

BREVARD COUNTY HOUSING FINANCE AUTHORITY

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MINUTES
October 13, 2016

The Brevard County Housing Finance Authority convened on the 13th day of October, 2016, at the hour of 3:05 p.m. in the Lecture Room of the Brevard County Agricultural Center, 3695 Lake Drive, Cocoa, Florida.

Present: Larry Boudrie, Chairman
Kamran Sarkarati, Vice Chairman
James Katehakis, Assistant Secretary/Treasurer
Michael Hartman, Assistant Secretary/Treasurer
Angela A. Abbott, Attorney for the Authority
Ivonne Chaustre, Public Resources Advisory Group, Inc.

- I. The Chairman, Larry Boudrie, called the regular meeting to order at 3:05 p.m. and determined the presence of a quorum.
- II. Public Comments: The Chairman called for public comment. Hearing none, public comment was closed.
- III. Motion made by Jim Katehakis, seconded by Michael Hartman and carried unanimously to approve the Consent Agenda as follows:
 - A. Approval of Minutes of August 11, 2016 meeting
 - B. Approval of invoices of Public Resources Advisory Group for 3rd Quarter, 2016
 - C. Approval of invoices of Angela A. Abbott, P.A. for 3rd Quarter, 2016
 - D. Approval of payment of Florida ALHFA annual dues for 2016-2017
 - E. Approval of payment of Annual Special District fee for FY 2016-2017
 - F. Approval of Public Depositor Annual Report to Chief Financial Officer
 - G. Approval of Green Pony Press, Inc. invoice for website maintenance and editing
- IV. Report of Treasurer, Barry Forbes:

In Mr. Forbes absence Ms. Abbott presented the SunTrust Bank account statements for July and August, 2016, reflecting a beginning balance as of July 1, 2016, of \$3,392,642.61 and an ending balance as of August 31, 2016, of \$3,508,985.68. She also presented the Florida Prime account statements for July and August, 2016, reflecting a beginning balance as of July 1, 2016, of \$70,558.04, and an ending

balance on August 30, 2016, of \$70,639.88. She noted that there were some unexpected deposits during the final quarter of the fiscal year, specifically seven second mortgage payoffs of \$5,000 each, as well as some large prepayments of the GNMA's securities held in the 2001 and 2002 custody accounts. There were no expenditures during July and September, and all expenditures in August were approved at the last Authority meeting. Ms. Abbott indicated that the fiscal year end financial reports will be available at the next meeting since the September SunTrust account statement was just received recently. Mr. Katehakis inquired about the reason for so many second mortgage payoffs. Ms. Chaustre responded that it may be due to increased refinancings through an active lender. Ms. Abbott stated that the payoffs are related to the 2009 NIBP so there could have been property sales. Motion made by Jim Katehakis, seconded by Michael Hartman and carried unanimously to approve the Treasurer's report as presented.

V. Multifamily Projects: Status Report on Financing of Preservation of Affordable Housing (Trinity Towers South Project):

A. The Authority's agenda package included a memorandum from Helen Feinberg as to the next steps in this transaction. Ms. Abbott indicated that the pre-closing and closing are scheduled for November 3 and November 4, 2016. Mr. Hartman questioned whether there are any problems expected regarding the approval of the Ground Lease with the City of Melbourne. Ms. Abbott and Ms. Chaustre responded that no problems are expected. Mr. Hartman also questioned the assignment and extension of the Elderly Housing Community Loan. Ms. Abbott agreed to check on this and report back.

B. Discussion Regarding Application of Cocoa Sunrise, LLLP.

Ms. Abbott indicated that the Authority has received a very preliminary application for this project. A letter was provided to the applicant stating that the application has been received and that the closing on the tax exempt bonds will not occur prior to December 31, 2016, so that the application with Florida Housing Finance Corporation could proceed forward. Mr. Hartman asked about the number of units. Ms. Chaustre responded that there are 183 units, 40% at 60% of AMI. The sites are scattered in Cocoa, primarily west of U.S. Highway 1, south of SR 520 and north of Rose Jones Boulevard. Mr. Hartman noted that the Cocoa Housing Authority is a co-developer with an out of state firm. Ms. Chaustre stated that Darren Smith, of Smith & Henzy Advisory Group, who is partnering with the Cocoa Housing Authority used to work in South Florida with the Miami-Dade HFA and has experience as a developer consultant. Prior to any action on this matter by the Authority, a complete application will need to be filed.

Ms. Abbott also mentioned that an application from Herman & Kittle for Melbourne Club Apartments is expected prior to year end. Mr. Katehakis stated that he thinks Melbourne Club Apartments site is located west of U.S. 1, north of University and south of SR 192, on Lipscomb and Line Road.

VI. Status Reports on Special Projects:

- A. Loan Agreement with Housing for Homeless (“HFH”) f/k/a Coalition for the Hungry and Homeless: Ms. Abbott stated that the loan to HFH is current. The Authority’s agenda package included a statement of all payments received to date on the loan.
- B. Habitat for Humanity of Brevard County Status Report on Loan Agreement and Critical Home Repair Program: Ms. Abbott indicated that there has not been any activity on this loan. She will reach out to the new director as to the expected use of the line of credit.

VII. Single Family Programs:

A. Status Report on 2012-2016 TBA/MCC Program:

A status report was presented on the program. Ms. Abbott indicated there has been no loans originated since June 30, 2016, due to competition from Florida Housing Finance Corporation (“FHFC”). The FHFC program offers a \$15,000 forgivable DPA loan with which the Authority cannot compete. Ms. Abbott contacted FHFC regarding the sharing of Hardest Hit funds with local HFA’s but she has not received an update. It is expected that FHFC will be making the Hardest Hit DPA loans available under its program in more counties throughout the state.

B. Consideration of noncompliance request from borrower, Francis Paul Martin:

Motion made by Michael Hartman, seconded by Jim Katehakis and carried unanimously to send a response to U.S. Bank that the Authority acknowledges receipt of the letter from Francis Paul Martin, stating that the Authority will not take action in regard to the noncompliance for a period of 12 months. Ms. Abbott stated that one of the loans (Gladney) for which a prior extension was granted in February has sold and the second mortgage has been repaid.

C. Approval of payment of FGIC Premium for Single Family 1985 Program:

Ms. Abbott stated that the FGIC invoice has been received and that the amount is \$1,3468.17. The Authority has previously approved payment of invoice so this item is just informational.

VIII. Report of Public Resources Advisory Group:

Ms. Chaustre stated that PRAG is preparing an analysis of the Florida Prime account and Sun Trust Bank account for presentation when Mr. Forbes returns.

IX. Report of Angela A. Abbott, Esquire:

- A. Ms. Abbott stated that the contract with RBC Capital Markets as underwriter expires this month and that a new RFP is required. Motion made by Jim Katehakis, seconded by Kamran Sarkarati and carried unanimously to authorize the preparation and distribution of a request for proposals for underwriter for the Authority.
 - B. Ms. Abbott reported that the foreclosure on the 1991 Mortgage (Shaw) discussed at the Authority's last meeting has been reinstated, and the foreclosure case has been voluntarily dismissed without prejudice.
 - C. Ms. Abbott reported that there has been a change in the special district law and as of October 1, 2016, the Authority's entire agenda package, other than confidential information, must be posted to its website seven days prior to the meeting date and must remain on the website for a period of one year. The Authority discussed the re-formatting of certain reports, such as the Treasurer's Report, loan status reports and itemized billings going forward. The members expressed concern over bank account information, borrower loan numbers and personal information being posted to the website.
 - D. The Authority determined that the next meeting date would be December 8, 2016, and the November meeting is not likely to be needed.
- X. Motion made by Michael Hartman, seconded by Kamran Sarkarati and carried unanimously to adjourn the meeting at 3:40 p.m.