

BREVARD COUNTY HOUSING FINANCE AUTHORITY

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MINUTES
June 26, 2019

The Brevard County Housing Finance Authority convened on the 26th day of June, 2019, at the hour of 3:00 p.m. in the Lecture Room of the Brevard County Agricultural Center, 3695 Lake Drive, Cocoa, Florida.

Present: Kamran Sarkarati, Chairman
Michael Hartman, Vice Chairman
James Katehakis, Asst. Secretary/Treasurer
Angela A. Abbott, Attorney for the Authority
Marianne Edmonds, Public Resources Advisory Group, Inc.
Erin Schlitts, Smith & Henzy

- I. The Chairman, Kamran Sarkarati, opened the public hearing regarding the proposed issuance of not to exceed \$11,000,000, Multifamily Housing Revenue Bonds, Series 2019 (Southlake Towers Apartments Project) at 3:05 p.m., and asked for public comment. Hearing none, the public hearing was closed at 3:06 p.m.
- II. The Chairman called the meeting to order at 3:06 p.m., determined the presence of a quorum and acknowledged proof of publication of the Notice of Meeting.
- III. Public Comments: The Chairman called for public comment. Hearing none, public comment was closed.
- IV. Consent Agenda: Motion made by James Katehakis, seconded by Michael Hartman and carried unanimously to approve the Consent Agenda as follows:
 - A. Approval of Minutes of May 22, 2019 meeting
 - B. Approval of payment of Hendrickson Ink invoice for website maintenance
 - C. Approval of payment of invoices of Angela A. Abbott, P.A. for 2nd Quarter, 2019
 - D. Approval of payment of invoices of Public Resources Advisory Group, Inc. for 2nd Quarter, 2019
- V. Status Reports on Special Projects:
 - A. Loan Agreement with Housing for Homeless (“HFH”) f/k/a Coalition for the Hungry and Homeless: The loan to HFH is paying as agreed. A summary of all payments was included in the agenda package.

Kamran Sarkarati
Chairman

Michael Hartman
Vice Chairman

Barry Forbes
Secretary/Treasurer

James Katehakis
Asst. Secretary/Treasurer

John Newton
Member

Angela A. Abbott
Attorney/Administrator

- B. Loan Agreement with Habitat for Humanity of Brevard County: There has been no activity on this loan since the Authority's last meeting.
- C. Loan to Community of Hope, Inc.: The loan to Community of Hope is paying as agreed. A summary of all payments was included in the agenda package. Community of Hope is not pursuing its request for a new line of credit at this time.

VI. Multi-Family Programs: Consideration of Application of Southlake Towers, LLLP (Southlake Towers Apartments Project):

Ms. Abbott stated that the Authority received a full application on the Southlake Towers project this month. The request before the Authority is for inducement. If approved, the next step would be to request Board of County Commission approval to apply for allocation in November, 2019. Erin Schlitts of Smith & Henzy stated that this issue is for the acquisition and substantial rehabilitation of an 85 unit existing project in Palm Bay, which was originally built in 1987. A capital needs assessment will be ordered by Florida Housing Finance Corporation to determine the scope of the rehab. Ms. Schlitts expects that cabinetry, fixtures, appliances and flooring will be replaced, and that approximately \$60,000 per unit will be spent on the rehab. The project is a three story single structure with elevators, which will be rented exclusively to elderly residents (over age 62). The project is now occupied. The developer will conduct a rolling rehab to minimize tenant displacement. There is no impact expected on rents. The project currently has a HUD loan, which will be prepaid at closing. Ms. Edmonds indicated that this issue has received preliminary approval of SAIL and ELI loans with FHFC, and the credit underwriter, AmeriNat, has been assigned. Mr. Hartman asked whether FHFC is making them take the national housing trust funds, as well. Ms. Schlitts responded, not that she is aware. Mr. Sarkarati asked whether there would be new features to the project. Ms. Schlitts responded that the developer would like to enhance community spaces, if funding permits. She stated that they plan to close during the first quarter of 2020. The developer will utilize local contractors for the rehab work. Ms. Edmonds indicated that she has worked with Smith & Henzy and has had a successful experience. Smith & Henzy is expanding in Florida now. Mr. Hartman concurred that Smith & Henzy has a good reputation.

Motion made by Michael Hartman, seconded by Jim Katahakis and carried unanimously to approve Resolution No. 19-01 entitled:

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$11,000,000 MULTIFAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF ACQUIRING, REHABILITATING, EQUIPPING, AND DEVELOPING A MULTIFAMILY RESIDENTIAL HOUSING FACILITY FOR PERSONS OR FAMILIES OF LOW, MIDDLE OR MODERATE

INCOME; FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BY AND BETWEEN THE AUTHORITY AND SOUTHLAKE TOWERS, LLLP; AND PROVIDING AN EFFECTIVE DATE.

[Erin Schlitts left the meeting.]

VII. Single Family Programs: Status Report on 2012-2019 TBA/MCC Program and discussion regarding funding of Down Payment Assistance loans:

Ms. Abbott presented a written status report on the Single Family Program as of June 17, 2019. From May 1 through today, thirteen (13) first mortgage loans closed, all of which utilized the Authority's second mortgage DPA. Loan originations are averaging about eight (8) loans per month during 2019. If loans continue to originate at the current rate, the funds on deposit in the DPA custody account will be sufficient to provide DPA loans through March, 2020. The agenda package included status reports on the DPA and GNMA Custody accounts as of May 31, 2019, and a summary of GNMA profits as of May 31, 2019. The Authority will continue to monitor the use of DPA funds closely.

VIII. Report of Public Resources Advisory Group, Inc.:

Ms. Edmonds indicated that conventional mortgage rates and tax exempt bond rates are dropping. She continues to evaluate whether single family bonds would make sense, in lieu of the TBA program, and they would not. Mr. Hartman noted that the investment of bond proceeds covers the interest on loans now. Ms. Edmonds concurred. Mr. Sarkarati asked whether Mr. Forbes has invested the funds at Fidelity in CD's. Ms. Abbott responded that \$600,000 has been invested in CD's, with \$400,000 remaining liquid at this time.

IX. Report of Angela A. Abbott, P.A.:

A. Ms. Abbott reminded the members about the FLALHFA Conference will be held in Jacksonville Beach on July 10-13, 2019.

B. Financial Advisor Request for Proposals: Ms. Abbott indicated the Request for Proposals for Financial Advisor was sent by email yesterday to all known Florida housing financial advisors. The responses will be considered at the August, 2019 meeting.

X. Motion made by Michael Hartman, seconded by Jim Katehakis, and carried unanimously to adjourn the meeting at 3:28 p.m.