

**BREVARD COUNTY
HOUSING FINANCE AUTHORITY**

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MEMORANDUM

TO: Members of the Brevard County Housing Finance Authority

FROM: Angela A. Abbott, Esquire

DATE: April 9, 2018

RE: Proposed Loan to Community of Hope

Attached are drafts of the following documents in connection with the referenced loan:

1. Mortgage and Security Agreement;
2. Mortgage Note;
3. Loan Agreement; and,
4. A schedule of real properties owned by Community of Hope and a description of mortgages.

As you may recall, the HFA is considering a loan to payoff mortgages to Regions Bank and Steady Town, and make a loan of an additional \$75,000. At the meeting of March 8, 2018, Community of Hope stated that the \$75,000 loan would be utilized for repairs to existing properties. However, after the meeting, Mr. Warren requested that the Authority permit the funds to be used to acquire a property in Melbourne.

The exact loan amount cannot be determined until updated payoff statements are received from Regions Bank and Steady Town. I am anticipating that I will handle the closing at my office, through my trust account. I will pay off the mortgages directly to the lenders and can forward the \$75,000 loan to the title company or attorney handling the closing on the acquisition of the Melbourne property. I suggest that the closing costs become part of the loan.

There are seven outstanding mortgages to the City of Melbourne and two to Brevard County. Mr. Warren has requested that the City and the County agree to subordinate all of these mortgages to the Authority's mortgage. I recommend that the Authority's mortgage should encumber all of the properties owned by Community of Hope, except the newly acquired property on Tree Ridge Lane, in Palm Bay. Florida Community Loan Fund has a mortgage on this property.

Mr. Warren also mentioned that Community of Hope is in the process of obtaining a loan from the SBA. The loan will provide funds for repair and improvement to existing properties. It is anticipated that the SBA mortgage will be subordinate to the Authority's mortgage.

Action needed:

The Authority needs to approve:

- the loan of up to \$515,000, or such amount as determined will adequately payoff the Regions Bank and Steady Town mortgages, fund the \$75,000 loan and cover closing costs; and,
- the form of the closing documents.