



**HOUSING FINANCE AUTHORITY OF  
HILLSBOROUGH COUNTY**

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c/o Mary Helen Farris, Esq.  
Hillsborough County Attorney's Office  
601 East Kennedy Blvd., 27th Floor  
Tampa, FL 33602

August 4, 2013

Mr. Steve Auger,  
Executive Director  
Florida Housing Finance Corporation  
227 North Bronough, Suite 5000  
Tallahassee, Florida 32301

Re: Comments on Proposed Housing Credit Allocation System: Proximity List

Dear Mr. Auger:

At their August 2, 2013 meeting, the Board of the HFA of Hillsborough County directed me to submit this comment. Specifically, the HFA is recommending that the Mariner's Cove and Clipper Bay developments be removed from the Proximity List.

As you know, inclusion of those developments effectively prohibits any other new deals within a two mile radius. The deals were included presumably because they are Guarantee Fund deals that have received SMI and/or ELI SAIL loans. Thus, there is a presumption that they are "troubled" and would suffer from any new units coming on the market.

It is possible that the deals were initially over-leveraged. However, the Mariner's Cove deal has recently received SAIL ELI loans to reduce their first mortgage debt and is actively pursuing refinancing. This deal has no occupancy issues, as it has consistently had occupancy in the high 90%'s. The surrounding market is strong. If there is any issue with this development, it is the remarkably high expenses—\$6,147 per unit per year—in the audited financials for 2012. This is the second highest in the HFA's portfolio, bested only by the Belmont Heights II public housing redevelopment. The portfolio average is only \$5,397.

Clipper Bay is located in South Tampa, a market with very little land that can be developed, and an ideal location for any additional affordable units. Its sister project, Clipper Cove, was earlier classified as "troubled", but once refinanced its expenses have dropped to a mere \$5,743 per unit and debt service on the first mortgage was 1.29-1.00 for 2012. South Tampa is an ideal market for affordable housing, with limited development opportunities, and should not be eliminated from Housing Credits because of Clipper Bay.

Please feel free to contact me with any questions. Thank you for your consideration of the comment.

Sincerely,

  
Mark A. Hendrickson  
Financial Advisor