

BREVARD COUNTY HOUSING FINANCE AUTHORITY

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MINUTES
August 15, 2019

The Brevard County Housing Finance Authority convened on the 15th day of August, 2019, at the hour of 3:00 p.m. in the Conference Room of the Suntree/Viera Public Library, 902 Jordan Blass Drive, Melbourne, Florida.

Present: Kamran Sarkarati, Chairman
Barry Forbes, Secretary/Treasurer
James Katehakis, Asst. Secretary/Treasurer
Angela A. Abbott, Attorney for the Authority
Helen Feinberg, RBC Capital Markets

- I. The Chairman, Kamran Sarkarati, opened the public hearing at 3:00 p.m., regarding proposed issuance of not to exceed \$50,000,000, Single Family Mortgage Revenue Bonds pursuant to the Notice of Public Hearing which was properly published, and asked for public comment. Hearing none, the public hearing was closed at 3:01 p.m.
- II. The Chairman called the meeting to order at 3:01 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 Barry Forbes and carried unanimously to approve the Consent Agenda as follows:
 - A. Approval of Minutes of June 26, 2019 meeting
 - B. Approval of payment of Hendrickson Ink invoice for website maintenance
 - C. Approval of reimbursement of Florida ALHFA conference expenses
 - D. Approval of payment of Florida ALHFA annual dues for 2019-2020
 - E. Approval of request for contribution to Sadowski Education Effort
 - F. Approval of 12 Month Planning Goals
 - G. Approval of budget for fiscal year 2019-2020 and adoption of Resolution No. 19-02 entitled: RESOLUTION ADOPTING THE 2019-2020 BUDGET FOR THE BREVARD COUNTY HOUSING FINANCE AUTHORITY

Ms. Abbott noted that the Authority received a wire for the payoff of the Single Family 2002 A loan (Dowell) which has been in and out of foreclosure over the past several years. However, Citimortgage is owed an administration fee on the loan which was included as part of the wire. Therefore, the Authority will need to remit the fee to Citimortgage once the invoice is received. Motion made by Kamran

Sarkarati, seconded by Barry Forbes and carried unanimously to remit up to \$200 to Citimortgage for its administration fee.

V. Report of Treasurer, Barry Forbes: Presentation of 3rd Quarter, FY 2018-2019 Treasurer's Report:

Mr. Forbes noted that the Fidelity account has been established and funded. He presented the Treasurer's Report and budget comparison for the third quarter of fiscal year 2018-2019. He noted the large positive income variance due primarily to the Single Family TBA program income. Expenses were slightly under budget for the year. The balance sheet and the second quarter checking account ledger were also presented. Mr. Forbes noted that the second mortgage receivables now make up a larger percentage of the Authority's assets. Motion made by Jim Katehakis, seconded by Barry Forbes and carried unanimously to accept the Treasurer's Report as presented.

VI. Financial Advisor Selection and discussion regarding responses to request for proposals:

The Authority distributed an RFP for Financial Advisor to which it received one response from Public Resources Advisory Group, Inc. Ms. Abbott stated that the terms of the proposal are the same as the current contract with PRAG. Motion made by Barry Forbes, seconded by Jim Katehakis and carried unanimously to approve a new contract with PRAG pursuant to the terms of the RFP. Ms. Abbott indicated that Mr. Hartman is in support of retaining PRAG. He was unable to attend the meeting today.

VII. 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.
- 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.

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

A email update from Erin Schlitz was distributed. The project is moving forward. The issue will go to the Brevard County Commission in October for approval to apply for allocation in mid-November.

IX. Single Family Programs:

A. 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 July 31, 2019. During the months of June and July, ten (10) 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 August, 2020. The mortgage interest rate has been reduced recently so loan activity may increase. Mr. Forbes commented that the MCC program may become increasingly important to borrowers next year due to the inability to itemize deductions. Ms. Abbott remarked that the MCC program has been under-utilized. Ms. Feinberg added that lenders have to set up a computer system to process MCCs and loan officers may not be separately compensated for the MCC.

The agenda package included status reports on the DPA and GNMA Custody accounts as of July 31, 2019, and a summary of GNMA profits as of July 31, 2019. The Authority will continue to monitor the use of DPA funds closely.

B. Quarterly status report on second mortgages:

Ms. Abbott presented the second mortgage status report as of June 30, 2019. She noted that a new foreclosure was filed in the TBA program in June. However, the loan was subsequently paid in full in July and the foreclosure was dismissed.

C. Discussion regarding proposed allocation request for not to exceed \$50,000,000 for single family, MCC's or multifamily carryforward:

Ms. Abbott explained that, due to increased interest in local financing of multifamily projects, private activity bond ("PAB") allocation is expected to become increasingly competitive and scarce over the next few years. For bond allocation purposes, Brevard County is in Region 17 with Volusia County. Region 17 had a pool of \$57,198,630 in PAB allocation in 2019. The regional pool is available until June 30th. On July 1, the regional pools are dissolved with unused allocation reverting to the State pool. Unused allocation in the State pool becomes available to local issuers on November 16th on a statewide, first come, first served basis. The purpose of the Public Hearing and Resolution No 19-03 is to allow the Authority to apply for allocation prior to the end of 2019, which may be converted to carryforward allocation for single family bonds, mortgage credit certificates or multifamily

bonds over the next three years. The Board of County Commissioners will have to approve the public hearing. It is expected that the Volusia County Housing Finance Authority will be applying for PAB allocation for multifamily projects in late 2019 or early 2020. It is important that the Authority attempt to preserve PAB allocation for future issues. Motion made by Barry Forbes, seconded by Jim Katehakis, and carried unanimously to approve Resolution No. 2019-03 entitled:

A RESOLUTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY APPROVING A PLAN OF FINANCE INVOLVING THE ISSUANCE BY AUTHORITY OF ITS SINGLE FAMILY MORTGAGE REVENUE BONDS IN AN AGGREGATE FACE AMOUNT OF NOT TO EXCEED \$50,000,000 IN ONE OR MORE SERIES; APPROVING USE OF STATE-AWARDED PRIVATE ACTIVITY BOND ALLOCATION ("ALLOCATION") FOR MORTGAGE CREDIT CERTIFICATE PROGRAMS OR MULTIFAMILY CARRY FORWARD; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE PLAN OF FINANCE AND RATIFYING PRIOR ACTIONS REGARDING SAME; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

Ms. Abbott added that two weeks ago, a notice and the short bond application were posted to the Authority's website and circulated to the Coalition of Affordable Housing Providers and developers. The purpose of the short application is to encourage developers to utilize local bonds in connection with gap financing through the Florida Housing Finance Corporation ("FHFC"). She recommends that, if applications are received, the Authority should authorize the Chairman, its counsel or its financial advisor to execute the confirmation letters that the developers will need to submit with their SAIL, CDBG or other gap financing applications with FHFC. Motion made by Barry Forbes, seconded by Jim Katehakis and carried unanimously to approve the recommended authorization. A short application is expected from Wendover Housing.

- X. Report of Angela A. Abbott, P.A.:
 - A. Ms. Abbott reminded the members that the NALHFA Legislative Conference will be held in Washington D. C. on September 17-19, 2019.
 - B. The next meeting will be held on October 23, 2019. It is unlikely that a meeting will be necessary in September.
- XI. Motion made by Barry Forbes, seconded by Jim Katehakis, and carried unanimously to adjourn the meeting at 3:25 p.m.