

# THE HENDRICKSON COMPANY

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To: Board of Directors, Housing Finance Authority of Hillsborough County  
From: Mark Hendrickson, Executive Director  
Subject: December 21, 2017 Special Board Meeting  
Date: December 14, 2017

## **I. New Multi-Family: Bethune Residences I—Action**

1. Bethune Residences I is a 160-unit development that is part of the West River redevelopment.
2. The initial TEFRA approval was given in 2016, and was again given on August 16, 2017. The not-to-exceed bond amount is \$22 million. The final bond amount is \$21.6 million.
3. Because of pending tax legislation, private activity bonds could be eliminated after December 31, 2017. As a result, unless the tax legislation agreed to by the US House and Senate conferees does not include elimination of PAB's, all bond issues that can reasonably be closed in 2017 should be closed.
4. This will result in an “escrow” closing, wherein bond proceeds are not released by the trustee until various conditions have been met—among them the HFA’s approval of a credit underwriting report. The developer is responsible for paying all cost of issuance and negative arbitrage outside of bond proceeds.
5. Bond counsel has prepared and distributed a resolution that gives final approvals necessary to sell and close bonds for the Bethune Residence I, including [summary only, please read resolution for full description]:
  - ✓ Approval of bond and loan documents (Construction Phase Project Loan Agreement, Permanent Phase Project Loan Agreement, Funding Loan Agreement, Construction Phase Project Note, Guaranty of Completion, Operating Deficit Guaranty, Environmental Indemnity, Land Use Restriction Agreement, Compliance Monitoring Agreement, Financial Monitoring Agreement, and Construction Loan and Mortgage Servicing Agreement);
  - ✓ Approval of the estimated Cost of Issuance;
  - ✓ Authorization of the issuance of the Bonds (subject to the parameters in the Resolution) and the private placement with Bank of America, N.A.;
  - ✓ Official Appointment of RBC Capital Markets LLC as Placement Agent;
  - ✓ Official appointment of Seltzer Management Company as compliance monitor, financial monitor and construction/loan servicer;
  - ✓ Official appointment of U.S. Bank National Association as trustee; and
  - ✓ Authorization of appropriate Board members to execute documents.
6. **Recommendations:**
  - Consider approval of resolution prepared by bond counsel approving the Bethune Residences I transaction.