

## Angela Abbott

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**From:** Rob Cramp <rob@housingforhomeless.org>  
**Sent:** Thursday, May 7, 2020 1:12 PM  
**To:** Angela Abbott  
**Subject:** Certification  
**Attachments:** 3-20 Annual Certification.pdf

Angela, attached is our certification as requested, however, I have a question. Included in the qualifications of our original mortgage with the BCHFA is a commitment that we will not increase our debt without written authority from the BCHFA. Now, I have always believed that this commitment meant that we would not increase our debt in terms of more property acquisitions, as that was what drove us to request our mortgage in the first place, so I have signed this certification every year, because we have indeed not made any property acquisitions since 2015.

However, two events have occurred recently that have caused me to raise a question with you:

1. With HfH being a Community Housing Development Developer (CHDO) developer, Brevard County Government has awarded us 10 properties, which have been taken back from another developer. This transaction does not mean any financial commitment by our agency as long as we continue to only house families in these properties whose total income is under 50-80% Area Median Income (AMI) for the next 25 years. We have 44 other properties that we have received from the County over the last 10 years with the same stipulation, and we have never exceeded these thresholds, so we don't see this as a risk of incurring future debt, but thought that the BCHFA should at least be aware of this event.
2. I presume you are aware of the Paycheck Protection Program which is the part of the Government CARES project that is designed to help businesses keep employees on their payroll. Briefly, the SBA advance you a loan equal to 2.5 x your monthly payroll, and if you can prove that you maintained the same payroll for 8 weeks, the part of the loan that covers payroll plus office rent and utilities will be forgiven, the balance becoming a 2-year loan. We applied because we are losing \$100,000 in HUD funding in August and the three new programs that will more than make up for this shortfall are all being held up by the pandemic. Our application was successful and this week we received a loan of \$150,000. We calculate that we will be able to justify after 8 weeks a forgiveness of around \$70,000 leaving us with a loan of \$80,000. Now we were not planning to use that \$80,000 to acquire property so we assume we are not in breach of our commitment with the BCHFA, but wanted you to at least be aware of this situation.

Rob