ORANGE COUNTY HOUSING FINANCE AUTHORITY

AGENDA PACKAGE

Board of Directors' Meeting

Wednesday, March 04, 2020 – 8:30 a.m.

ORANGE COUNTY ADMINISTRATION BUILDING

201 SOUTH ROSALIND AVE – ORLANDO, FL 32801

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

MEMORANDUM

TO:	Mercedes McCall, Chairwoman, OCHFA Vernice Atkins-Bradley, Vice Chairwoman, OCHFA Sascha Rizzo, Board of Directors, OCHFA Curtis Hunter, Board of Directors, OCHFA Albert Hanks, Board of Directors, OCHFA Warren S. Bloom, General Counsel, Greenberg Traurig Mike Watkins, General Counsel, Greenberg Traurig Sylvia S. Penneys, Bond Counsel, Greenberg Traurig Bruce Giles-Klein, Bond 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 Stephanie Stone, Assistant County Attorney – Orange County Fred Winterkamp, Manager, Fiscal and Business Services – Orange County
FROM:	Olympia Roman, Office Supervisor
DATE:	February 27, 2020
RE:	**MARCH 4, 2020 BOARD OF DIRECTORS' AGENDA**

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

Date:	**Wednesday, March 4, 2020**
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

OCHFA BOARD OF DIRECTORS' MEETING
March 4, 2020 ~ 8:30 A.M.

AGENDA

PUBLIC COMMENT

CONSENT AGENDA

A. GENERAL ADMINISTRATION

1. Adoption of February 5, 2020, Board of Directors Meeting minutes. ***Pg. 2-3***
2. Ratification of February 26, 2020, Joint Committee Meeting minutes. ***Pg. 4-5***

B. EXECUTIVE DIRECTOR'S OFFICE

1. Acknowledgment and Ratification of the Agency's Annual Performance. ***Pg. 6-15***
2. Opportunity Zones Status – No Activity. ***Pg. 16***

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 2020, operating fund comparison of budget vs. actual; acknowledgement of FY 2020, operating fund comparison of actual revenues & expenses; acknowledgement summary of OCHFA's operating fund investments. ***Pg. 17-27***

D. PROGRAM OPERATIONS

1. Acknowledgement of the Current Status of the Single-Family HRB Program. ***Pg. 28-37***
2. Acknowledgement of the Multi-Family Audit Period January – February 2020. ***Pg. 38-42***

DISCUSSION AGENDA

A. EXECUTIVE DIRECTOR

1. Consider approval of Reimbursement Resolution #2020-02, for the proposed Acero Apartments, not-to-exceed $5MM. ***Pg. 43-53***
2. Consider approval and adoption of the Authority's FY 2019 Audited Financial Statements. ***Pg. 54-126***

B. OTHER BUSINESS

OFFICIAL MEETING MINUTES

Meeting: Board of Directors Meeting **Date:** Wednesday, February 5, 2020 **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 Chairwoman	Curtis Hunter Board Member	W.D. Morris Executive Director	Olympia Roman Staff	Warren Bloom General Counsel, Greenberg Traurig	Stephanie St. Louis Stone Assistant County Attorney
Vernice Atkins-Bradley Vice Chairwoman	Sascha Rizzo Board Member	Kayode Adetayo Chief Financial Officer	Rosalind Natal Staff	Sylvia S. Penneys Bond Counsel, Greenberg Traurig	Representative Fiscal Business Svc
Albert Hanks Board Member		Frantz Dutes Director Program Ops	Chaynae Price Staff	David Jones Financial Advisor – CSG Advisors	
		Mildred Guzman Administrator Program Ops	Birva Parikh Staff	Tim Wranovix Co-Managing Underwriter, Raymond James	
				James Audette Trustee, SunTrust Bank	

MEETING OPENED: There being a quorum, Chairwoman, 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/ A. Hanks* AYE BY VOICE VOTE: *All Present* NAY BY VOICE VOTE: ____ ABSTAINED: ____

A. GENERAL ADMINISTRATION

1. Adoption of the January 8, 2020, Regular Board of Directors Meeting minutes.

B. EXECUTIVE DIRECTOR'S OFFICE

1. Opportunity Zones Status.
2. OCHFA Bond Underwriter Approved List.

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 2020, operating fund comparison of budget vs. actual; acknowledgement of FY 2020, 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 December 2019 – January 2020.

DISCUSSION AGENDA

A. EXECUTIVE DIRECTOR

MULTI-FAMILY TAX-EXEMPT BONDS REIMBURSEMENT RESOLUTION FOR BAPTIST TERRACE APARTMENTS.

W.D. Morris, Executive Director, addressed the board regarding consideration of the Reimbursement Resolution (2020-01), associated documents, for the proposed Baptist Terrace Apartments, not-to-exceed $23MM. He began the discussion by providing the Board with a brief overview, stating that on June 5, 2019, the Board approved inducement of the proposed project in an amount not-to-exceed $17MM; and that subsequent to the board's action, the developer determined to utilized a better execution, based upon market movement, by increasing its development budget. He also stated that the developer is the Orlando Neighborhood Improvement Corporation (ONIC), specializing in owning and operating affordable housing for over 30-years. He then stated that the proposal involves the acquisition and rehabilitation of an existing Section-202 community (elderly housing development); and that the proposed project is located in downtown Orlando (414 E. Pine Street), consisting of 197-units offering efficiencies and one bedroom units; with rents ranging from $451-$565 per month. He also explained that after acquisition, the proposed project would have a Housing Assistance Payment (HAP) contract and that gross rents for units would increase to HUD's Fair Market Rents and that the tenant portion of the rent would be determined based on 30% of tenants' monthly adjusted income. Mr. Morris stated that the proposed transaction includes a short-term bond structure, with tax-exempt bonds, 4% tax credit and a HUD FHA 223(f) permanent loan.

Mr. Morris stated that the proposed transaction would utilize a private placement structure with Bank of America as the construction lender and Boston Capital Finance as long-term lending entity; and that the structure would utilize Tax-Exempt Bonds, 4% Housing Credits, Deferred Developer Fee and a Low Interest rate Loan from the City of Orlando's Community Redevelopment Agency (CRA); and a GAP Loan from the developer, to be paid from available cash flow. He further stated that the estimated rehabilitation cost would be $14MM; that the proposed structure has a 1.23 Debt Service Coverage (DSC) ratio, which exceeds the Authority's minimum DSC of 1.10. The estimated Total Development Cost is $40,690,725. Discussion ensued.

RESOLUTION NO. 2020-01

A RESOLUTION DECLARING THE OFFICIAL INTENT OF ORANGE COUNTY HOUSING FINANCE AUTHORITY TO REIMBURSE ITSELF AND/OR 414 EAST PINE STREET, LP, A SUBSIDIARY OF THE ORLANDO NEIGHBORHOOD IMPROVEMENT CORPORATION, INC. (ONIC) FROM THE PROCEEDS OF DEBT FOR CERTAIN EXPENSES TO BE INCURRED WITH RESPECT TO A CERTAIN MULTIFAMILY HOUSING PROJECT; AND AUTHORIZING CERTAIN INCIDENTAL ACTIONS.

ACTION TAKEN

There being no further discussion, the Board approved the Reimbursement Resolution #2020-01 for Multi-Family Tax-Exempt Bonds for the acquisition and rehabilitation of the proposed Baptist Terrace Apartments, not-to-exceed $23MM; authorization for Staff and Bond Counsel to take the required steps to proceed with the process, and with subsequent submission to the Division of Bond Financing.

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

OTHER BUSINESS

ADJOURNMENT

There being no further business, Chairwoman, Mercedes McCall, adjourned the meeting at 8:54 a.m.

ATTEST:

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

END OF MINUTES PREPARED BY OLYMPIA ROMAN

OFFICIAL MEETING MINUTES

Meeting: Joint/ Ad Hoc Committee Meeting **Date:** Wednesday, February 26, 2020 **Time:** 3:00pm

Location: Orange County Housing Finance Authority – 2211 E. Hillcrest St., Orlando, FL 32803

Members PRESENT	Members ABSENT	OCHFA Staff PRESENT	Professionals PRESENT
Mercedes McCall (arrived 4:15pm) Committee Chair	Albert Hanks Board Member	W.D. Morris Executive Director	Esther Nichols Auditor – The Nichols Group
Vernice Atkins-Bradley Committee Member		Kayode Adetayo Chief Financial Officer	
Sascha Rizzo Board Member		Olympia Roman Staff/ Recording	
Curtis Hunter (via phone) Board Member		Chaynae Price Staff	

MEETING OPENED

There being a quorum, Committee Chair, Vernice Atkins-Bradley called the meeting to order at 3:15p.m.

A. AUDITED FINANCIAL STATEMENTS 2018/ 2019

Committee Chair Vernice Atkins-Bradley, 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 to include the 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, #88 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 2019. Ms. Nichols then reviewed the Authority's FY 2019 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 Sascha Rizzo framed the recommendation of the Committee, to include acceptance and adoption of the Authority's FY 2019 Draft Annual Audited Financial Statement, at its Board meeting of March 4, 2020.

ACTION TAKEN

There being no further discussion, the Committee recommends that the Authority's Fiscal Year 2019 Draft Annual Audited Financial Statements, be presented to the Board for its acceptance and adoption at its Board meeting of March 4, 2020.

MOTION / SECOND: *S. Rizzo/ C. Hunter* AYE BY VOICE VOTE: *All Present* NAY BY VOICE VOTE: ____ ABSTAINED: ____

Meeting Recessed at 3:37pm

Meeting Reconvened at 3:39pm

B. AGENCY ANNUAL PERFORMANCE

Committee Chair, Atkins-Bradley, opened the floor to the Committee, discussing the Authority's Significant Accomplishments over the past year, as it relates to Mr. Morris' performance. 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 4, 2020 meeting.

ACTION TAKEN

There being no further discussion, the Committee recommends Board approval of the Executive Director's Amended Employment Contract (23RD) Agreement, amended with appropriate adjustments); authorize execution, and that this item be placed on the Boards consent agenda at its March 4, 2020 meeting (acknowledgement and acceptance).

MOTION / SECOND: *S. Rizzo/ M.McCall* AYE BY VOICE VOTE: *All Present Members* RECUSED/ ABSTAINED: *N/A*

ADJOURNMENT

There being no further business, Committee Chair Vernice Atkins-Bradley, adjourned the meeting at 4:52p.m.

ATTEST:

W.D. MORRIS
EXECUTIVE DIRECTOR

VERNICE ATKINS-BRADLEY
COMMITTEE CHAIR

END OF MINUTES PREPARED BY OLYMPIA ROMAN

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 26, 2020
RE:	**ACKNOWLEDGEMENT OF THE AUTHORITY'S SIGNIFICANT ACCOMPLISHMENTS FOR FISCAL YEAR 2019.** MARCH 4, 2020 REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

On Wednesday, February 26, 2020, Audit/Finance Committee Members met to review and discuss the Authority's Significant Accomplishments for Fiscal Year 2019 (Mercedes McCall; Vernice Atkins-Bradley, Sascha Rizzo and Curtis Hunter (via phone)). 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' performance as notable, for the reporting period of March 2019 to February 2020; acknowledging the continuation of a difficult bond market, which impacts the Authority's ability to issue bonds that provides financing to originate 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 4, 2020 meeting.

ACTION REQUESTED

Board acknowledgement and ratification of the Audit/Finance 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-Third (23rd) 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 17, 2020
RE:	**SIGNIFICANT ACCOMPLISHMENTS MARCH 2018-2019.** FEBRUARY 26, 2020, JOINT COMMITTEE MEETING.

Throughout 2019, the Authority utilized revenues from Mortgage Backed Securities (MBS), and a $20MM Bond Issue to finance the Single-Family Home Purchase Program, originating an estimated $19MM in mortgage loans for eligible home buyers. The Authority also provided $803K in Down Payment Assistance loans to families, in the purchase of their first home (107-loans). Since March 2019, the Authority induced and/or closed five (5) developments of Multi-Family; consisting of 1,495-units for an estimated MF bond financing cost of $167,610,001:

Multi-Family Project Developments:

Closed/ Underwriting Phase		Issuance	Units
Chapel Trace	$	25,610,000	312
Willow Key	$	26,000,000	384
Closed Financing	***$***	***51,610,000***	***696***

Pending Projects		Pipeline	Units
Jernigan Gardens	$	43,000,000	256
Orlando Senior New Construction	$	50,000,001	346
Baptist Terrace		23,000,000	197
Pending Financing	***$***	***116,000,001***	***799***
TOTAL	***$***	***167,610,001***	***1,495***

Of the five developments, two (2) have closed, and three (3) are scheduled to close by the end of December 2020.

Throughout most of 2019, the tax-exempt bond market continued to be unfavorable for new issuances of single-family Mortgage Revenue Bonds (MRB). This kind 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. 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 the only Local Housing Finance Authorities that is positioned to issue Single-Family bonds. 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 and 2018. The Authority also continue to take advantage of opportunities to do things a little differently than others around us (stated above). 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% – only about $13MM are currently available, most have been invested into the Authority's Open Indentures, the "Optional Redemption" days are gone. 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.

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 2019 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 first (1st) 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;
    - Approximately 696-units provided in the first period.

- 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 this reporting period, the Authority has originated and closed 107 single-family mortgages for Central Florida families.

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 $1,609,189**.**

II. ORGANIZATIONAL PERFORMANCE

- Directed the preparation and posting of the 2019 Open Cycle Applications for Multi-Family Projects, five (5) proposals received to date.
- Directed the development of the Annual Financing Plan **(use of 2019 Volume Cap and strategic use of the Authority's revenues)**.

III. PARTNERSHIP VENTURES

- $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 of the Habitat for Humanity, to provide financing for the support of the Single-Family Program, for low income families, in the Arbor Bend Community – eleven (11) single-family homes completed, seven (7) under construction.

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.
- Worked 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.

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 1,495-units, at an estimated bond financing cost of $167,610,001 for FY 2019.
- With respect to Single-Family program, the Authority originated 107-loans, an estimated $19MM 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
2019	$ 3,576,641	$ 1,609,452

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

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.

REVISED OBJECTIVE

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:

   – 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.

Ongoing objective.

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).	

CONSENT

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 24, 2020
RE:	**OPPORTUNITY ZONES STATUS** MARCH 4, 2020 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
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	February 21, 2020
RE:	**OCHFA CONSOLIDATED BALANCE SHEET FOR THE OPERATING FUND FOR THE PERIOD ENDING JANUARY 31, 2020.** MARCH 4, 2020 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 3.217% interest income on all investments.

Orange County Housing Finance Authority

Operating Fund Balance Sheet

As of January 31, 2020

		GENERAL FUND	LOW INCOME HOUSING FUND	HOMEOWNERSHIP ASSISTANCE FUND	COMBINED TOTALS
Assets					
	Cash	3,066,378.81	1,219,825.39	1,937,999.71	6,224,203.91
* * * * *	Investments	4,229,813.59	0.00	137,612.64	4,367,426.23
	GNMA/FNMA Securities	13,762,499.19	0.00	0.00	13,762,499.19
	Accounts Receivable	369,359.55	0.00	47,462.06	416,821.61
	Loan Receivable	689,969.48	0.00	0.00	689,969.48
	Notes Receivable	3,140,069.89	26,700.00	0.00	3,166,769.89
	S/F 2014 A GNMA Collateral / Rcvbl	4,060,955.67	0.00	0.00	4,060,955.67
	GF - FHLB GNMA Collateral / Rcvbl	2,272,381.86	0.00	0.00	2,272,381.86
	Mortgage Receivable	0.00	375,774.98	5,208,977.68	5,584,752.66
* * * *	Allowance for Doubtful Accounts	0.00	(343,766.89)	(1,177,735.67)	(1,521,502.56)
	Mortgage & GNMA/FNMA Income Receivable	1,849,084.10	0.00	5,261.66	1,854,345.76
	Deferred FRS Pension Contributions	249,407.00	0.00	0.00	249,407.00
	Interfund Receivable/Payable	17,800,894.18	4,775,793.63	(7,975,578.35)	14,601,109.46
	Prepaid Expenses	4,144.00	0.00	0.00	4,144.00
	Fixed Assets	286,191.44	0.00	0.00	286,191.44
	Total Assets	51,781,148.76	6,054,327.11	(1,816,000.27)	56,019,475.60
Current liabilities:					
	Other Payables	285,886.33	0.00	0.00	285,886.33
	FRS Net Pension Liability	967,447.00	0.00	0.00	967,447.00
	Accounts Payables	181,562.43	0.00	0.00	181,562.43
	Total liabilities	1,434,895.76	0.00	0.00	1,434,895.76
	Retained Earnings Previous Period	48,715,550.01	6,064,488.47	(1,829,385.05)	52,950,653.43
	Net Income (Loss)	1,630,702.99	(10,161.36)	13,384.78	1,633,926.41
	Total Liabilities & Retained Earnings	51,781,148.76	6,054,327.11	(1,816,000.27)	56,019,475.60

* * * * 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 $629,942.76 difference between the GNMA'S book value and market value recorded at 9/30/2019 (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 21, 2020
RE:	**OCHFA COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE PERIOD ENDING JANUARY 31, 2020.** MARCH 4, 2020 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, 2020

	Operating Fund			
	General Fund	**Low Income Hsg Fund**	**Homeownership Assistance Fund**	**Current YTD**
Revenue:				
Administrative Fees	383,538.07	0.00	0.00	383,538.07
Bond Financing Fees	204,185.00	0.00	0.00	204,185.00
Intra Fund Revenue	1,187,631.53	0.00	0.00	1,187,631.53
Other Revenue	56,413.78	16,538.64	7,000.00	79,952.42
Investment Income	11,653.26	0.00	617.01	12,270.27
Income from Loans, GNMAs	297,823.56	0.00	6,727.77	304,551.33
Total Revenues	2,141,245.20	16,538.64	14,344.78	2,172,128.62
Expenses				
General and Administrative	443,205.46	26,700.00	960.00	470,865.46
Rebate Expense	2,700.00	0.00	0.00	2,700.00
Other Expenses	64,636.75	0.00	0.00	64,636.75
Total Expenses	510,542.21	26,700.00	960.00	538,202.21
Net Income (Loss)	1,630,702.99	-10,161.36	13,384.78	1,633,926.41
Retained Earnings Beginning of Year	48,715,550.01	6,064,488.47	-1,829,385.05	52,950,653.43
Retained Earnings End of Year	**50,346,253.00**	**6,054,327.11**	**(1,816,000.27)**	**54,584,579.84**

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	February 21, 2020
RE:	**OCHFA FISCAL YEAR 2020 OPERATING FUND – COMPARISON OF BUDGET VS. ACTUAL AS OF JANUARY 31, 2020.** MARCH 4, 2020 REGULAR BOARD OF DIRECTORS' MEETING

Attached for your attention is the comparison of the Budgeted Revenues and Expenses for Fiscal Year 2020 vs. the Actual Revenues and Expenses for the period ending January 31, 2020.

Attachments

Orange County Housing Finance

Statement of Earnings

For The 4 Periods Ending January 31, 2020

	Fiscal Year 2020 Budget	Year To Date Revenue Received	Budget Remaining YTD	%age Budget Remaining YTD
Revenue:				
2010 SERIES A	$86,630	$0	$86,630	100%
2011 SERIES A	$26,830	$6,142	$20,689	77%
2011 SERIES B	$8,878	$0	$8,878	100%
2014 SERIES A	$12,456	$0	$12,456	100%
2017 SERIES A	$24,226	$0	$24,226	100%
2018 SERIES A	$28,754	$0	$28,754	100%
CHARLESTON CLUB APTS	$19,060	$9,330	$9,730	51%
HANDS 2001 F	$9,090	$5,160	$3,930	43%
THE LANDINGS ON MILLENIA	$24,280	$0	$24,280	100%
LEE VISTA APARTMENTS	$36,600	$18,000	$18,600	51%
COVE AT LADY LAKE	$23,955	$11,828	$12,128	51%
LAKESIDE POINTE APARTMENTS	$17,790	$8,745	$9,045	51%
ALTA WESTGATE APARTMENTS	$33,450	$0	$33,450	100%
LAKE HARRIS COVE APTS	$23,862	$11,826	$12,036	50%
MARBELLA COVE	$12,555	$6,278	$6,278	50%
MARBELLA POINTE	$22,950	$11,475	$11,475	50%
OVIEDO TOWN CENTER PHASE I	$16,020	$0	$16,020	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	$23,280	$0	$23,280	100%
LAUREL OAKS II	$21,510	$0	$21,510	100%
ROLLING ACRES I	$10,400	$6,906	$3,494	34%
ROLLING ACRES II	$10,000	$6,750	$3,250	33%
FOUNTAINS @ MILLENIA II	$10,000	$5,000	$5,000	50%
FOUNTAINS @ MILLENIA III	$10,163	$5,031	$5,131	50%
FOUNTAINS @ MILLENIA IV	$11,500	$5,700	$5,800	50%
SOUTHWINDS	$16,125	$7,938	$8,188	51%
POST VISTA POST FOUNTAINS	$17,490	$0	$17,490	100%
SPRING LAKE COVE I	$10,725	$5,238	$5,488	51%
SPRING LAKE COVE II	$10,000	$5,000	$5,000	50%
CHATHAM HARBOR APTS	$56,700	$34,020	$22,680	40%
CRESTWOOD APARTMENTS	$18,990	$9,405	$9,585	50%
LAKE SHERWOOD APARTMENTS	$16,110	$7,965	$8,145	51%
OAK HARBOR APARTMENTS	$22,200	$10,995	$11,205	50%
RIVER RIDGE APARTMENTS	$28,830	$14,280	$14,550	50%
SEVILLE PLACE APARTMENTS	$19,590	$9,720	$9,870	50%
NASSAU BAY APARTMENTS	$107,303	$53,514	$53,789	50%
DEAN WOODS APARTMENTS	$10,000	$6,285	$3,715	37%
BUCHANAN BAY	$39,842	$19,791	$20,052	50%
WESTWOOD PARK APTS	$49,500	$24,750	$24,750	50%
VISTA PINES APTS	$66,000	$33,000	$33,000	50%
CHAPEL TRACE APARTMENTS	$0	$19,208	($19,208)	
HANDS	$5,940	$2,970	$2,970	50%
ALHAMBRA TRACE APTS	$2,580	$1,290	$1,290	50%
BOND FINANCING FEES	$187,500	$204,185	($16,685)	-9%
TRANSFER IN	$0	$1,187,632	($1,187,632)	
GAIN ON SALE OF GNMA'S	$50,000	$0	$50,000	100%
OTHER REVENUES	$245,000	$23,539	$221,461	90%
OTHER REVENUE TBA	$0	$56,414	($56,414)	
INV INCOME	$41,878	$12,086	$29,792	71%
INV INCOME CD OPERATING FUND	$110,000	$184	$109,816	100%
FHLB HELD SECURITIES GNMA/FNMA INCOME	$0	$31,969	($31,969)	
MORTGAGE INCOME HFA OF WINTER PARK	$9,000	$2,161	$6,839	76%
INTEREST INCOME ON WESTLAKES PHASE I	$7,500	$2,431	$5,069	68%
MORTGAGE INCOME HABITAT LOC	$5,700	$3,467	$2,233	39%
MORTGAGE INCOME CITY VIEW LOAN PARTICIPATION	$4,000	$2,112	$1,888	47%
GNMA/FNMA INCOME	$575,208	$154,392	$420,816	73%
MASTER ACC FUND GNMA/FNMA INCOME	$183,800	$101,292	$82,508	45%

	2006 A DPA MORTGAGE INTEREST	$600	$83	$517	86%
	2006 A 1 DPA MORTGAGE INTEREST	$2,100	$271	$1,829	87%
	2007 A DPA MORTGAGE INTEREST	$10,300	$3,039	$7,261	70%
	2007 B DPA MORTGAGE INTEREST	$10,300	$3,303	$6,997	68%
	2009 A NIBP DPA MORTGAGE INTEREST	$500	$32	$468	94%
		$2,495,550	$2,172,129	$323,421	13%
		Fiscal Year 2020 Budget	**Year To Date Expenses Incurred**	**Budget Remaining YTD**	**%age Budget Remaining YTD**
Costs and expenses:					
	SALARIES AND WAGES	$898,048	$305,237	$592,811	66%
	SHIPPING	$2,500	$427	$2,073	83%
	TRAVEL/CONFERENCE/ TRAINING	$36,000	$4,009	$31,991	89%
	CASUAL LABOR/STUDENT ASST.	$3,000	$0	$3,000	100%
	OFFICE MAINTENANCE	$19,000	$6,266	$12,734	67%
	BUILDING MAINTENANCE	$12,500	$9,702	$2,798	22%
	TELEPHONE	$25,000	$10,852	$14,148	57%
	POSTAGE	$3,000	$75	$2,925	98%
	OFFICE SUPPLIES	$8,000	$1,239	$6,761	85%
	OFFICE FURNITURE	$1,000	$0	$1,000	100%
	PUBLICATIONS	$2,000	$786	$1,214	61%
	PRINTING/ANNUAL REPORT	$6,500	$0	$6,500	100%
	EQUIPMENT / COMPUTER / PRINTER	$7,000	$154	$6,846	98%
	MARKETING	$22,500	$145	$22,355	99%
	CONTRACTOR SERVICES	$20,000	$13,918	$6,082	30%
	SEMINARS/EDUCATION	$18,000	$129	$17,871	99%
	EMPLOYEE BENEFITS HEALTH/LIFE	$132,000	$45,535	$86,465	66%
	UNEMPLOYMENT COMPENSATION	$2,000	$0	$2,000	100%
	OTHER INSURANCE & TAXES	$1,200	$748	$452	38%
	ANNUAL AUDIT	$54,000	$19,500	$34,500	64%
	LEGAL ADVERTISING	$4,000	$1,201	$2,799	70%
	LEGAL FEES	$15,000	$1,260	$13,740	92%
	MEMBERSHIP	$7,500	$5,535	$1,965	26%
	PAYROLL TAXES	$68,701	$17,279	$51,421	75%
	MISCELLANEOUS EXPENSE	$5,000	$382	$4,618	92%
	LOSS ON DPA FORECLOSURES	$10,000	$26,700	($16,700)	-167%
	FLORIDA RETIREMENT SYSTEM	$76,065	$25,126	$50,938	67%
	457 DEFERRED COMP EMPLOYER CONTRIBUTION EXP	$44,902	$2,578	$42,324	94%
	LIMITED HRA	$9,300	$4,237	$5,063	54%
	TERM LEAVE	$15,000	$0	$15,000	100%
	FILE STORAGE	$2,400	$549	$1,851	77%
	LOCAL MILEAGE REIMBURSEMENT	$2,000	$0	$2,000	100%
	EQUIPMENT MAINTENANCE	$7,000	$1,021	$5,980	85%
	INSURANCE COVERAGES	$50,000	$43,371	$6,629	13%
	RESERVE FOR REPLACEMENT BLDG	$5,000	$0	$5,000	100%
	FHLB LOAN INTEREST COLLATERAL EXP	$0	$135	($135)	
	FINANCIAL ADVISORY SERVICES	$25,000	$1,609	$23,391	94%
	PERFORMACE AWARD PROGRAM	$93,194	$0	$93,194	100%
	ADMINISTRATIVE EXP. TRUSTEE	$0	$1,500	($1,500)	
	CUSTODY FEE	$7,000	$960	$6,040	86%
	ADMIN EXPENSE BANK/TRUSTEE	$1,000	$0	$1,000	100%
	REBATE FEE EXPENSE	$8,000	$2,700	$5,300	66%
	OPERATING CONTINGENCY RESERVE	$20,000	$0	$20,000	100%
	1994 EXCESS GNMA INTEREST EXP	$0	$224	($224)	
	1995 EXCESS GNMA INTEREST EXP	$0	$127	($127)	
	LOSS ON SALE	$0	$64,285	($64,285)	
		$1,749,310	$619,502	$1,129,807	65%

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 21, 2020
RE:	**OCHFA FISCAL YEAR 2020, OPERATING FUND – COMPARISON OF ACTUAL REVENUES AND EXPENSES FOR THE PERIODS ENDING JANUARY 31, 2019 AND JANUARY 31, 2020.** MARCH 4, 2020 REGULAR BOARD OF DIRECTORS' MEETING

Attached for your review is the comparison of the Actual Revenues and Expenses for the periods ending January 31, 2019 and January 31, 2020.

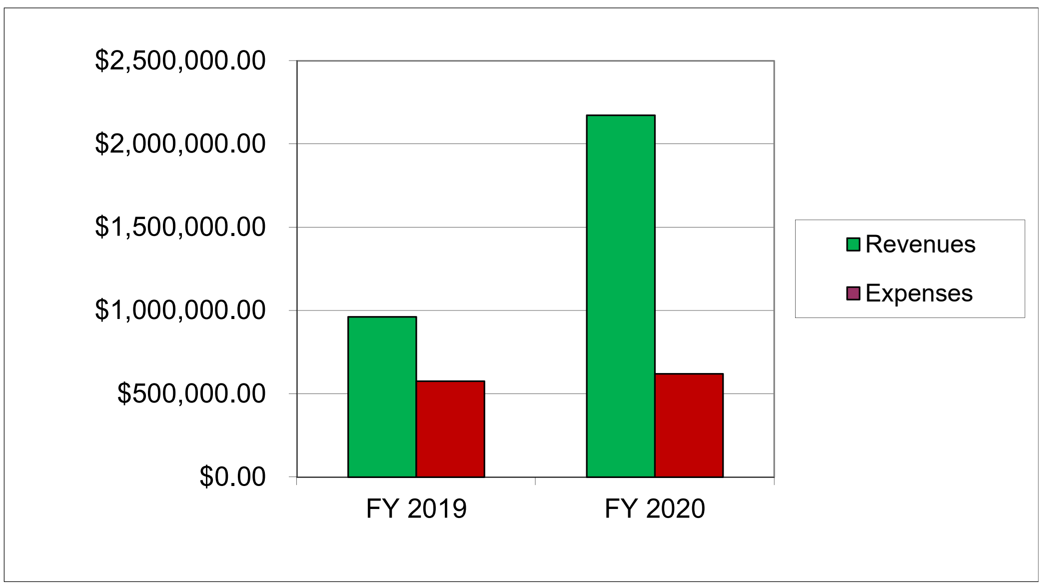
Attachments

Actual Revenues and Expenses Comparison
For the Period Ending January 31, 2020

	FY 2019	FY 2020	% Δ
Revenues	$961,794.00	$2,172,129.00	126%
Expenses	$576,476.00	$619,502.00	7%

Revenues increased this year compared with last year. This is due to transfers from payoff of the 2010 A bond redemption. The overall change in revenues is 126%.

Overall expenses increased slightly this year compared to last year due to a loss on transfer of GNMA's in the current year that was not present in the prior year. The overall change in expenses is 7%.



CONSENT ITEM

MEMORANDUM

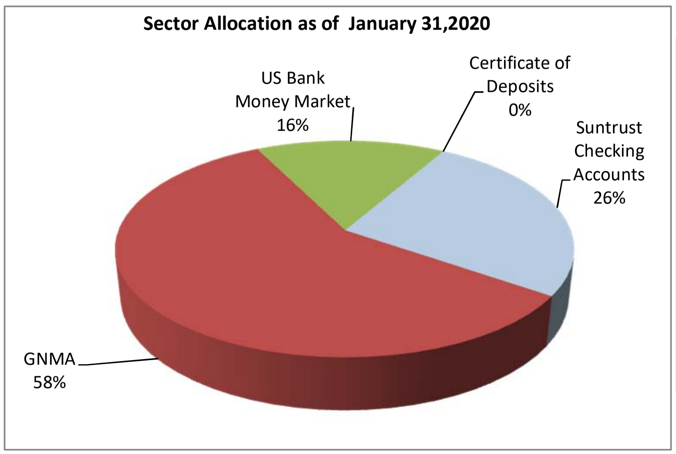
TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	February 21, 2020
RE:	**SUMMARY OF OCHFA'S OPERATING FUND INVESTMENTS.** MARCH 4, 2020 REGULAR BOARD OF DIRECTORS' MEETING

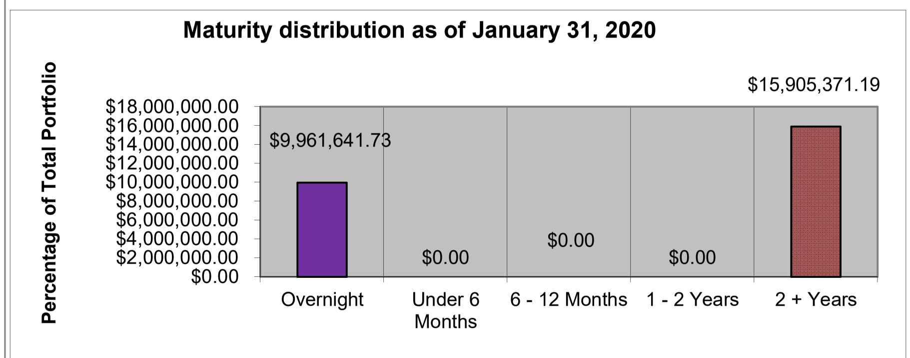
As of January 31, 2020 the total investments in the Operating Fund of the Orange County Housing Finance Authority was $25,867,012.92, producing an average yield of 3.217% as shown in the Summary of Accounts. If you have any questions on this matter do not hesitate to ask me.

Attachments

Orange County Housing Finance Authority
Summary of Accounts
as of January 31, 2020

Account	Account #	Institution	Ending Balance[1]	Net Interest Earned[1]	Average Yield (Annualized)[1]
Operating Fund	215252054184-000	Suntrust Bank	$3,066,323.21	$0.00	0.0000%
Low Income Housing Fund	215252054192-000	Suntrust Bank	$1,219,825.39	$4,339.69	1.0000%
Homeownership Assistance Fund	1000042656834	Suntrust Bank	$1,937,999.71	$0.00	0.0000%
Custody Account	129142000	US Bank Money Market	$3,325,360.80	$2,838.98	1.1500%
Custody Account	129142000	US Treasury Note	$0.00	$0.00	0.0000%
Custody Account	129142000	US Bank Certificate of Deposit	$0.00	$0.00	0.0000%
Custody Account	129142000	GNMA - OCHFA Investment	$13,762,499.19	$53,789.18	5.0700%
Custody Account	141763000	US Bank Money Market /NIBP	$137,612.64	$219.72	1.1500%
Custody Account	261060000	US Bank Money Market /Turnkey	$274,519.98	$245.55	1.1500%
FHLB Collateral	38786	FHLBank Atlanta	$2,142,872.00	$7,916.90	4.3300%
Total			$25,867,012.92	$69,350.02	3.217%





Liquidity **$9,961,641.73**

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

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Frantz Dutes, Director Program Operations
DATE:	February 24, 2020
RE:	**STATUS REPORT: 2018-A HOMEOWNER REVENUE BOND PROGRAM; TBA "TURNKEY" MORTGAGE LOAN PROGRAM** MARCH 4, 2020 REGULAR BOARD OF DIRECTORS' MEETING.

BACKGROUND

The **Authority's SERIES 2018-A Homeowner Revenue Bonds (HRB) Program** was authorized by the Board on October 3, 2018 for the aggregate principal amount not-to-exceed TWENTY MILLION DOLLARS (**$20MM**) of Homeowner Revenue Bond Program proceeds. The Board authorized Staff to begin a pipeline of loans for future issuance. The 2018A (HRB) Program offers a 30-year loan product. The Down Payment Assistance (DPA) is currently at $7,500, and is a 30-year deferred loan at 0% interest.

PRODUCTS	INTEREST RATES	ORIGINATION FEE
Zero Point	4.000%	1%

Commencing from the initial reservation date there is an aggregate total of Thirty One Million Four Hundred Eighty Five Thousand Twenty Nine Dollars (**$31,485,029**) 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 24, 2020**:

– One Hundred Ninety Five (**195**) loans originated: **191**-FHA; **2**-VA; **2**-USDA-RD.
– The Authority's 2018A DPA program has financed or committed an aggregate total of: One Million Fifty Thousand Dollars (**$1,050,000**). The aggregate total reported does not include Fifty Four (54) loans, and the associated DPA, Four Hundred Five Thousand Dollars ($405,000) which was financed by the Florida Housing Finance Agency (FHFA) under the Hardest Hit Fund (HHF) Program.
– The 2018A loan origination activity reported has been adjusted by Three Million One Hundred Ninety Eight Thousand Three Hundred Sixteen Dollars (**$3,198,316)**. As we transitioned from the 2017A to the 2018A 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 2017A loan originations were reported in the loan origination activity for the 2018A bond issue.
– The loan origination activity reported reflects a total of Thirty Four Million Seven Six Hundred Eighty Three Thousand Three Hundred Forty Five Dollars **($34,683,345**).

The Reservation Period start date was **November 8, 2018**, and Final Delivery end date is March **15, 2020**.

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 Twelve Million Nine Hundred Thirty Eight Thousand Seven Hundred Fifty Dollars **($12,938,750)** 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 24, 2020:

- Seventy Three **(73)** loans originated
- Financed or committed an aggregate total of Five Hundred Fifty Five Thousand Dollars **($545,000)** in Down Payment Assistance

ACTION REQUESTED: For information only.

Orange County HFA

Demographic Analysis Report
Orange 2018A SF Program

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
Atlantic Bay Mortgage Group, LLC.	5	$907,829.00	2.56%
Bank of England	10	$1,858,634.00	5.13%
Broker Solutions Inc, DBA New American Funding	5	$912,634.00	2.56%
Centennial Bank	6	$969,568.00	3.08%
DHI Mortgage Co., Ltd.	2	$435,936.00	1.03%
Embrace Home Loans, Inc.	16	$2,625,426.00	8.21%
Envoy Mortgage, Ltd	15	$2,676,232.00	7.69%
Equity Prime Mortgage, LLC	11	$2,185,996.00	5.64%
Fairway Independent Mortgage Corporation	27	$4,883,778.00	13.85%
FBC Mortgage, LLC	26	$5,167,990.00	13.33%
Guaranteed Rate, Inc.	1	$73,641.00	0.51%
Hamilton Group Funding, Inc.	5	$756,212.00	2.56%
HomeBridge Financial Services Inc.	3	$412,290.00	1.54%
IBERIABANK	2	$352,140.00	1.03%
Land Home Financial Services, Inc.	13	$2,169,898.00	6.67%
loanDepot.com, LLC	1	$210,123.00	0.51%
Movement Mortgage, LLC	2	$314,203.00	1.03%
Paramount Residential Mortgage Group, Inc.	3	$516,225.00	1.54%
Waterstone Mortgage Corporation	42	$7,254,590.00	21.54%
TOTAL	**195**	**$34,683,345.00**	**100.00%**

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Altamonte Springs	1	$132,554.00	0.51%
Apopka	18	$3,484,941.00	9.23%
Casselberry	2	$430,065.00	1.03%
Clermont	1	$209,142.00	0.51%
Deland	1	$148,992.00	0.51%
Eustis	3	$503,608.00	1.54%
Fern Park	1	$188,030.00	0.51%
Fruitland Park	1	$184,179.00	0.51%
Groveland	3	$554,744.00	1.54%
Intercession City	1	$143,355.00	0.51%
Kissimmee	35	$6,247,066.00	17.95%
Lady Lake	1	$203,148.00	0.51%
Leesburg	4	$740,090.00	2.05%
Maitland	1	$162,894.00	0.51%
Mascotte	5	$1,045,092.00	2.56%
Oakland	1	$122,735.00	0.51%
Ocoee	5	$941,984.00	2.56%
Orlando	76	$12,650,486.00	38.97%
Oviedo	1	$242,526.00	0.51%
Saint Cloud	17	$3,180,676.00	8.72%
Sanford	8	$1,463,766.00	4.10%
Tavares	4	$729,777.00	2.05%
Umatilla	2	$369,036.00	1.03%
Winter Garden	1	$270,990.00	0.51%
Winter Park	2	$333,469.00	1.03%
TOTAL	**195**	**$34,683,345.00**	**100.00%**

COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Lake	25	$4,687,808.00	12.82%
Orange	102	$17,582,137.00	52.31%
Osceola	53	$9,571,097.00	27.18%
Seminole	15	$2,842,303.00	7.69%
TOTAL	**195**	**$34,683,345.00**	**100.00%**

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
$15,000-$29,999	5	2.56%
$30,000-$44,999	59	30.26%
$45,000-$59,999	96	49.23%
$60,000-$74,999	34	17.44%
$75,000-$89,999	1	0.51%
TOTAL	**195**	**100.00%**

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	59	30.26%
2 - Two persons	53	27.18%
3 - Three persons	40	20.51%
4 - Four persons	35	17.95%
5 - Five persons	7	3.59%
6 - Six persons	1	0.51%
TOTAL	**195**	**100.00%**

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
$50,000-$75,000	1	0.51%
$100,000-$125,000	15	7.69%
$125,000-$150,000	31	15.90%
$150,000-$175,000	53	27.18%
$175,000-$200,000	34	17.44%
$200,000-$225,000	41	21.03%
$225,000-$250,000	17	8.72%
$250,000-$275,000	3	1.54%
TOTAL	**195**	**100.00%**

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
$75,000-$100,000	1	0.51%
$100,000-$125,000	9	4.62%
$125,000-$150,000	27	13.85%
$150,000-$175,000	47	24.10%
$175,000-$200,000	42	21.54%
$200,000-$225,000	43	22.05%
$225,000-$250,000	21	10.77%
$250,000-$275,000	4	2.05%
$275,000-$300,000	1	0.51%
TOTAL	**195**	**100.00%**

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FHA	191	97.95%
USDA-RHS	2	1.03%
VA	2	1.03%
TOTAL	**195**	**100.00%**

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	170	87.18%
Condominium	2	1.03%
Rowhouse	2	1.03%
Townhouse	21	10.77%
TOTAL	**195**	**100.00%**

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	166	85.13%
New	29	14.87%
Unspecified	0	0.00%
TOTAL	**195**	**100.00%**

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	8	$1,153,303.00	4.10%
NON TARGET	187	$33,530,042.00	95.90%
TOTAL	**195**	**$34,683,345.00**	**100.00%**

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
4.0000%	6	$969,710.00	3.08%
4.2500%	38	$7,006,156.00	19.49%
4.3750%	4	$798,159.00	2.05%
4.5000%	14	$2,496,849.00	7.18%
4.7500%	39	$6,994,310.00	20.00%
4.8750%	25	$4,470,724.00	12.82%
5.0000%	58	$10,081,687.00	29.74%
5.2500%	11	$1,865,750.00	5.64%
TOTAL			**100.00%**

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
4.0000% - 4.2400%	6	3.08%
4.2500% - 4.4900%	42	21.54%
4.5000% - 4.7400%	14	7.18%
4.7500% - 4.9900%	64	32.82%
5.0000% - 5.2400%	58	29.74%
5.2500% - 5.4900%	11	5.64%
TOTAL	**195**	**100.00%**

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	0	0.00%
Yes	195	100.00%
TOTAL	**195**	**100.00%**

ADDITIONAL MORTGAGE REPORT

ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN AMOUNT
Orange DPA 2018 \ Orange 2018A SF Program	140	$1,050,000.00	$7,500.00

GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	99	50.77%
FEMALE	96	49.23%
NONBINARY	0	0.00%
UNDISCLOSED	0	0.00%
TOTAL	**195**	**100.00%**

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
Asian	1	0.51%
Asian & White	1	0.51%
Black/ African American	57	29.23%
Missing	1	0.51%
Other	8	4.10%
Tenant Declined to Respond	5	2.56%
White	122	62.56%
TOTAL	**195**	**100.00%**

ETHNICITY REPORT

ETHNICITY	LOAN	AMOUNT	% OF TOTAL
HISPANIC	86	$15,660,875.00	44.10%
NON HISPANIC	98	$17,057,307.00	50.26%
OTHER	11	$1,965,163.00	5.64%
TOTAL	**195**	**$34,683,345.00**	**100.00%**

RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
Asian	0	1	0	1	0.51%
Asian & White	0	1	0	1	0.51%
Black/ African American	1	55	1	57	29.23%
Missing	1	0	0	1	0.51%
Other	3	0	5	8	4.10%
Tenant Declined to Respond	0	1	4	5	2.56%
White	81	40	1	122	62.56%
TOTAL	**86**	**98**	**11**	**195**	**100.00%**

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
Reservation	3	$480,732.00	1.54%
UW Certification	4	$721,783.00	2.05%
Purchased/Servicer	2	$411,399.00	1.03%
Pooled	3	$538,063.00	1.54%
Investor/Trustee	183	$32,531,368.00	93.85%
TOTAL	**195**	**$34,683,345.00**	**100.00%**

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	$177,863.31
AVERAGE DPA AMOUNT:	$7,500.00
AVERAGE AGE OF PRIMARY BORROWER:	40
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1
AVERAGE HOUSEHOLD ANNUAL INCOME:	$49,921.03

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	2.74%
Bank of England	3	$597,475.00	4.11%
Broker Solutions Inc, DBA New American Funding	11	$2,098,607.00	15.07%
Centennial Bank	1	$174,600.00	1.37%
Christensen Financial, Inc.	5	$841,605.00	6.85%
Columbus Capital Lending LLC	1	$124,925.00	1.37%
Envoy Mortgage, Ltd	3	$491,810.00	4.11%
Equity Prime Mortgage, LLC	1	$150,350.00	1.37%
Fairway Independent Mortgage Corporation	9	$1,575,886.00	12.33%
FBC Mortgage, LLC	5	$1,042,905.00	6.85%
Guaranteed Rate, Inc.	1	$116,850.00	1.37%
Hamilton Group Funding, Inc.	1	$142,590.00	1.37%
Land Home Financial Services, Inc.	5	$1,016,821.00	6.85%
Movement Mortgage, LLC	1	$135,800.00	1.37%
Waterstone Mortgage Corporation	24	$4,092,906.00	32.88%
TOTAL	**73**	**$12,938,750.00**	**100.00%**

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Altamonte Springs	3	$399,050.00	4.11%
Apopka	7	$1,206,571.00	9.59%
Casselberry	2	$206,625.00	2.74%
Clermont	1	$106,400.00	1.37%
Eustis	2	$345,303.00	2.74%
Fruitland Park	2	$378,203.00	2.74%
Kissimmee	9	$1,805,797.00	12.33%
Longwood	1	$189,053.00	1.37%
Mascotte	1	$204,188.00	1.37%
Mount Dora	1	$169,750.00	1.37%
Ocoee	2	$439,560.00	2.74%
Orlando	30	$5,061,087.00	41.10%
Oviedo	1	$261,250.00	1.37%
Saint Cloud	4	$854,150.00	5.48%
Sanford	2	$351,120.00	2.74%
Sorrento	2	$469,828.00	2.74%
Tavares	1	$161,500.00	1.37%
Winter Springs	2	$329,315.00	2.74%
TOTAL	**73**	**$12,938,750.00**	**100.00%**

COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Lake	10	$1,835,172.00	13.70%
Orange	40	$6,857,568.00	54.79%
TOTAL	**73**	**$12,938,750.00**	**100.00%**

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
$15,000-$29,999	2	2.74%
$30,000-$44,999	23	31.51%
$45,000-$59,999	29	39.73%
$60,000-$74,999	14	19.18%
$75,000-$89,999	5	6.85%
TOTAL	**73**	**100.00%**

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	29	39.73%
2 - Two persons	18	24.66%
3 - Three persons	11	15.07%
4 - Four persons	11	15.07%
5 - Five persons	3	4.11%
6 - Six persons	1	1.37%
TOTAL	**73**	**100.00%**

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
$50,000-$75,000	1	1.37%
$75,000-$100,000	2	2.74%
$100,000-$125,000	7	9.59%
$125,000-$150,000	9	12.33%
$150,000-$175,000	17	23.29%
$175,000-$200,000	13	17.81%
$200,000-$225,000	15	20.55%
$225,000-$250,000	6	8.22%
$250,000-$275,000	3	4.11%
TOTAL	**73**	**100.00%**

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
$50,000-$75,000	1	1.37%
$75,000-$100,000	2	2.74%
$100,000-$125,000	4	5.48%
$125,000-$150,000	9	12.33%
$150,000-$175,000	12	16.44%
$175,000-$200,000	14	19.18%
$200,000-$225,000	16	21.92%
$225,000-$250,000	12	16.44%
$250,000-$275,000	2	2.74%
$275,000-$300,000	1	1.37%
TOTAL	**73**	**100.00%**

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FreddieMac 80% AMI	3	4.11%
FreddieMac HFA Advantage	70	95.89%
TOTAL	**73**	**100.00%**

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	57	78.08%
Condominium	12	16.44%
Duplex w/approval	2	2.74%
Rowhouse	1	1.37%
Townhouse	1	1.37%
TOTAL	**73**	**100.00%**

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	70	95.89%
New	3	4.11%
Unspecified	0	0.00%
TOTAL	**73**	**100.00%**

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
NON TARGET	69	$12,329,170.00	94.52%
TOTAL	**73**	**$12,938,750.00**	**100.00%**

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
4.2500%	1	$123,675.00	1.37%
4.3750%	1	$150,350.00	1.37%
4.5000%	3	$543,103.00	4.11%
4.6250%	9	$1,702,766.00	12.33%
4.7500%	5	$1,085,750.00	6.85%
4.8750%	6	$1,009,560.00	8.22%
5.0000%	1	$179,550.00	1.37%
5.1250%	2	$327,240.00	2.74%
5.2500%	18	$2,999,840.00	24.66%
5.3750%	20	$3,441,481.00	27.40%
5.5000%	4	$781,307.00	5.48%
5.6250%	3	$594,128.00	4.11%
TOTAL			**100.00%**

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
4.2500% - 4.4900%	2	2.74%
4.5000% - 4.7400%	12	16.44%
4.7500% - 4.9900%	11	15.07%
5.0000% - 5.2400%	3	4.11%
5.2500% - 5.4900%	38	52.05%
5.5000% - 5.7400%	7	9.59%
TOTAL	**73**	**100.00%**

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	2	2.74%
Yes	71	97.26%
TOTAL	**73**	**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	46	$345,000.00	$7,500.00

GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	43	58.90%
FEMALE	30	41.10%
NONBINARY	0	0.00%
UNDISCLOSED	0	0.00%
TOTAL	**73**	**100.00%**

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
American Indian/ Alaskan Native & Black/ Africar	1	1.37%
Black/ African American	16	21.92%
Black/African American & White	1	1.37%
Other	6	8.22%
Tenant Declined to Respond	1	1.37%
White	48	65.75%
TOTAL	**73**	**100.00%**

ETHNICITY REPORT

ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	29	$5,192,684.00	39.73%
NON HISPANIC	44	$7,746,066.00	60.27%
OTHER	0	$0.00	0.00%
TOTAL	**73**	**$12,938,750.00**	**100.00%**

RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
American Indian/ Alaskan Native & Black/ African American	1	0	0	1	1.37%
Black/ African American	0	16	0	16	21.92%
Black/African American & White	1	0	0	1	1.37%
Other	4	2	0	6	8.22%
Tenant Declined to Respond	1	0	0	1	1.37%
White	22	26	0	48	65.75%
TOTAL	**29**	**44**	**0**	**73**	**100.00%**

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
UW Certification	1	$123,675.00	1.37%
Purchased/Servicer	6	$1,055,109.00	8.22%
Investor/Trustee	66	$11,759,966.00	90.41%
TOTAL	**73**	**$12,938,750.00**	**100.00%**

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	$177,243.15
AVERAGE PURCHASE PRICE:	$184,440.07
AVERAGE DPA AMOUNT:	$6,194.74
AVERAGE AGE OF PRIMARY BORROWER:	37
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1
AVERAGE HOUSEHOLD ANNUAL INCOME:	$51,573.86

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

CONSENT ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Mildred Guzman, Administrator, Program Operations
DATE:	February 24, 2020
RE:	**MULTI-FAMILY OCCUPANCY/ INSPECTION REPORT** MARCH 4, 2020 - REGULAR BOARD OF DIRECTORS' MEETING.

OCCUPANCY REPORT

The Occupancy Report rates for the period of 01/24/20 to 02/20/20, was 98% for all units, and 93% for units meeting set-aside requirements

Multi-Family Rental Occupancy and Set-aside Summary - A summary of the occupancy and set-aside average rates for each period by property is provided.

MULTI-FAMILY INSPECTION REPORT

There were no properties due for annual review during the month of February.

ACTION REQUESTED

For information only.

Multi-Family Occupancy Report

BeginReportingPeriod: **1 /24/2020** EndReportingPeriod: **2 /20/2020**

Property: (Status, Address)	Total Units	Occupied Units	Occup. %	Prior Month Occu%	Low Income: Occupied Unit	Low Income: Occup. %	Low Income: Prior Month Occup.%	Flag%	Comments
Alta Westgate (Westgate Apts), Act 6872 Alta West Drive, Orlando	240	239	100%	99%	239	100%	99%	40%	
Anderson Oaks, Active 708 Anderson St, Orlando	12	12	100%	100%	12	100%	100%	100%	
Boca Vista(Chantham Harbor Refu 545 Nantucket Court, Altamonte Springs	324	310	96%	94%	65	20%	20%	20%	
Charleston Club Apts, Active 500 Fox Quarry Lane, Sanford	288	286	99%	100%	243	84%	85%	40%	
City View (West Church St), Active 595 West Church Street, Orlando	266	258	97%	98%	117	44%	44%	40%	
Club at Eustis, Active 2750 David Walker Dr, Eustis	96	95	99%	99%	95	99%	99%	40%	
Cove at Lady Lake, Active 735 S. Hwy 27/441, Lady Lake	176	169	96%	97%	169	96%	97%	40%	
Crestwood Apartments, Active 3121 Crestwood Circle, St. Cloud	216	214	99%	100%	214	99%	100%	40%	
Dean Woods, Active 9808 Dean Woods Place, Orlando	48	48	100%	100%	48	100%	100%	100%	
Delaney Apartments, Active 507 Delaney Avenue, Orlando	8	8	100%	100%	8	100%	100%	100%	
Emerald Villas (Seville Place), Acti 5450 Cholla Way, Orlando	264	264	100%	99%	264	100%	99%	40%	
Fountains at Lee Vista, Active 5743 Bent Pine Dr, Orlando	508	476	94%	94%	273	54%	54%	31%	
Fountains at Millenia II, Active 5316 Millenia Blvd., Orlando	32	32	100%	100%	32	100%	100%	40%	

Property: (Status, Address)	Total Units	Occupied Units	Occup. %	Prior Month Occu%	Low Income: Occupied Unit	Occup. %	Prior Month Occup.%	Flag%	Comments
Fountains at Millenia III, Active 5316 Millenia Blvd., Orlando	82	81	99%	100%	81	99%	100%	40%	
Fountains at Millenia IV, Active 5316 Millenia Blvd, Orlando	100	97	97%	99%	97	97%	99%	40%	
Goldenrod Pointe Apartments, Acti 3500 N Goldenrod Road, Orlando	70	70	100%	100%	70	100%	100%	60%	
Governors Manor, Active 2861 LB McLeod Rd, Orlando	120	117	98%	98%	117	98%	98%	75%	
Green Gables (Alhambra Trace), A 5201 Via Alizar Dr, Orlando	95	94	99%	99%	94	99%	99%	100%	
Kensington Oaks, Active 440 S. Mellonville Ave, Sanford	20	20	100%	100%	20	100%	100%	75%	
Lake Davis Apartments, Active 1301 Catherine Street, Orlando	36	36	100%	100%	36	100%	100%	75%	
Lake Harris Cove Apts, Active 32511 Lake Harris Cove Avenue, Leesburg	152	146	96%	98%	117	77%	75%	40%	
Lake Jennie I, Active 1301 Santa Barbara Dr, Sanford	25	24	96%	100%	24	96%	100%	75%	
Lake Jennie II, Active 1312 Santa Barbara Dr, Sanford	40	40	100%	95%	40	100%	95%	75%	
Lake Sherwood Apartments, Activ 1826 London Crest Drive, Orlando	90	90	100%	99%	90	100%	99%	40%	
Lakeside Pointe, Active 1403 Old Harbor Blvd., Leesburg	128	123	96%	99%	123	96%	99%	40%	
Lancaster Villas, Active 800 W. Lancaster Rd, Orlando	145	143	99%		143	99%		100%	
Landings at Carver Park, Active 1150 Conley Street, Orlando	56	55	98%	100%	55	98%	100%	40%	
Landings on Millennia, Active 5150 Millenia Boulevard, Orlando	336	333	99%	99%	252	75%	75%	40%	

Property: (Status, Address)	Total Units	Occupied Units	Occup. %	Prior Month Occu%	Low Income: Occupied Unit	Occup. %	Prior Month Occup.%	Flag%	Comments
Landon Pointe Apartments, Active 1705 Grande Pointe Avenue, Orlando	276	274	99%	99%	269	97%	99%	40%	
Landon Trace Townhome(Buchana 1813 Buchanan Bay Circle, Orlando	228	224	98%	100%	224	98%	100%	100%	
Landstar Park Apartments, Active 1001 Landstar Drive, Orlando	156	156	100%	100%	156	100%	100%	40%	
Laurel Oaks I (Sleepy Hollow Apart 2700 Laurel Hollow Dr., Leesburg	144	129	90%	90%	129	90%	90%	40%	
Laurel Oaks II (Sleepy Hollow Apar 2700 Laurel Hollow Dr., Leesburg	108	90	83%	86%	90	83%	86%	40%	
Lee Vista Club Apartments, Active 5903 Lee Vista Blvd, Orlando	312	311	100%	100%	311	100%	100%	40%	
Marbella Cove, Active 7528 Marbella Pt. Drive, Orlando	104	104	100%	99%	104	100%	99%	0%	
Marbella Pointe, Active 7528 Marbella Pt. Drive, Orlando	120	120	100%	99%	120	100%	99%	40%	
Mendel Villas, Active 3538 Aristotle Ave, Orlando	32	32	100%	100%	32	100%	100%	100%	
Nassau Bay Apartments, Active 5200 North Orange Blossom Trail, Orlando	492	492	100%	100%	492	100%	100%	100%	
Oak Harbor Apartments, Active 5770 Harbor Chase Circle, Orlando,	176	175	99%	98%	175	99%	98%	20%	
Oviedo Town Center Ph. I, Active 450 Fontana Circle #105, Oviedo	106	104	98%	100%	104	98%	100%	40%	
Oviedo Town Center Ph. II, Active 450 Fontana circle #105, Oviedo	34	34	100%	100%	34	100%	100%	40%	
Oviedo Town Center Ph. III, Active 450 Fontana circle #105, Oviedo	72	72	100%	100%	72	100%	100%	40%	
Oviedo Town Center Ph. IV, Active 450 Fontana Circle #105, Oviedo	24	24	100%	96%	24	100%	96%	40%	

Property: (Status, Address)	Total Units	Occupied Units	Occup. %	Prior Month Occu%	Low Income: Occupied Unit	Occup. %	Prior Month Occup.%	Flag%	Comments
Palm Groves Gardens, Active 3944 W.D. Judge Drive, Orlando	142	139	98%	99%	139	98%	99%	75%	
Pebble Creek, Active 1317 Boulder Dr, Kissimmee	72	72	100%	99%	72	100%	99%	100%	
River Ridge Apartment Homes, Act 9957 Hidden River Drive #106, Orlando	160	160	100%	100%	160	100%	100%	40%	
Rolling Acres I, Active 824 CrR 466, Lady Lake	104	103	99%	99%	103	99%	99%	40%	
Rolling Acres II, Active 824 CR 466, Lady Lake	35	35	100%	100%	35	100%	100%	40%	
SouthWinds Cove, Active 3400 Southwinds Cove Way, Leesburg	112	107	96%	98%	87	78%	79%	40%	
Spring Lake Cove I, Active 1508 Spring Lake Cove Lane, Fruitland Park	96	94	98%	98%	75	78%	78%	40%	
Spring Lake Cove II, Active 1508 Spring Lake Cove Lane, Fruitland Park	48	48	100%	100%	48	100%	100%	40%	
Vista Pines Apartments, Active 401 N Chickasaw Trail, Orlando	238	230	97%	98%	230	97%	98%	40%	
Westwood Park Apartments, Activ 11037 Laguna Bay Dr, Orlando	178	177	99%	100%	177	99%	100%	40%	
Total Units:	**7,542**								
Current Period Summary:		**7,386**	**98%**		**6,600**	**93%**			
Prior Period Summary:		**7,261**	**99%**		**6,478**	**93%**			

Total Number of Properties: **53**

DISCUSSION ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 24, 2020
RE:	**CONSIDER APPROVAL OF THE REIMBURSEMENT RESOLUTION FOR MULTI-FAMILY TAX-EXEMPT BONDS APPLICATION, SUBMITTED BY ACERO ASSOCIATES LLC, FOR THE PROPOSED ACERO APARTMENTS, NOT-TO-EXCEED $5MM.** MARCH 4, 2020 REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

On January 21, 2020, the Authority received the Acero Apartments proposal under the 2020 Open Cycle Allocation Process. The Open Cycle process allows developers to submit Multi-Family proposals for the Authority's consideration throughout the year, or as long as Volume Cap Allocation remains available. Subsequent to Board approval, staff will engage Professionals and proceed with the underwriting process.

The applicant for Acero Apartments is Acero Associates LLC. The investment banker will be OREC Securities, LLC an affiliate of Red Capital Group – the nation's largest lender for HUD multi-family developments since 1990 ($74B in FHA Loans).

CURRENT

The proposal involves the development of a 72-unity community. The community will offer one and two bedroom units. The proposed development is located at 5750 Stonewall Jackson Rd., Orlando, and will consist of sixty (60) 1-bd/1-ba and twelve (12) 2-bd/2-ba – with rents ranging from $703 – $920 per month. The proposed development Set-Aside will be approximately 90% at 60% AMI (Area Median Income) and 10% Market-rate.

The multifamily mortgage revenue bonds are proposed to be issued in the not-to-exceed amount of $5,000,000 and will be short-term tax-exempt bonds, cash collateralized by a HUD loan through the FHA 221(d)(4) Program. The debt structure includes an estimated $5,000,000 of short-term tax-exempt bonds that are paid in full after construction completion (approximately 24 months after closing) with proceeds of a taxable FHA permanent mortgage financing. The short-term tax-exempt bonds will be secured by a first mortgage loan with term to match the bonds. The bonds are expected to be rated AA+ by Standard and Poor's and are expected to bear a fixed rate of interest over the life of the bonds.

In addition to net proceeds of the bonds, the sources of funds for this development during construction anticipate the following financing sources: (a) Federal Tax Credit equity in the amount of $2,370,315, (b) a bridge loan of $1,218,908, and (c) an FHA 221(d)(4) loan of $613,200 providing cash collateralization against the bonds while outstanding. Such sources during construction will provide funding for the proposed financing plan including acquisition, construction, financing and other development costs currently expected to total approximately $9,202,423. After conversion to permanent financing, the short-term tax-exempt bonds will be paid in full, and the complete funding of the FHA 221(d)(4) loan of $5,613,200 will remain outstanding along with an expected deferred developer fee of $547,655 and tax credit equity of 2,454,170.

.

The Authority's fees (application, issuer and redemption) will be approximately $120K. The proposed development Debt Service Coverage Ratio is 1.14, exceeding the Authority's required minimum threshold criteria of 1.10. The sources of financing during construction anticipates the following:

CONSTRUCTION SOURCES:

$ 613,200.00	FHA 221 (d) (4) Mortgage
$ 1,218,908.00	Equity Bridge Loan
$ 5,000,000.00	Bonds/Tax Exempt
$ 2,370,315.00	LIHTC Equity
$9,202,423.00	**TOTAL SOURCES**

Enclosed for your review are copies of the Proformas Analysis, Reimbursement Resolution 2020-02 and supporting information.

ACTION REQUESTED

Board approval of the Reimbursement Resolution 2020-02 for Multi-Family Tax-Exempt Bonds for the proposed Acero Apartments, not-to-exceed $5MM; authorization for staff and Bond Counsel to take the required steps to proceed with the process, and with subsequent submission to the Division of Bond Financing.

PROFORMA ANALYSIS

ACERO APARTMENTS

21-Feb-2020

SOURCES:

CONSTRUCTION	PERMANENT	
$ 613,200.00	$ 5,613,200.00	FHA 221 (d) (4) Mortgage
$ 1,218,908.00	$ -	Equity Bridge Loan
$ 5,000,000.00	$ -	Bonds/Tax Exempt
$ 2,370,315.00	$ 2,454,170.00	LIHTC Equity
	$ 547,655.00	Deferred Developer Fee
$ 9,202,423.00	**$ 8,615,025.00**	**TOTAL SOURCES**

USES: (TOTAL DEVELOPMENT COSTS)

$ 375,000.00	$ 375,000.00	Land Acquisition
$ 4,096,965.00	$ 4,096,965.00	Construction
$ 307,492.00	$ 307,492.00	Bonds Costs of Issuance
$ 1,543,972.00	$ 1,543,972.00	Soft Costs
$ 61,746.00	$ 61,746.00	FHA 221 (d) (4) Fees
$ 112,264.00	$ 112,264.00	Financing Costs
$ 163,719.00	$ 163,719.00	FHA 221(d) (4) Const. Int.
$ 822,357.00	$ 822,357.00	Reserves
$ 1,218,908.00	$ -	Bridge Loan Payoff
$ 500,000.00	$ 1,131,510.00	Developer Fee
$ 9,202,423.00	**$ 8,615,025.00**	**TOTAL USES**

DEBT SERVICE CALCULATION:

1) The first mortgage will be financed as follows:

$5,613,200.00	HUD 223(f) Loan
3.75%	Rate
40.00	Term - Years
$271,135.08	Debt Service/Yearly
$22,594.59	Debt Service/Monthly

VARIANCE:

Income Analysis:

*Set-Asides: **100% @ 60% Area Median Income**

Unit/Type: Bd/ Ba	Number of Units	Net Rent	Monthly Income	Annual Income
1BD/1BA	7	$ 920.00	$6,440.00	$ 77,280.00
1BD/1BA	53	$ 703.00	$37,259.00	$ 447,108.00
2BD/1BA	12	$ 831.00	$9,972.00	$ 119,664.00
TOTAL	72	$ 2,454.00	$53,671.00	$ 644,052.00

GROSS INCOME	$644,052.00	
OTHER INCOME	$32,202.00	
	$676,254.00	
Less 5% Vacancy+0% COLLECTION LOSS	($33,812.70)	
EFFECTIVE GROSS INCOME	**$642,441.30**	
TOTAL EXPENSES	**$ 332,217.00**	
NET OPERATING INCOME	**$ 309,824.30**	(A)
ANNUAL DEBT SVC PYMTS	**$ 271,135.08**	(B)
DEBT COVERAGE RATIO	**1.14**	(A)/(B)

RESOLUTION NO. 2020-02

A RESOLUTION DECLARING THE OFFICIAL INTENT OF ORANGE COUNTY HOUSING FINANCE AUTHORITY TO REIMBURSE ITSELF AND/OR ACERO ASSOCIATES, LLC FROM THE PROCEEDS OF DEBT FOR CERTAIN EXPENSES TO BE INCURRED WITH RESPECT TO A CERTAIN MULTIFAMILY HOUSING PROJECT; AND AUTHORIZING CERTAIN INCIDENTAL ACTIONS.

WHEREAS, in connection with the acquisition, construction and equipping of a certain multifamily housing residential rental facility described herein by Orange County Housing Finance Authority (the "Issuer") through a loan to Acero Associates, LLC (the "Owner"), the Issuer and the Owner expect to incur expenses for which the Issuer and/or the Owner will advance internal funds; and

WHEREAS, the Issuer intends to reimburse itself and the Owner for all or a portion of such expenses from the proceeds of debt to be issued by the Issuer and loaned to the Owner.

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

1. **Findings**. It is hereby found, ascertained, determined and resolved that:

(a) There is a shortage of low, middle and moderate housing available as rentals in Orange County, Florida;

(b) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise;

(c) The financing, acquisition, construction and equipping of rental housing for persons of low, middle, and moderate income in Orange County, Florida, constitutes a public purpose;

(d) A multifamily housing project consisting of 72 units, located at 5750 Stonewall Jackson Rd., Orlando, Orange County, Florida 32807, to be acquired, constructed and equipped by the Owner, to be known as Acero Apartments (the "Development"), will assist in alleviating the shortage of rental housing for residents of Orange County who are of low, middle and moderate income;

(e) The Owner has requested the Issuer to issue revenue bonds (the "Bonds") in an amount which, together with other available funds, will be sufficient to finance the cost of the acquisition, construction and equipping of the Development and to pay other costs and fees incidental to the issuance of the Bonds. The Bonds are to be secured by certain assets, revenues and moneys described in the trust indenture securing such bonds. By virtue of the provisions of Section 142 of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury regulations in effect thereunder or under the 1954 Code, the interest on the Bonds will be excludable from gross income for federal income tax purposes if certain criteria fixed by said provisions (the “Tax Requirements”) are met;

(f) The Tax Requirements provide, among other things, that if, as in the case of the Development, the original use of a development commences (or the acquisition of a development occurs) on or after the date that obligations are issued to provide such development, an official intent with respect to such obligations must be adopted by the issuer of such obligations within 60 days after the commencement of the construction or acquisition of such development;

(g) The Owner has agreed or will agree (i) to make all units available for rental by members of the general public and (ii) not to rent any unit to the owner of the Development or to any person related (as defined in said Treasury regulations) to such owner.

2. **Declaration of Official Intent**. The Issuer hereby declares its official intent to reimburse itself and the Owner from the proceeds of tax-exempt debt to be incurred by the Issuer or the Owner, respectively, for expenses incurred with respect to the Development within 60 days prior to the date of this Resolution and subsequent to the date of this Resolution. This Resolution is intended as a declaration of official intent under Treasury Regulation § 1.150-2. The tax-exempt debt to be issued to finance the Development is expected not to exceed an aggregate principal amount of $5,000,000.

3. **Further Authorization**. The Issuer hereby authorizes Staff, General Counsel and Bond Counsel to negotiate and prepare a plan of financing and to commence the structuring of a debt instrument or instruments to provide up to $5,000,000 in tax-exempt financing for the Development in order to maintain rental units for persons who are of low, middle, or moderate income in a qualifying housing development, including reimbursement for qualified costs incurred pursuant to Treasury Regulation § 1.150-2. The financing of the qualifying housing development shall, however, be conditioned upon the following:

(a) The plan of financing for the Development shall include a rent schedule to be approved by the Issuer.

(b) The plan of financing shall include tenant age and income restriction provisions in compliance with section 142(d) of the Code.

(c) The Owner shall not discriminate in the use, occupancy or rental of the units against persons or families with children.

(d) Any non-revenue units for Owner use, such as models and manager apartments, must be financed at Owner’s expense from other than Bond proceeds.

4. **Conditions**. In the event that the Issuer and the Owner are unable to reach an agreement with respect to the terms and details of the Bonds or the contracts therefor, or if other circumstances prevent the issuance of the Bonds, there shall be no resultant liability on either the Issuer or the Owner nor shall any third party have any rights against either the Issuer or the Owner by virtue of this resolution. The obligation of the Issuer to issue the Bonds pursuant to this Resolution is further conditioned upon the following:

(a) The information contained in the application of the Owner and now on file with the Issuer shall not change in any material respect. Any such material change shall be brought to the attention of the Issuer immediately in writing for further consideration by the Issuer and its General Counsel and Bond Counsel.

(b) A public hearing shall have been conducted as required by Section 147(f) of the Code.

(c) Upon issuance and delivery of the Bonds there shall be delivered to the Issuer an opinion of Bond Counsel to the effect that the Bonds are valid and binding obligations of the Issuer and that interest on the Bonds is excludable from gross income for federal income tax purposes.

(d) The Bonds shall be issued and delivered within 12 months from the date of adoption of this Resolution, unless such date is extended by resolution of the Issuer.

5. **Other Conditions**. The Owner has agreed to comply with all land use restrictions relating to tax-exempt financing including but not limited to those promulgated pursuant to Section 142(d) of the Code. The Owner acknowledges that the adoption of this resolution in no way implies final approval of the proposed transaction, such transaction being subject to all policies, guidelines and procedures of the Issuer and a majority affirmative vote of its Board.

6. **Incidental Action**. Any member of the Issuer and General Counsel and Bond Counsel to the Issuer are hereby authorized to take such actions as may be necessary to carry out the purpose of this Resolution.

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

Passed this 4th day of March, 2020.

[S E A L]

ORANGE COUNTY HOUSING FINANCE AUTHORITY

By:__________________________________
[Vice] Chairman

ATTEST:

____
W.D. Morris, Secretary

APPROVED AS TO LEGAL SUFFICIENCY:

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

Project Description

Site Information

Property Name: Acero

Address: 5750 Stonewall Jackson Rd. Orlando, FL 32807

Estimated Completion Date: 2021

Units: 72

Number of Buildings: 2

Acreage: 1.41

Budget:

Construction Type: Hardie Board siding over frame construction

Current Zoning: MU-1 Mixed Use, Medium Intensity

Note that many of the attached reports may refer to "the Stonewall Jackson project" or to "The Hermitage." These were used as holding names before settling on the final project name "Acero." Know that any references to the above names are referring to the affordable housing development project set to occur at 5750 Stonewall Jackson Rd.

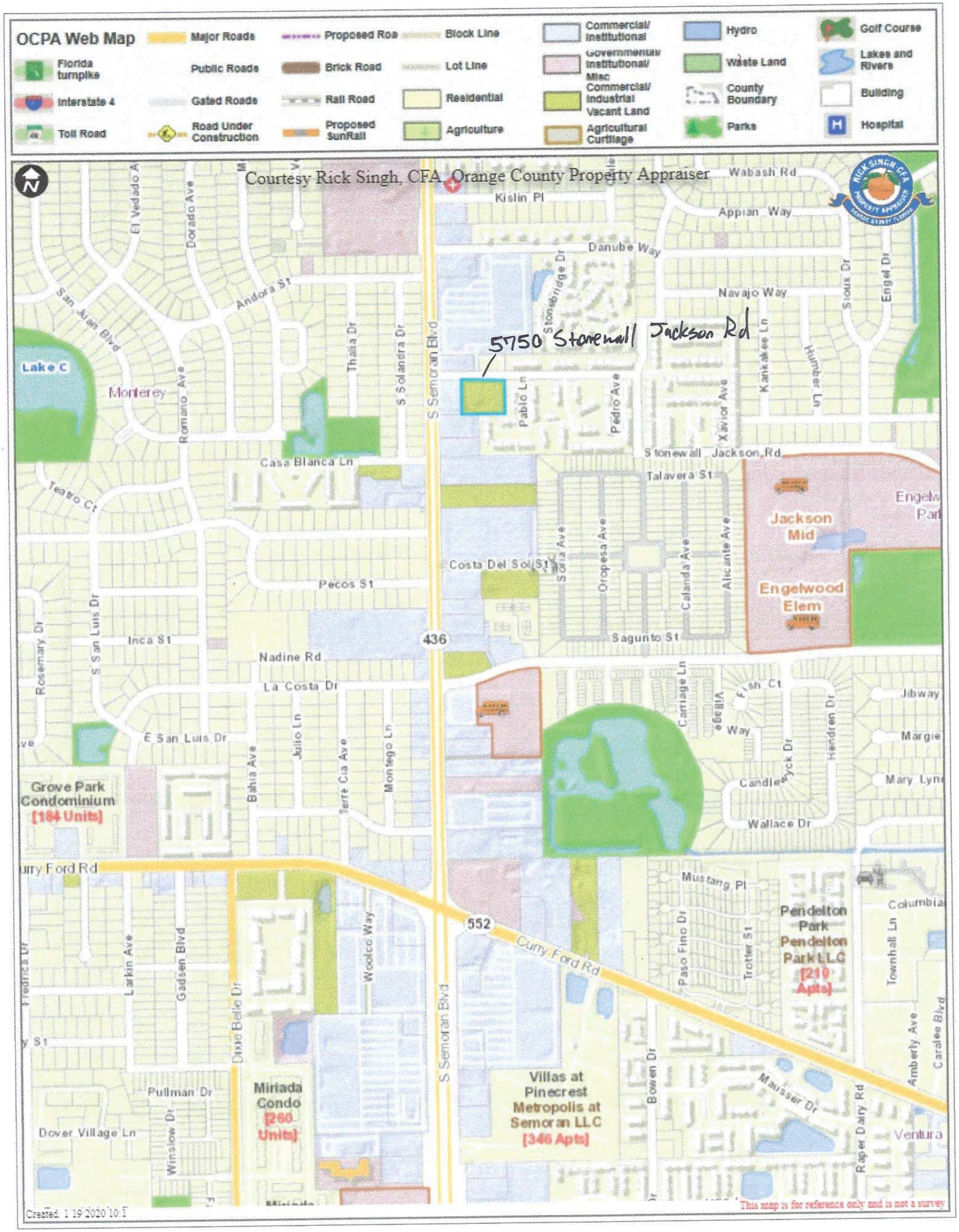
Unit Mix-Stabilized

Unit Type	Income Restriction	# of Units	Square Feet	Stabilized Rent
1 Bed/1 Bath	60% AMI	53	464	$703
1 Bed/ 1 Bath	Market Rate	7	464	$920
2 Bed/ 2 Bath	60% AMI	12	689	$831
	Total Units	72		

Amenities

The small lot size does not allow enough space for amenities. However, the Stonewall Jackson Middle School, Englewood Elementary School and Englewood Neighborhood Center are ½ mile away, approximately a 10 minute walk from the Acero. The Englewood Neighborhood Center has:

- Playground
- Soccer-Futsal Court


OCPA Web Map
Major Roads
Proposed Roa
Block Line
Commercial/ Institutional
Hydro
Golf Course
Florida turnpike
Public Roads
Brick Road
Lot Line
Governmental/ Institutional/ Misc
Waste Land
Lakes and Rivers
Interstate 4
Gated Roads
Rail Road
Residential
Commercial/ Industrial Vacant Land
County Boundary
Building
Toll Road
Road Under Construction
Proposed SunRail
Agriculture
Agricultural Curtilage
Parks
Hospital
Courtesy Rick Singh, CFA, Orange County Property Appraiser
5750 Stonewall Jackson Rd
Wabash Rd
Kislin Pl
Appian Way
Danube Way
Navajo Way
Andora St
San Juan Blvd
Lake C
Monterey
Romano Ave
Thalia Dr
S Solandra Dr
S Semoran Blvd
Stonebridge Dr
Pablo Ln
Pedro Ave
Xavior Ave
Kankakee Ln
Humber Ln
Sioux Dr
Engel Dr
Casa Blanca Ln
Stonewall Jackson Rd
Talavera St
Jackson Mid
Engelwood Elem
Costa Del Sol St
Pecos St
Soria Ave
Oropesa Ave
Calanda Ave
Alicante Ave
Inca St
Nadine Rd
Sagunto St
436
La Costa Dr
E San Luis Dr
Rosemary Dr
S San Luis Dr
Bahia Ave
Julio Ln
Terre Cia Ave
Montego Ln
Carriage Ln
Village Way
Wallace Dr
Hendren Dr
Jibway
Margie
Mary Lyn
Grove Park Condominium [184 Units]
Curry Ford Rd
552
Mustang Pl
Pendelton Park
Pendelton Park LLC [210 Apts]
Columbia
Larkin Ave
Gadsen Blvd
Dixie Belle Dr
Woolco Way
Paso Fino Dr
Trotter St
Townhall Ln
Pullman Dr
Miriada Condo [260 Units]
Villas at Pinecrest
Metropolis at Semoran LLC [346 Apts]
Bowen Dr
Mausser Dr
Raper Dairy Rd
Amberly Ave
Carolee Blvd
Ventura
Dover Village Ln
Winslow Dr
Created: 1/19/2020 10:1
This map is for reference only and is not a survey

THE HERMITAGE
SUPPLEMENTAL SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES
FOR THE PERIOD BEGINNING NOVEMBER 01, 2019 AND ENDING DECEMBER 31, 2034

HUD INCOME LIMIT CALCULATION

2019 4-person Median Family Income	$ 65,100	**County**	Orange County, Florida	
2019 4-person Very-Low Income Limit	$ 34,700		Orlando-Kissimmee-Sanford, FL MSA	

	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
60% Income Limits	$ 29,160	$ 33,360	$ 37,500	$ 41,640	$ 45,000	$ 48,360	$ 51,660	$ 55,020

HUD INCOME LIMIT CALCULATION

No. of BRs	% of AMI	No. of Units	Sq Ft	Gross Contract Rent (HAP/TC)	Utility Allow./ HAP Subsidy	Net Contract Rent (HAP/TC)	Proposed Rent	Max. Rent Rec'd	Net Monthly Rents	Annual Rents
1Bed	N/A	8 Units	460	$ 920	$ -	$ 920	$ 920	$ 920	$ 7,360	$ 88,320
2Bed	60%	12 Units	700	937	106	831	980	831	9,972	119,664
1Bed	60%	52 Units	460	834	78	756	756	756	39,312	471,744
TOTALS		**72 Units**	**36,000 Sq.Ft.**				**$ 2,656**		**$ 56,644**	**$ 679,728**
LIHTC Applicable Fraction**		**88.89%**	**89.78%**							

ANNUAL REVENUES (BASE YEAR)		**(PER UNIT) ANNUAL**	**MONTLY RENTS**	**ANNUAL RENTS**	**Escalation Rates**
Rental Income		$ 9,441	$ 56,644	$ 679,728	2%
Other Income	2.00%	480	2,880	34,560	2%
Gross Potential Income		**9,921**	**59,524**	**714,288**	
Less Vacancy/Colle	5.00%	(472)	(2,832)	(33,986)	5%
EFFECTIVE GROSS INCOME		**9,449**	**56,692**	**680,302**	
OPERATING EXPENSES					
General & Admin		(795)	(4,771)	(57,250)	3%
Management Fee	6.00%	(567)	(3,402)	(40,818)	6%
Operating & Maintenance		(1,009)	(6,056)	(72,670)	3%
Utilities		(553)	(3,318)	(39,816)	3%
Taxes and Insurance		(1,281)	(7,683)	(92,200)	3%
Replacement Reserve		(300)	(1,800)	(21,600)	3%
Miscellaneous		(139)	(833)	(10,000)	3%
Total Operating Expenses		**(4,644)**	**(27,863)**	**(334,354)**	
NET OPERATING INCOME		**$ 4,805**	**$ 28,829**	**$ 345,948**	

*Assumes Base Year is 2022
** Units occupied by on-site managers, maintenance personnel, and security guards are excluded for the purpose of determining a building's LIHTC applicable fraction.
In accordance with Rule Chapter 67-21, the number of eligible managers' units for LIHTC projects cannot exceed one unit per each 100 units in the Project.

THE HERMITAGE

SUPPLEMENTAL SCHEDULE OF FORECASTED NET OPERATING INCOME

FOR THE PERIOD BEGINNING NOVEMBER 01, 2019 AND ENDING DECEMBER 31, 2034

Year	Projected Income	Total Operating Expenses	Replacement Reserves	**Net Operating Income**
2021	$ 283,453	$ (130,312)	$ (9,000)	**$ 144,142**
2022	680,302	(320,404)	(21,600)	**338,298**
2023	693,908	(330,131)	(22,248)	**341,528**
2024	707,786	(339,619)	(22,915)	**345,251**
2025	721,942	(349,383)	(23,603)	**348,956**
2026	736,380	(359,431)	(24,311)	**352,638**
2027	751,108	(369,772)	(25,040)	**356,295**
2028	766,130	(380,415)	(25,792)	**359,924**
2029	781,453	(391,368)	(26,565)	**363,520**
2030	797,082	(402,640)	(27,362)	**367,080**
2031	813,023	(414,241)	(28,183)	**370,600**
2032	829,284	(426,180)	(29,029)	**374,075**
2033	845,870	(438,468)	(29,899)	**377,502**
2034	862,787	(451,114)	(30,796)	**380,876**
	$ 10,270,506	$ (5,103,477)	$ (346,344)	**$ 4,820,685**

ORANGE COUNTY
HOUSING FINANCE AUTHORITY

DISCUSSION ITEM

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	February 26, 2020
RE:	**CONSIDER APPROVAL AND ADOPTION OF FISCAL YEAR 2019, ANNUAL AUDITED FINANCIAL STATEMENTS.** MARCH 4, 2020 REGULAR BOARD OF DIRECTORS' MEETING.

BACKGROUND

Enclosed for your approval and adoption, is a copy of Fiscal Year 2019 Annual Audited/Financial Statements (draft). The 2019 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 detailed summary report of the Audited Financial Statements prepared by Kayode Adetayo, Chief Financial Officer.

The Joint Committee (Audit/Finance) met on February 26, 2020, to discuss the Authority's FY 2019 Audited and Financial Statements. Committee Members were Mercedes McCall, Vernice Atkins-Bradley, Sascha Rizzo and Curtis Hunter (via phone).

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 $3,576,641, with net revenue of $1,609,452– a good year in a difficult bond market environment. After presentation and discussion, the Committee accepted the Audited Financial Statements for FY 2019 and recommended acceptance and adoptions of the Audited Financial Statements by the Board of Directors, at its March 4, 2020 Board meeting.

ACTION REQUESTED

Board approval of the Audit/Finance Committees' recommendation for acceptance and adoption of the Authority's Fiscal Year 2019 Annual Audited Financial Statements for year-ending September 30, 2019.

MEMORANDUM

To: W.D. Morris, Executive Director

From: Olukayode Adetayo, Chief Financial Officer

Date: February 18, 2020

Subject: Executive Summary of the Authority's Fiscal Year 2019 Audited Financial Statements.

This is a summary of the audited financial statements for fiscal year 2019 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 $54,229,001 while the total liabilities are $1,259,593. This produces an Asset to Liability ratio of 43.05 to 1 reflecting a strong financial position. Of the total assets, $11,726,312 comprise of cash and cash equivalents; $357,879 are program fees receivable; $18,662,064 are due from other funds; $14,977,769 are mortgage backed securities; $7,972,867 are notes receivables, $35,074 are prepaid expenses; $210,843 are accrued loan interest; $286,193 are fixed assets; net pension liability determined by GASB 71 is $699,483. 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 $3,576,641**.** Total expenses were $1,967,452. The net income for the fiscal year is $1,609,189 and the changes in Net Position for the fiscal year is $1,685,653. Total revenues earned included $64,836 as interest on loans, $1,172,342 investment income and $2,275,899 as fee income and other.

The total operating expenses for the year reflected in the audited financial statements were $1,967,452; $1,818,711 represents general and administrative operating expenses, and $148,741 represents pension expenses.

The Authority, for its regular operations for fiscal year 2019, budgeted $2,766,979 for revenues. The actual revenues were $3,576,641, resulting in an excess budgeted revenue amount of $809,662.

The Authority, for its regular operations for fiscal year 2019, budgeted $1,722,175 for expenses. The actual expenses of $1,967,452, shown above, were above the budgeted amount by $245,277 which includes $128,023 as write-off for DPA foreclosures. Net of this write-off amount actual expenses would be $1,839,429, an $117,254 increase.

BOND FUNDS:

SINGLE FAMILY PROGRAM

The total assets including internal balances are $81,373,351 while the total liabilities are $78,150,458. The Asset to Liability ratio is 1.04:1. 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 1.04:1 reflects a continuing strong financial position in the Single Family program.

MULTI-FAMILY PROGRAM

The total assets are $441,375,042 while the total liabilities are $437,109,606. The Total Asset to Total Liability ratio is approximately 1.01:1. The required parity test is generally 1:1. Therefore the Asset/Liability ratio parity test is met and slightly exceeded. This is attributed to some of the developers buying a portion of the bonds which could only be repaid from surplus cash flow from the respective projects.

As the economy growth continues, particularly in the housing industry, the overall results of the fiscal year 2019 Annual Audit demonstrate that the Authority's financial position remains strong: the Multifamily Program while doing well has 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

Presentation of the DRAFT Audited Financial Statements for the fiscal year ended September 30, 2019

THE NICHOLS GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

SCOPE OF SERVICES

- Audit of financial statements for the fiscal year ending September 30, 2019
- Express an opinion on whether the financial statements are fairly presented in conformity with U.S. generally accepted accounting principles
- Issue a report on internal control over financial reporting and on compliance
- Issue a management letter that provides required communication to the Office of the Florida Auditor General
- Issue an independent accountant’s report on compliance with Florida Statutes Section 218.415

SUMMARY OF AUDIT RESULTS

- Unmodified opinion of the financial statements as presented ("Clean report")
- No findings included in the report on internal control over financial reporting and on compliance
- No matters noted in the Management Letter to the Auditor General
- Unmodified opinion on compliance with F.S. §218.415
- Dated January 31, 2020

- Perform audit in accordance with auditing standards generally accepted in the U.S. and generally accepted governmental auditing standards as set forth in *Government Auditing Standards*
- Requires communications to the Finance Committee about:
  - An overview of our responsibility under applicable standards
  - Management's responsibility for the selection and use of appropriate accounting policies
    - We noted no transactions entered into that lacked authoritative guidance or consensus
  - Management's use of estimates
    - We evaluated key factors and assumptions used by management to develop their estimates
    - Particularly in notes receivable

REQUIRED COMMUNICATIONS

REQUIRED COMMUNICATIONS

- There were no difficulties encountered in dealing with management, no disagreements, and no outside consultations with other accountants with respect to this audit
- New Accounting Standard – the Authority adopted GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.
- There were no uncorrected audit adjustments that were material to the financial statements

- **GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. *The requirements of this Statement are effective for the year ended September 30, 2019.***

- **GASB Statement No. 87, Leases. Improves accounting and financial reporting for leases and consistency of information about the leasing activities of governments. Will be effective for the year ended September 30, 2021.**

- **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. The requirements of this Statement will be effective for the year ended September 30, 2022.**

NEW ACCOUNTING STANDARDS

FINANCIAL STATEMENT COMPONENTS

- Auditor’s reports
- Management Discussion & Analysis (MD&A)
- Basic Financial Statements
  - Notes to Basic Financial Statements
- Required Supplementary Information
- Combining Bond Program Fund Statements
- Auditor General compliance

FINANCIAL HIGHLIGHTS

New bonds issued

Bonds redeemed

Operating Fund Analysis

Single Family Program Analysis

Multi Family Program Analysis

NEW BONDS ISSUED

- Single Family Additions
  - 2018 A Homeowner Revenue $20,000,000
- Multi Family Additions
  - 2018 A Housing Revenue(Lake Weston Point Apartments) $17,605,000
  - 2019 A Housing Revenue (Willow Key Apartments) $26,000,000
  - Series A-1 Housing Revenue Note(Chapel Trace Apartments) $25,610,000

- Multi Family Pay-Off
  - 2017 B (Landon Pointe Apartments) $20,160,000

BONDS REDEEMED

OPERATING FUND ANALYSIS

OPERATING FUND ANALYSIS (THOUSANDS)

	2019	2018	VARIANCE
ASSETS	$ 54,229	$ 59,840	$ (5,611)
DEFERRED OUTFLOWS OF RESOURCES	249	441	(192)
LIABILITIES	(1,260)	(8,903)	7,643
DEFERRED INFLOWS OF RESOURCES	(268)	(113)	(155)
NET POSITION	$ 52,951	$ 51,265	$ 1,686
INTEREST ON LOANS & INVESTMENT INCOME	$ 1,237	$ 304	$ 933
UNREALIZED GAINS ON INVESTMENTS	64	-	64
FEE INCOME	2,276	2,109	167
EXPENSES	(1,967)	(2,034)	67
TRANSFERS IN/(OUT)	76	405	(329)
CHANGES IN NET POSITION	$ 1,686	$ 784	$ 902

SINGLE FAMILY BOND PROGRAM FUND ANALYSIS (THOUSANDS)

	2019	2018	VARIANCE
ASSETS	$ 81,373	$ 65,671	$ 15,702
LIABILITIES	(78,150)	(64,737)	(13,413)
NET POSITION	$ 3,223	$ 934	$ 2,289
INTEREST ON LOANS & INVESTMENT INCOME	$ 268	$ 187	$ 82
UNREALIZED GAINS (LOSSES) ON INVESTMENTS	4,880	(96)	4,976
FEE & OTHER REVENUE	1	1	(0)
INTEREST COSTS	(2,097)	(1,704)	(393)
OTHER EXPENSES	(687)	(569)	(118)
TRANSFERS IN/(OUT)	(76)	(405)	329
CHANGES IN NET POSITION	$ 2,289	$ (2,586)	$ 4,875

SINGLE FAMILY PROGRAM ANALYSIS

MULTI FAMILY BOND PROGRAM FUND ANALYSIS (THOUSANDS)

	2019	2018	VARIANCE
ASSETS	$ 441,375	$ 367,675	$ 73,700
LIABILITIES	(437,110)	(368,130)	(68,980)
NET POSITION	$ 4,265	$ (455)	$ 4,720
INTEREST ON LOANS & INVESTMENT INCOME	$ 18,146	$ 18,012	$ 134
UNREALIZED GAINS ON INVESTMENTS	2,368	-	2,368
FEE & OTHER REVENUE	4,740	3,711	1,029
INTEREST COSTS	(10,615)	(9,669)	(946)
OTHER EXPENSES	(9,918)	(9,501)	(417)
CHANGES IN NET POSITION	$ 4,721	$ 2,553	$ 2,168

MULTI FAMILY PROGRAM ANALYSIS

THANK YOU

We appreciate the opportunity to serve as the independent auditors to the Orange County Housing Finance Authority

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, 2019

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, 2019

TABLE OF CONTENTS

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, 2019, 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, 2019, 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.

Change in Accounting Principle

As described in Note 3 to the financial statements, in 2019, the Authority adopted new accounting guidance *GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-9 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, 2020 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, 2020

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, 2019, 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, 2020.

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
Orlando, Florida

January 31, 2020

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, 2019. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- In the current year, the Authority issued: $20,000,000 Orange County Housing Finance Authority Homeowner Revenue Bonds Series 2018A (Non-Amt) (Multi-County Program); $17,605,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2018A (Lake Weston Point Apartments); $26,000,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds 2019 Series A (Willow Key Apartments) and $25,610,000 Orange County Housing Finance Authority Multifamily Housing Revenue Note Series A-1 (Chapel Trace Apartments).

- The following bonds were fully redeemed in the current year: $20,160,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2017B (Landon Pointe Apartments).

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 2019	Fiscal Year 2018	Dollar Change	Percentage Change
Cash and investments	$ 74,274	$ 60,819	$ 13,455	22.1%
Loans receivable	473,902	404,085	69,817	17.3%
Fees and other receivables, net	9,854	10,032	(178)	-1.8%
Capital assets, net	286	310	(24)	-7.7%
Total assets	558,316	475,246	83,070	17.5%
Deferred outflow of resources	249	441	(192)	100.0%
Current liabilities	57,767	39,122	18,645	47.7%
Long-term liabilities	440,091	384,787	55,304	14.4%
Total liabilities	497,858	423,909	73,949	17.4%
Deferred inflow of resources	268	113	155	137.3%
Net position				
Net investment in capital assets	286	310	(24)	-7.7%
Restricted	7,489	478	7,011	1466.8%
Unrestricted	52,664	50,955	1,709	3.4%
Total net position	$ 60,439	$ 51,743	$ 8,696	16.8%

Total changes in assets and liabilities reflect changes due to bond issues and redemptions in fiscal year 2019. As shown in Table A-1 above, net position increased during 2019 mostly because of the increase in restricted net position due to the increase in net positions of the bond programs as shown in Table A-4 below.

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

	2019	2018	Dollar Change	Percentage Change
Loan interest and fee income	$ 23,649	$ 23,485	$ 164	0.7%
Investment Income, including changes in fair value of investments	10,331	735	9,596	1305.6%
Total operating revenues	33,980	24,220	9,760	40.3%
General and administrative expenses	10,311	11,290	(979)	-8.7%
Interest and other expenses	14,973	12,187	2,786	22.9%
Total operating expenses	25,284	23,477	1,807	7.7%
Change in net position	8,696	743	7,953	1070.4%
Beginning net position	51,743	51,000	743	1.5%
Ending net position	$ 60,439	$ 51,743	$ 8,696	16.8%

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 increase in operating revenues resulted primarily from an increase 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)

	2019	2018	Dollar Change	Percentage Change
Investment Income, including changes in fair value of investments	$ 1,301	$ 304	$ 997	327.9%
Fee income and other revenue	2,276	2,109	167	7.9%
Total operating revenues	3,577	2,413	1,163.6	48.2%
General and administrative expenses	1,819	1,838	(19.3)	-1.1%
Pension	149	197	(48.3)	-24.5%
Total operating expenses	1,968	2,035	(66.6)	-3.3%
Net Transfers	77	405	(328.5)	-81.1%
Change in net position	1,685	784	900.7	114.9%
Beginning net position	51,265	50,481	51,214.7	101.5%
Ending net position	$ 52,950	$ 51,265	$ 1,685	3.3%

During the current fiscal year, the Operating Fund Statement of Revenues, Expenses and Changes in Net Position reflects that net position increased by approximately $1,685 thousand as compared to an increase in fiscal year 2018 of approximately $784 thousand. The increase in the change in net position was primarily due to an increase in investment income combined with a decrease of net transfers as a result of the prior years' retirement of the Single Family series 2009A Bonds and the issuance of the Single Family series 2017A Bonds.

Bond Programs Fund

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

	2019	2018	Dollar Change	Percentage Change
Investment Income	$ 25,662	$ 18,102	$ 7,560	41.8%
Fee income and other revenue	4,742	3,713	1,029	27.7%
Total operating revenues	30,404	21,815	8,589	39.4%
General and administrative expenses	8,493	9,452	(959)	-10.1%
Interest and other expenses	12,712	11,374	1,338	11.8%
Debt issuance cost	2,112	617	1,495	100.0%
Total operating expenses	23,317	21,443	1,874	8.7%
Net Transfers	(77)	(405)	329	-81.1%
Change in net position	7,011	(33)	7,044	
Beginning net position	478	511	(33)	
Ending net position	$ 7,489	$ 478	$ 7,011	1466.7%

During the current fiscal year, the Bond Programs Fund net position increases by $7,011 thousand, consisting of an increase in multifamily net position of $4,721 thousand and an increase in single family net position of $2,290 thousand.

Capital Assets and Long-Term Debt

Capital Assets

As of September 30, 2019, the Authority had approximately $286 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)

	2019	2018
Land	$ 112	$ 112
Building	412	412
Furniture and Fixtures	113	113
Total capital assets	637	637
Less: accumulated depreciation	(351)	(328)
Net Capital Assets	$ 286	$ 309

Long-Term Debt

As of September 30, 2019, the Authority had $440,090 thousand in outstanding long-term debt, net of the current portion of $1,214 thousand. This represents a net increase of $56 thousand from the prior fiscal year. A summary of long-term debt is included in Table A-6.

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

	2019	2018
Operating fund:	$ 699	$ 972
Bond programs funds:		
Multifamily	381,305	338,040
Single family	59,300	45,775
Total bond programs funds	440,605	383,815
Total debt outstanding	441,304	384,787
Current portion of long-term debt	1,214	1,126
Total long-term debt, noncurrent	$ 440,090	$ 383,660

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 2020 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, 2019

	Operating Fund	Bond Programs Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 11,726,312	$ -	$ 11,726,312
Restricted cash and cash equivalents	-	14,214,624	14,214,624
Program fees receivable	357,879	-	357,879
Accrued loan interest	210,843	770,018	980,861
Accrued investment interest	-	500,530	500,530
Prepaid expenses	35,074	6,046	41,120
Total current assets	12,330,108	15,491,218	27,821,326
Noncurrent assets:			
Restricted cash and cash equivalents	-	14,126,175	14,126,175
Restricted investments	-	34,206,532	34,206,532
Internal balances	18,662,064	(18,662,064)	-
Mortgage backed securities	14,977,769	85,018,332	99,996,101
Loans receivable-net	-	373,906,136	373,906,136
Notes receivable - net	7,972,867	-	7,972,867
Capital assets-net	286,193	-	286,193
Total noncurrent assets	41,898,893	488,595,111	530,494,004
Total assets	54,229,001	504,086,329	558,315,330
Deferred Outflows of Resources			
Contributions	249,416	-	249,416
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	560,110	4,574,538	5,134,648
Accrued interest payable	-	1,429,848	1,429,848
Third party loans	-	49,988,847	49,988,847
Notes payable, current portion	-	178,792	178,792
Bonds payable, current portion	-	1,035,000	1,035,000
Total Current Liabilities	560,110	57,207,025	57,767,135
Noncurrent Liabilities:			
Notes payable	-	38,639,760	38,639,760
Bonds payable - net	-	400,751,215	400,751,215
Net pension liability	699,483	-	699,483
Total Noncurrent Liabilities	699,483	439,390,975	440,090,458
Total Liabilities	1,259,593	496,598,000	497,857,593
Deferred Inflows of Resources			
Contributions	268,171	-	268,171
Net Position			
Net investment in capital assets	286,193	-	286,193
Restricted	-	7,488,329	7,488,329
Unrestricted	52,664,460	-	52,664,460
Total net position	$ 52,950,653	$ 7,488,329	$ 60,438,982

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, 2019

	Operating Fund	Bond Programs Fund	Total
Operating Revenues			
Interest on loans	$ 64,564	$ 16,567,187	$ 16,631,751
Investment income	1,172,342	1,846,916	3,019,258
Unrealized gains on investments	63,836	7,247,798	7,311,634
Fee income and other revenue	2,275,899	4,741,761	7,017,660
Total operating revenues	3,576,641	30,403,662	33,980,303
Operating Expenses			
Interest	-	12,712,296	12,712,296
Bond issuance cost	-	2,112,083	2,112,083
General and administrative	1,818,711	8,492,925	10,311,636
Pension	148,741	-	148,741
Total operating expenses	1,967,452	23,317,304	25,284,756
Operating Income	1,609,189	7,086,358	8,695,547
Transfers in	76,464	-	76,464
Transfers out	-	(76,464)	(76,464)
Total transfers	76,464	(76,464)	-
Changes in Net Position	1,685,653	7,009,894	8,695,547
Net Position, Beginning	51,265,000	478,435	51,743,435
Net Position, End of Year	$ 52,950,653	$ 7,488,329	$ 60,438,982

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, 2019

	Operating Fund	Bond Programs Fund	Total
Cash Flows from Operating Activities			
Cash received from developers and homeowners	$ 2,678,277	$ 21,235,082	$ 23,913,359
Cash received (paid) for housing programs	8,087	(42,826,042)	(42,817,955)
Cash advances of loan principal	-	23,460,425	23,460,425
Receipts (payments) for internal balances	(723,536)	688,986	(34,550)
Cash payments for operating and administrative expenses	(1,928,001)	(6,038,753)	(7,966,754)
Net cash provided by (used in) operating activities	34,827	(3,480,302)	(3,445,475)
Cash Flows from Noncapital Financing Activities			
Proceeds from issuance of bonds payable	-	110,948,898	110,948,898
Principal repayments on bonds and note payable	-	(55,109,520)	(55,109,520)
Interest paid on bonds and note payable	-	(13,094,809)	(13,094,809)
Payments for bond issuance costs	-	(2,112,083)	(2,112,083)
Net cash provided by noncapital financing activities	-	40,632,486	40,632,486
Cash Flows from Capital and Related Financing Activities			
Payment of Federal Home Loan Bank letter of credit	(7,323,922)	-	(7,323,922)
Net cash used by capital financing activities	(7,323,922)	-	(7,323,922)
Cash Flows from Investing Activities			
Proceeds from principal paydowns of MBS	17,451,595	39,920,339	57,371,934
Payments for the issuance of MBS	(11,479,847)	(54,541,532)	(66,021,379)
Purchase of investments	-	(148,702,124)	(148,702,124)
Sale of investments	2,960,610	135,054,181	138,014,791
Interest received	1,177,744	1,766,667	2,944,411
Net cash provided by (used in) investing activities	10,110,102	(26,502,469)	(16,392,367)
Net Change in Cash and Cash Equivalents	2,821,007	10,649,715	13,470,722
Cash and Cash Equivalents, Beginning of Year	8,905,305	17,691,084	26,596,389
Cash and Cash Equivalents, End of Year	$ 11,726,312	$ 28,340,799	$ 40,067,111
Reconciliation of Cash and Cash Equivalents			
Current cash and cash equivalents	$ 11,726,312	$ -	$ 11,726,312
Current cash and cash equivalents - for debt service	-	14,214,624	14,214,624
Cash and cash equivalents - restricted	-	14,126,175	14,126,175
Total cash and cash equivalents	$ 11,726,312	$ 28,340,799	$ 40,067,111
Reconciliation of Changes in Operating Income to Net Cash Provided by (Used In) Operating Activities			
Operating income	$ 1,609,189	$ 7,086,358	$ 8,695,547
Adjustments to reconcile changes in operating income to net cash provided by (used in) operating activities:			
Depreciation	23,364	-	23,364
Bond issuance cost		2,112,083	2,112,083
Interest expense	-	12,712,296	12,712,296
Investment interest income	(1,172,342)	(1,846,916)	(3,019,258)
Transfers	76,464	(76,464)	-
Change in operating assets and liabilities:			
Loans receivable	-	(42,826,042)	(42,826,042)
Accrued loan interest receivable	8,087	(73,866)	(65,779)
Accrued investment interest receivable	-	-	-
Notes receivable	251,460	-	251,460
Prepaid expenses	(11,144)	(2,601)	(13,745)
Third party loans	-	23,460,425	23,460,425
Internal balances	(800,000)	765,450	(34,550)
Accounts payable and other liabilities	(47,492)	2,456,773	2,409,281
Deferred outflows of resources for pensions	192,010	-	192,010
Deferred Inflows of resources for pensions	154,813	-	154,813
Net pension liability	(272,100)	-	(272,100)
Total adjustments	(1,574,362)	(10,566,660)	(12,141,022)
Net Cash Provided by (Used In) Operating Activities	$ 34,827	$ (3,480,302)	$ (3,445,475)

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

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 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 2019 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 account standards

GASB Statement No. 87, Leases. 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. The requirements of this Statement will be effective for the year ended September 30, 2021.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for the year ended September 30, 2019.

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. The requirements of this Statement will be effective for the year ended September 30, 2022.

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	1,297,816,587
Single family	2,405,206,523
	$ 3,723,063,110

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 programs, continued**

- 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

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)

- **Single family programs, continued**

- 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)

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, 2019, the Authority had the following cash, cash equivalents and investments:

	Fair Value	Credit Quality Rating (S&P/Moodys)	Maturity (Years)
Operating fund			
Bank deposits	$ 7,287,376	NA	NA
U.S. Bank Money Market Account	3,438,936	NA	NA
FHLBank Deposit Account for Non-Pledged Accounts			
Certificate of Deposit	1,000,000	NA	< 30 days
Total operating fund cash and cash equivalents	$ 11,726,312		
Bond Programs fund			
Single Family			
US Bank Money Market 5-CT	$ 5,344,249	Aa1/P-1(1)	< 90 days
First American Government Obligations	9,490,906	Aaa-mf	< 90 days
Total single family cash equivalents and investments	14,835,155		
Multifamily			
Bank deposits	926,281	NA	NA
Money Market Funds	11,643,814	AAAm/Aaa-mf	< 90 days
US Bank Money Market 5-CT	835,740	Aa1/P-1(1)	< 90 days
BNY Mellon Cash Reserve	99,809	A-1+(2)/P-1(2)	< 90 days
Multifamily cash and cash equivalents	13,505,644		
US Treasury Notes	32,324,801	NA/Aaa	< 2 years
Berkshire Hathaway Guaranteed Investment Contracts	1,881,731	A-1+(1)/Aa2	5-10
Total multifamily investments	34,206,532		
Total mulifamily cash, cash equivalents and investments	47,712,176		
Total bond programs fund cash, cash equivalents and investments	$ 62,547,331		

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, 2019, 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, 2019, the Authority's Operating Fund had no investments which are subject to concentration of credit risk disclosure requirements.

Fair value measurements

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 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	$ 14,977,769	$ -	$ 14,977,769	$ -
Total Operating Fund	14,977,769	-	14,977,769	-
Bond Programs Funds				
Guaranteed Investment Contracts	1,881,731	-	1,881,731	-
Mortgage backed securities	85,018,332	-	85,018,332	-
US Treasury Notes	32,324,801	-	32,324,801	-
Total Bond Programs Funds	119,224,864	-	119,224,864	-
Total Financial Instruments by Fair Value Level	$ 134,202,633	$ -	$ 134,202,633	$ -

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, 2019, mortgage backed securities consisted of investments in the following securities with maturity dates ranging from years 2023 to 2049.

	Operating Fund	Single Family	Multifamily	Total
Federal Home Loan Mortgage Corporation	$ 653,531	$ 390,673	$ -	$ 1,044,204
Federal National Mortgage Association	645,244	1,491,763	19,849,408	21,986,415
Government National Mortgage Association	13,678,994	63,286,488	-	76,965,482
	$ 14,977,769	$ 65,168,924	$ 19,849,408	$ 99,996,101

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 $2,707,099 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 2.75% to 7.125%.

7. Loans receivable

Loans receivable at September 30, 2019 were as follows

Single family mortgage loans	$ 1,063,076
Multifamily mortgage loans	372,843,060
Total	$ 373,906,136

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

$78,929 fifth mortgage loan, secured by property, $254 due monthly	$ 58,708
$2,000,000 non-revolving promissory note with Habitat for Humanity of Greater Orlando, Inc., simultaneously with the closing of each home prepayment of principal of $40,000 is made	2,000,000
Down payment assistance notes receivable, secured by property, issued from 1991 through 1997	343,767
Down payment assistance notes receivable, secured by property, issued from 2006 through 2011	2,242,483
Down payment assistance notes receivable, secured by property, issued since 2014	2,941,425
Other notes receivable, secured by property, primarily due 2030	1,881,287
	9,467,670
Less allowance for losses on notes receivable	(1,494,803)
	$ 7,972,867

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 $317,067 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 $1,177,736 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 2019, the net activity of $76,464 interfund transfers were between the Single Family Custody Account in the Operating Fund and the Single Family 2017A and 2018A Bond Funds.

10. Capital assets

Capital assets of the Operating Fund are summarized as follows at September 30, 2019:

	Balance 10/1/2018	Additions	Deletions	Balance 9/30/2019
Land	$ 112,000	$ -	$ -	$ 112,000
Building	411,671	-	-	411,671
Furniture and fixtures	113,455	-	-	113,455
Less accumulated depreciation	(327,570)	(23,363)	-	(350,933)
Total capital assets, net	$ 309,556	$ (23,363)	$ -	$ 286,193

11. Accounts payable and other liabilities

	Operating Fund	Bond Programs Fund	Total
Reserve payable	$ -	$ 2,340,325	$ 2,340,325
Program fee payable	-	324,935	324,935
Trustee fee payable	-	46,700	46,700
Tax credit equity payable	-	1,856,992	1,856,992
Arbitrage rebate payable	-	5,316	5,316
Third party loans	-	49,988,847	49,988,847
Unearned revenue	285,886	-	285,886
Line of credit proceeds	-	270	270
Replacement reserve payable	26,202	-	26,202
Payroll and related liabilities	234,555	-	234,555
Accounts payable	13,467	-	13,467
	$ 560,110	$ 54,563,385	$ 55,123,495

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, 2019, the amount pledged for advances was $8,101,019 made up of FNMA and GNMA securities with rates ranging from 3.50% to 5.49%, maturity dates ranging from 2036 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, 2019 was $2,707,99.

At September 30, 2018, the line of credit balance owed to the Bank was $7,323,922. In November 2018, bond proceeds from the $20,000,000 Homeowner Revenue Bonds Series 2018A (Non-Amt) (Multi-County Program) bond issuance was used to redeem the line of credit balance. The ending balance at September 30, 2019 is zero.

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, 2019 were as follows:

Series	Type		Annual Percentage Rate	Principal Maturity	Principal Balance Outstanding	Current Portion	
Multi Family Bonds:							
1995 A	Term		7.000	2026	$ 2,970,000	$ -	
1997 E	Term	*	1.445	2025	17,240,000	-	
1998 C	Term		7.000	2028	1,290,000	-	
2001 A	Term	*	1.513	2034	9,430,000	-	
2001 F	Term		7.250	2032	4,545,000	-	
2002 A	Term	*	1.492	2035	11,750,000	-	
2002 B	Term	*	2.102	2035	270,000	-	
2004 A	Term	*	1.492	2037	12,000,000	-	
2005 A	Term	*	1.492	2038	7,885,000	-	
2005 B	Term	*	1.492	2038	5,930,000	-	
2005 C	Term	*	1.515	2038	11,040,000	-	
2005 D	Term	*	1.650	2039	7,884,000	-	
2007 A	Term	*	1.506	2040	7,650,000	-	
2007 B	Term	*	1.492	2042	4,185,000	-	
2007 C	Term	*	1.700	2042	5,340,000	-	
2007 D	Term	*	1.700	2042	1,650,000	-	
2007 E	Term	*	1.733	2042	2,900,000	-	
2007 F	Term	*	1.700	2042	1,450,000	-	
2007 G	Term	*	1.497	2042	7,670,000	-	
2007 H	Term	*	1.497	2042	7,080,000	-	
2007 I	Term	*	2.062	2043	4,130,000	-	
2007 J	Term	*	2.062	2043	1,260,000	-	
2007 K	Term	*	2.062	2043	2,020,000	-	
2007 L	Term	*	2.062	2043	4,035,000	-	
2007 M	Term	*	2.062	2043	4,575,000	-	
2007 N	Term	*	2.119	2043	4,190,000	-	
2007 O	Term	*	2.119	2043	2,100,000	-	
2007 P	Term	*	1.644	2043	6,350,000	-	
2009 A-1 NIBP	Term		3.880	2040	6,270,000	-	
2009 A-2 NIBP	Term		2.480	2044	5,310,000	-	
2009 A-3 NIBP	Term		2.320	2044	7,330,000	-	
2009 A-4 NIBP	Term		2.320	2044	9,520,000	-	
2009 A-5 NIBP	Term		2.320	2044	6,480,000	-	
2013 A	Term		5.650	2030	14,991,670	-	
2013 B	Term		2.470	2048	20,700,000	-	
2014 A	Term		3.500	2049	2,095,000	-	
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	9,000,000	-	
2016 D SUBORDINATE	Term	*	10.696	2051	7,500,000	-	
2017 A SENIOR	Term		5.000	2052	15,500,000	-	
2017 A SUBORDINATE	Term	*	10.184	2052	6,500,000	-	
2017 C	Term		2.000	2021	6,275,000	-	
2018 A-1	Term		3.900	2035	17,481,534	-	1)
2019 A	Term		1.900	2022	26,000,000	-	
Total Multi Family Bonds Payable:					342,452,204	-	
Multi Family Notes:							
2016A Housing Revenue Note			4.320	2033	13,208,552	178,792	
2019 A-1 Multifamily Housing Revenue Note			4.330	2035	25,610,000	-	
Total Multi Family Notes Payable:					38,818,552	178,792	
Total Multi Family Bonds and Notes Payable:					$ 381,270,756	$ 178,792	

Bonds and notes payable, continued

Single Family Bonds:					
2010A NIBP	Serial	3.300-3.600	2020 - 2021	$ 20,000	$ 10,000
	Term	4.125-4.250	2027 - 2028	200,000	
2011A NIBP	Serial	3.625-4.000	2020 - 2022	150,000	50,000
	Term	4.500-4.875	2026 - 2031	1,180,000	
2009C NIBP	Term	2.320	2041	4,430,000	
2011B NIBP	Serial	3.300-3.600	2020-2022	535,000	175,000
	Term	4.375-4.450	2031	2,265,000	
2013A	Term	2.625	2041	2,155,000	
2014A	Serial	2.050-3.000	2020-2024	1,945,000	350,000
	Term	3.550-4.000	2030-2040	7,955,000	
2017A	Serial	1.250-2.750	2020-2028	2,535,000	265,000
2017A	Term	3.150-4.000	2032-2040	14,020,000	
2018A	Serial	2.150-3.600	2020-2030	2,780,000	185,000
2018A	Term	3.850-4.250	2033-2049	16,985,000	
Total Single Family Bonds Payable:				57,155,000	1,035,000
Total Bonds and Notes Payable:				$ 438,425,756	$ 1,213,792

1) Net of unamortized premium of	$ (34,330)	2018 A-1 Lake Weston Lake Apartments
2) Net of unamortized premium of	(69,595)	NIBP 2010A
3) Net of unamortized premium of	(156,822)	NIBP 2011A
4) Net of unamortized premium of	(123,850)	NIBP 2011B
5) Net of unamortized premium of	(601,620)	SERIES 2014A
6) Net of unamortized premium of	(702,653)	SERIES 2017A
7) Net of unamortized premium of	(490,141)	SERIES 2018A
	$ (2,179,011)	

*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, 2019, are as follows (variable rate debt interest payments are based on rates applicable at September 30, 2019):

	Bonds Payable		Note Payable		
Fiscal Year Ending September 30,	Principal	Interest	Principal	Interest	Total
2020	$ 1,035,000	$ 11,324,822	$ 178,792	$ 1,676,010	$ 14,214,624
2021	7,370,000	11,228,882	265,283	1,667,848	20,532,013
2022	27,125,000	10,961,065	517,976	1,650,140	40,254,181
2023	915,000	10,688,746	540,835	1,627,281	13,771,862
2024	960,000	10,682,006	564,702	1,603,414	13,810,122
2025-2029	25,250,000	51,312,973	3,220,059	7,620,524	87,403,556
2030-2034	26,131,670	45,693,612	13,514,503	6,246,923	91,586,708
2035-2039	89,235,534	38,802,054	20,016,402	643,968.00	148,697,958
2040-2044	132,225,000	30,139,283	-	-	162,364,283
2045-2049	34,010,000	20,213,724	-	-	54,223,724
2050-2054	47,350,000	9,684,362	-	-	57,034,362
Thereafter	8,000,000	73,500	-	-	8,073,500
Total Bonds and Notes Outstanding	399,607,204	250,805,029	38,818,552	22,736,108	711,966,893
Unamortized Premium, net	2,179,011	-	-	-	2,179,011
Total	$ 401,786,215	$ 250,805,029	$ 38,818,552	$ 22,736,108	$ 714,145,904

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, 2019:

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Current Portion
Operating Fund					
Net pension liability	$ 971,583	$ 448,753	$ (720,853)	$ 699,483	$ -
Bond Programs fund					
Bonds payable	371,561,341	64,033,739	(33,808,865)	401,786,215	1,035,000
Notes Payable	13,379,798	25,610,000	(171,246)	38,818,552	178,792
Total long-term debt	$ 385,912,722	$ 90,092,492	$ (34,700,964)	$ 441,304,250	$ 1,213,792

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, 2019:

Total restricted cash & cash equivalents	$ 28,340,799
Total restricted investments	34,206,532
Total restricted current assets	1,276,942
Total restricted noncurrent assets	458,924,468
Total restricted assets	522,748,741
Total current liabilities payable from restricted assets	57,207,025
Total noncurrent liabilities payable from restricted assets	458,053,039
Total restricted liabilities payable from restricted assets	515,260,064
Total restricted net position	$ 7,488,677

Unrestricted net position

Unrestricted net position represents all resources not included in the other components of net position. At September 30, 2019, $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, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular—6.54% and 6.75%; Special Risk Administrative Support—33.26% and 36.87%; Special Risk—22.78% and 23.76%; Senior Management Service—22.34% and 23.69%; Elected Officers'—46.98% and 47.10%; and DROP participants—12.37% and 12.94%. These employer contribution rates include

1.66% HIS Plan subsidy for the entire fiscal year.

The Authority's contributions to the Pension Plan totaled $36,461 for the fiscal year ended September 30, 2019.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u> – At September 30, 2019, the Authority reported a liability of $404,958 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Authority's proportionate share of the net pension liability was based on the Authority's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the Authority's proportionate share was 0.001175885%, which was a decrease of 0.001002615% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the Authority recognized Pension Plan pension expense of $74,027. 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	$ 24,019	$ 251
Change of assumptions	104,011	-
Net difference between projected and actual earnings on Pension Plan investments	-	22,403
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	34,427	189,251
Authority Pension Plan contributions subsequent to the measurement date	8,804	-
Total	$ 171,261	$ 211,905

The deferred inflows of resources related to the Pension Plan, totaling $8,804 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, 2019. 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
2020	$ 52,347
2021	17,572
2022	(35,609)
2023	(11,164)
2024	(18,479)
Thereafter	(54,115)
Total	$ (49,448)

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Discount rate and long-term expected rate of return	6.90 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study completed in 2014 for the period July 1, 2008 through June 30, 2013
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The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate (Property)	11.0%	6.7%	6.1%	11.7%
Private Equity	10.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	100.0%			
Assumed Inflation - Mean			2.6%	1.7%

(1) As outlined in the 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 6.90%. 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.

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 6.90%, 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, 5.90%, or one percentage point higher, 7.90%, than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	$ 700,038	$ 404,958	$ 158,517

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, 2019, the Authority reported payables of $1,469 for the outstanding amount of contributions required for 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, 2019, 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, 2019, 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 $14,617 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the Authority reported a liability of $294,525 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was also determined by an actuarial valuation as of June 30, 2019. The Authority's proportionate share of the net pension liability was based on the Authority's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the Authority's proportionate share was 0.002632276%, which was a decrease of 0.000347739% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the Authority recognized HIS Plan pension expense of $27,008. 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	$ 3,577	$ 361
Change of assumptions	34,103	24,072
Net difference between projected and actual earnings on HIS Plan investments	197	-
Changes in proportion and differences between Authority HIS Plan contributions and proportionate share of contributions	36,788	31,833
Authority HIS Plan contributions subsequent to the measurement date	3,490	-
Total	$ 78,155	$ 56,266

The deferred outflows of resources related to the HIS Plan, totaling $3,490 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, 2019. 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
2020	$ 7,659
2021	7,624
2022	6,012
2023	2,362
2024	(5,258)
Total	$ 18,399

Actuarial Assumptions - The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	3.50 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

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, 2019 valuation were based on the most recent experience study for the FRS Pension Plan completed in 2014 for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability 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 Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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 3.50% 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, 2.50%, or one percentage point higher, 4.50%, than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Authority's proportionate share of the net pension liability	$ 336,216	$ 294,525	$ 259,802

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 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 2018-19 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, 2019, 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 $47,172 for the fiscal year September 30, 2019.

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, 2019, the

Authority contributed $55,470 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, 2019, the Authority remitted $793 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, 2019, the Authority remitted $491 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 payments.

21. Subsequent events

On January 1, 2020, Orange County Housing Finance Authority Multifamily Housing Revenue Bonds 2017 Series C (Citrus Square Apartments) were fully redeemed totaling $6,275,000 in principal amount, plus accrued interest.

During the period October 1, 2019 through January 31, 2020, pursuant to various trust indentures, bonds in the aggregate amount of $1,723,063 were called for partial redemptions. The bonds were called at a redemption price equal to par value plus accrued interest as follows:

Date Called	Redemption Amount	Program	Series
10/01/2019	180,000	Multifamily Housing Revenue Bonds	1995 Series A (H.A.N.D.S., Inc. Project)
10/01/2019	50,000	Multifamily Housing Revenue Bonds	1998 Series C (Alhambra Trace Apartments Project)
10/01/2019	100,000	Multifamily Housing Revenue Bonds	2001 Series A (Charleston Club Apartments)
10/01/2019	15,000	Multifamily Housing Revenue Bonds	2001 Series F-1 (Lake Davis Apartments Project)
10/01/2019	5,000	Multifamily Housing Revenue Bonds	2001 Series F-2 (Lake Jennie Phase I Apartments Project)
10/01/2019	15,000	Multifamily Housing Revenue Bonds	2001 Series F-3 (Lake Jennie Phase II Apartments Project)
10/01/2019	75,000	Multifamily Housing Revenue Bonds	2001 Series F-4 (Governor's Manor Apartments Project)
10/01/2019	5,000	Multifamily Housing Revenue Bonds	2001 Series F-5 (Mellonville Trace Apartments Project)
10/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
10/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series L (Fountains at Millenia Phase III)
10/01/2019	10,000	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
10/01/2019	16,587	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Point Apartments)
10/05/2019	3,000	Multifamily Housing Revenue Bonds	2014 Series A (Dean Woods Place)
10/10/2019	15,412	Multifamily Housing Revenue Bonds	2013 Series A (Nassau Bay Apartments)
10/15/2019	100,000	Multifamily Housing Revenue Bonds	2005 Series B (Lakeside Pointe Apartments)
10/15/2019	14,000	Multifamily Housing Revenue Bonds	2005 Series D (Lake Harris Cove Apartments)
11/01/2019	130,000	Multifamily Housing Revenue Bonds	1997 Series E (Post Vista)
11/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
11/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series J (Rolling Acres - Phase II)
11/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series K (Fountains at Millenia Phase II)
11/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series L (Fountains at Millenia Phase III)
11/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
11/01/2019	60,000	Multifamily Housing Revenue Bonds	2009 Series A-3 (Oak Harbor Apartments)
11/01/2019	14,311	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Point Apartments)
11/05/2019	3,000	Multifamily Housing Revenue Bonds	2014 Series A (Dean Woods Place)
11/10/2019	15,484	Multifamily Housing Revenue Bonds	2013 Series A (Nassau Bay Apartments)
11/15/2019	120,000	Multifamily Housing Revenue Bonds	2002 Series B (Millenia Boulevard Apartments)
11/15/2019	100,000	Multifamily Housing Revenue Bonds	2005 Series A (The Cove at Lady Lake Apartments)
11/15/2019	115,000	Multifamily Housing Revenue Bonds	2005 Series C (Alta Westgate Apartments)
11/15/2019	14,000	Multifamily Housing Revenue Bonds	2005 Series D (Lake Harris Cove Apartments)
12/01/2019	105,000	Multifamily Housing Revenue Bonds	2007 Series C (Oviedo Town Center - Phase I)
12/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
12/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series L (Fountains at Millenia Phase III)
12/01/2019	5,000	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
12/01/2019	60,000	Multifamily Housing Revenue Bonds	2009 A-5 SERIES (NIBP-Seville Place)
12/01/2019	16,712	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Point Apartments)
12/05/2019	2,000	Multifamily Housing Revenue Bonds	2014 Series A (Dean Woods Place)
12/10/2019	15,557	Multifamily Housing Revenue Bonds	2013 Series A (Nassau Bay Apartments)
12/15/2019	100,000	Multifamily Housing Revenue Bonds	2004 Series A (Lee Vista Club Apartments)
12/15/2019	14,000	Multifamily Housing Revenue Bonds	2005 Series D (Lake Harris Cove Apartments)
01/01/2020	15,000	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
01/01/2020	5,000	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
01/01/2020	50,000	Multifamily Housing Revenue Bonds	2011A-2 (Lake Sherwood Apartments)
01/15/2020	100,000	Multifamily Housing Revenue Bonds	2001 Series A (Charleston Club Apartments)
01/15/2020	14,000	Multifamily Housing Revenue Bonds	2005 Series D (Lake Harris Cove Apartments)
	$ 1,723,063		

Management has evaluated subsequent events through January 31, 2020 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*

	2019	2018	2017**	2016	2015	2014	2013	2012	2011	2010
Authority's proportion of the net pension liability (asset)	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)	$ 404,958	$ 656,175	$ 606,453	$ 538,693	$ 304,691	$ 123,077				
Authority's covered payroll	$ 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	45.46%	66.76%	66.19%	67.33%	38.24%	99.00%				
Plan fiduciary net position as a percentage of the total pension liability	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*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 36,461	$ 62,085	$ 53,355	$ 52,027	$ 57,513	$ 44,185	PRIOR INFORMATION NOT AVAILABLE			
Contributions in relation to the contractually required contribution	$ (36,461)	$ (62,085)	$ (53,355)	$ (52,027)	$ (57,513)	$ (44,185)				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
Authority's covered payroll	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037				
Contributions as a percentage of covered payroll	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*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Authority's proportion of the net pension liability (asset)	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)	$ 294,525	$ 315,408	$ 278,097	$ 304,671	$ 261,089	$ 220,672				
Authority's covered payroll	$ 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	33.06%	32.09%	30.35%	38.08%	32.77%	33.00%				
Plan fiduciary net position as a percentage of the total pension liability	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*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 14,617	$ 16,161	$ 13,765	$ 13,399	$ 9,786	$ 8,085	PRIOR INFORMATION NOT AVAILABLE			
Contributions in relation to the contractually required contribution	$ (14,617)	$ (16,161)	$ (13,765)	$ (13,399)	$ (9,786)	$ (8,085)				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
Authority's covered payroll	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037				
Contributions as a percentage of covered payroll	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, 2019

	Multifamily Fund	Single Family Fund	Total
Assets			
Current assets:			
Restricted cash and cash equivalents	$ 12,381,736	$ 1,832,888	$ 14,214,624
Accrued loan interest	770,018	-	770,018
Accrued investment interest	200,380	300,150	500,530
Prepaid expenses	-	6,046	6,046
Total current assets	13,352,134	2,139,084	15,491,218
Noncurrent assets:			
Restricted cash and cash equivalents	1,123,908	13,002,267	14,126,175
Restricted Investments	34,206,532	-	34,206,532
Mortgage backed securities	19,849,408	65,168,924	85,018,332
Loans receivable-net	372,843,060	1,063,076	373,906,136
Total noncurrent assets	428,022,908	79,234,267	507,257,175
Total assets	441,375,042	81,373,351	522,748,393
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	4,559,156	15,382	4,574,538
Accrued interest payable	1,256,517	173,331	1,429,848
Third party loans	49,988,847	-	49,988,847
Note payable, current portion	178,792	-	178,792
Bonds payable, current portion	-	1,035,000	1,035,000
Total Current Liabilities	55,983,312	1,223,713	57,207,025
Noncurrent Liabilities:			
Due to other funds	-	18,662,064	18,662,064
Notes payable	38,639,760	-	38,639,760
Bonds payable-net	342,486,534	58,264,681	400,751,215
Total Noncurrent Liabilities	381,126,294	76,926,745	458,053,039
Total Liabilities	437,109,606	78,150,458	515,260,064
Net Position			
Restricted	4,265,436	3,222,893	7,488,329
Total net position	$ 4,265,436	$ 3,222,893	$ 7,488,329

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, 2019

	Multifamily Fund	Single Family Fund	Total
Operating Revenues			
Investment income	$ 1,578,664	$ 268,252	$ 1,846,916
Changes in fair value of investments	2,367,874	4,879,924	7,247,798
Interest on loans	16,567,187	-	16,567,187
Fee income and other revenue	4,740,477	1,284	4,741,761
Total operating revenues	25,254,202	5,149,460	30,403,662
Operating Expenses			
Interest	10,615,395	2,096,901	12,712,296
Bond issuance cost	1,660,159	451,924	2,112,083
General and administrative	8,257,927	234,998	8,492,925
Total program expenses	20,533,481	2,783,823	23,317,304
Operating Income	4,720,721	2,365,637	7,086,358
Transfers out	-	(76,464)	(76,464)
Total Transfers	-	(76,464)	(76,464)
CHANGES IN NET POSITION	4,720,721	2,289,173	7,009,894
Net Position, Beginning	(455,285)	933,720	478,435
Net Position, End of Year	$ 4,265,436	$ 3,222,893	$ 7,488,329

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, 2019

	Multifamily Fund	Single Family Fund	Total
Cash Flows from Operating Activities			
Cash received from developers and homeowners	$ 21,233,798	$ 1,284	$ 21,235,082
Cash paid for housing programs	(42,480,229)	(345,813)	(42,826,042)
Cash advances of loan principal	23,460,425	-	23,460,425
Receipts for internal balances	-	688,986	688,986
Cash payments for other general and administrative expenses	(5,799,629)	(239,124)	(6,038,753)
Net cash provided by (used in) operating activities	(3,585,635)	105,333	(3,480,302)
Cash Flows from Noncapital Financing Activities			
Proceeds from issuance of bonds and note payable	89,643,739	21,305,159	110,948,898
Principal repayments on bonds and note payable	(46,549,520)	(8,560,000)	(55,109,520)
Interest paid on bonds and note payable	(10,649,277)	(2,445,532)	(13,094,809)
Payments for bond issuance costs	(1,660,159)	(451,924)	(2,112,083)
Net cash provided by noncapital financing activities	30,784,783	9,847,703	40,632,486
Cash Flows from Investing Activities			
Proceeds from principal paydowns of MBS	123,466	39,796,873	39,920,339
Payments for the issuance of MBS	(17,605,000)	(36,936,532)	(54,541,532)
Purchase of investments	(103,385,976)	(45,316,148)	(148,702,124)
Sale of investments	94,888,945	40,165,236	135,054,181
Interest	1,554,388	212,279	1,766,667
Net cash used in investing activities	(24,424,177)	(2,078,292)	(26,502,469)
Net Change in Cash and Cash Equivalents	2,774,971	7,874,744	10,649,715
Cash and Cash Equivalents, Beginning of Year	10,730,673	6,960,411	17,691,084
Cash and Cash Equivalents, End of Year	$ 13,505,644	$ 14,835,155	$ 28,340,799
Reconciliation of Cash and Cash Equivalents			
Current cash and cash equivalents - for debt service	$ 12,381,736	$ 1,832,888	$ 14,214,624
Cash and cash equivalents - restricted	1,123,908	13,002,267	14,126,175
Total cash and cash equivalents	$ 13,505,644	$ 14,835,155	$ 28,340,799
Reconciliation of Changes in Operating Income to Net Cash Provided by Operating Activities			
Operating income	$ 4,720,721	$ 2,365,637	$ 7,086,358
Adjustments to reconcile operating income to net cash provided by operating activities:			
Interest expense	10,615,395	2,096,901	12,712,296
Investment interest income	(1,578,664)	(268,252)	(1,846,916)
Bond issuance cost	1,660,159	451,924	2,112,083
Unrealized gain on investments	(2,367,874)	(4,879,924)	(7,247,798)
Transfers	-	(76,464)	(76,464)
Change in operating assets and liabilities:			
Loans receivable	(42,480,229)	(345,813)	(42,826,042)
Accrued loan interest receivable	(73,866)		(73,866)
Prepaid expenses	-	(2,601)	(2,601)
Third party loans	23,460,425	-	23,460,425
Internal balances	-	765,450	765,450
Accounts payable and other liabilities	2,458,298	(1,525)	2,456,773
Net cash provided by (used in) operating activities	$ (3,585,635)	$ 105,333	$ (3,480,302)

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, 2019, and have issued our report thereon dated January 31, 2020.

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, 2020, 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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, 2020

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 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, 2019, 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 30,2019.

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

January 31, 2020