuance of the Bonds. We have also reviewed all of the relevant documentation and based on that review can confirm that the proposed issuance of the Bonds will not have a negative financial impact on the County.

PFM did not prepare or review any type of feasibility report related to the Borrower's ability to pay debt service on the Bonds and has no responsibility to do so. PFM also bears no liability for potential errors in the information provided by the Borrower or its' representatives.

cc: Kathy Wall, Assistant to the County Manager

TAMPA  
Suite 1060, 2502 Rocky Point Drive  
Tampa, Florida 33607  
(813) 281-2222 Tel  
(813) 281-0129 Fax

**Nabors  
Giblin &  
Nickerson** P.A.  
ATTORNEYS AT LAW

FORT LAUDERDALE  
1225 S.E. Second Avenue  
Fort Lauderdale, Florida 33316  
(954) 525-8000 Tel  
(954) 525-8331 Fax

TALLAHASSEE  
Suite 200, 1500 Mahan Drive  
Tallahassee, Florida 32308  
(850) 224-4070 Tel  
(850) 224-4073 Fax

**MEMORANDUM**

TO: Eden Bentley, Brevard County Attorney  
Frank Abbate, Brevard County Manager

FROM: Steven E. Miller, Esq.

DATE: September 1, 2020

RE: Review of Legal Documentation for the Brevard County Housing Finance  
Authority Multifamily Mortgage Revenue Bonds, Series 2020 (Tropical  
Manor Project)

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The Brevard County Housing Finance Authority (the "Authority") is proposing to issue tax-exempt private activity bonds (the "Bonds") in order to finance the acquisition, rehabilitation, equipping and development of a multifamily residential housing facility consisting of an aggregate of 85 apartment units for persons or families of low, middle or moderate income. The facility is located at 1165 Jordan Road, Merritt Island, Florida (collectively, the "Project"), as more particularly described in the materials provided by the Authority and included in the agenda package for the September 15, 2020 meeting of the Board of County Commissioners (the "BOCC"). Proceeds of the Bonds will be loaned to HKH Tropical LP (the "Borrower"). The Borrower will own and operate the Project and will be responsible for payment of debt service on the Bonds. The Borrower's general partner is HKH Tropical GP LLC.

In order to comply with certain federal and state law requirements with respect to the issuance of private activity bonds such as the Bonds, a public hearing is required to be held with respect to the Project and the issuance of the Bonds and the BOCC is required to adopt a resolution providing limited approval of the issuance of the Bonds. The Authority held the required public hearing on May 27, 2020. You have asked Nabors, Giblin & Nickerson, PA, as Bond Counsel to the County, to review the documentation provided to the County by the Authority to ensure that it satisfies the applicable legal requirements and to confirm that the County has no obligation, financial or otherwise, with respect to the Project or the Bonds.

We have reviewed all of the relevant documentation and provided various comments to counsel for the Authority. Our comments have been addressed and, from the County's standpoint, all of the documentation provided is now legally sufficient. The resolution proposed to be adopted by the BOCC satisfies the pertinent federal and state law requirements and provides that neither the County nor any of the elected officials or staff of the County will have any obligation or liability, financial or otherwise, with respect to the Project or the Bonds.

cc: Christine Schverak  
Kathy Wall