

BREVARD COUNTY
HOUSING FINANCE AUTHORITY

4420 South Washington Avenue
Titusville, Florida 32780
(321) 264 - 0334 Phone
(321) 269 - 6840 Fax

MINUTES
May 27, 2020

The Brevard County Housing Finance Authority convened on the 27th day of May, 2020, at the hour of 3:04 p.m. by telephone conference call.

Present by telephone:

- Kamran Sarkarati, Chairman
- Michael Hartman, Vice Chairman
- Barry Forbes, Secretary/Treasurer
- James Katehakis, Asst. Secretary/Treasurer
- Angela A. Abbott, Attorney for the Authority
- Mark Mustian, Nabors, Giblin & Nickerson, P.A.
- Marianne Edmonds, Public Resources Advisory Group, Inc.
- Helen Feinberg, RBC Capital Markets
- Scott Culp, Atlantic Housing Partners
- David Leon, Esquire, Nelson, Mullins
- Sarah Karpinski, Millennia Housing Development
- Stephanie Sinito, Millennia Housing Development
- Debbie Blinderman, Consultant to HKH Tropical GP, LLC
- Carl Rheuban, HKH Tropical GP, LLC
- Adam Pickett, Benton Design Group
- Neil Smaler, Humankind Housing
- Grant Stephens, Kingdom Development, Inc.
- Greg Buckley, FTK Construction Services
- Mark Frazier, FTK Construction Services
- Jane Higgins, Habitat for Humanity
- Tricia Heintz, Bank of New York Mellon

- I. PUBLIC HEARING: The Chairman opened the public hearing at 3:04 p.m., regarding proposed issuance of not to exceed \$8,000,000, Multifamily Housing Revenue Bonds, Series 2020 (Tropical Manor Apartments Project) pursuant to the Notice of Public Hearing which was properly published, and asked for public comment. Hearing none, the public hearing was closed at 3:05 p.m.
- II. The Chairman, Kamran Sarkarati, called the meeting to order at 3:05 p.m. and determined the presence of a quorum. Ms. Abbott conducted a roll call of all those present on the telephone. The Chairman requested that each member identify himself when making motions and he announced that all voting by the members would be taken by roll call.
- III. Public Comments: The Chairman called for public comment. Hearing none, public comment was closed.

[Barry Forbes left the meeting.]

IV. Consent Agenda: Motion made by Jim Katehakis, seconded by Michael Hartman and carried unanimously to approve the Consent Agenda as follows:

- A. Approval of Minutes of April 22, 2020 meeting
- B. Approval of payment of Hendrickson Ink invoice for website maintenance

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. Also, included in the agenda package was the annual certification and an explanation from Rob Cramp regarding properties awarded to HFH by Brevard County and a recent Payroll Protection Program loan HFH received under the CARES act.
- B. Loan Agreement with Habitat for Humanity of Brevard County: There has been no activity on this loan since the Authority’s last meeting. The quarterly status report on the Critical Home Repair Program was presented. Jane Higgins with Habitat requested an extension of the Loan Agreement, which is due to expire on July 30, 2020. Mr. Hartman asked whether Habitat would need the entire \$525,000 or less. Ms. Higgins stated that Habitat needs to purchase additional land, the cost of which has escalated. She suggested that the current limits for land acquisition and new construction need to be increased. Ms. Abbott suggested that the requested extension should be tabled to the June meeting so that specific recommendations can be developed for the Authority’s consideration. Ms. Higgins thanked the Authority for its assistance in the past in the purchase of lots in Sunwood Park. Fifteen homes were built on the lots and 45 children now reside on these properties,
- 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.

VI. Multi-Family Programs:

- A. Consideration of application of HKH Tropical LP (Tropical Manor Apartments Project).

Mark Mustian stated that the resolution before the Authority is the first step in the bond financing. It indicates an intent to proceed and is a benchmark for the reimbursement of costs. It is not a final approval. Ms. Edmonds presented a written summary of the application. The request is for \$8,000,000 for the acquisition and rehabilitation of an existing project in Merritt Island. The project consists of 85 two bedroom, one bath, 900 square

foot apartments. There is an existing HUD contract with a remaining term of 18 years. The applicant will apply for a 20 year HUD contract. An issue was raised as to the sufficiency of the rehabilitation. Ms. Edmonds stated that this issue will be flushed out during the credit underwriting. Debbie Blinderman introduced Carl Rheuban, representing the applicant. Mr. Rheuban stated that the current owner completed the following rehab work in 2019 at a cost of \$1.9 million: Paint, window blinds, ceiling fans, smoke detectors, LED lighting package, granite countertops, new kitchen cabinets, stainless steel kitchen sinks, new door hardware, new bathroom plumbing, vanities, toilets, sinks, tubs, new vinyl flooring throughout, new hot water heaters, new PTAC Units in 75 units, roof, soffit and fascia replacement, interior door replacement, security camera, perimeter fencing repair, repair and replace railings and stairways as needed, one picnic table, and exterior paint (a complete list of renovations was attached to the PRAG memo and included in the application). Mr. Rheuban stated that the expected rehab will include: new windows, new exterior front doors, adding garbage disposals, 5 ADA compliant units, splash pad, tot lot, four additional picnic tables, two additional barbeques, enhanced security (either gated entrance or off duty officers patrolling). It is expect that \$24,000/unit will be spent on rehab, in addition to the \$23,000/unit spent by the current owner. Ms. Edmonds stated that the criteria for inducement has been met. Once the developer deposit is paid, the project may proceed to credit underwriting. Mr. Katehakis asked about the amount of the budget for rehab, to which the applicant responded, \$2.4 million. Mr. Hartman stated that he is familiar with the area and the project. He visited the site and remarked that the window blinds are not in good shape. He noticed that the parking lot has been sealed and re-stripped and that there were some security cameras. Mr. Rheuban stated that a new sign and landscaping are in the budget. During the first week of due diligence, there will be walk through inspections of 100% of the units. COVID-19 has prevented walk throughs to this point.

Motion made by Michael Hartman, seconded by Jim Katehakis and carried unanimously to approve Resolution No. 2020-05 entitled:

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$8,000,000 MULTIFAMILY MORTGAGE 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 HKH TROPICAL LP; AND PROVIDING AN EFFECTIVE DATE.

- B. Status report on Application of Venue at Brevard, Ltd. (The Venue at Viera Senior Living Project) and approval of appointment of Bank of New York Mellon as Trustee/Fiscal Agent Consideration of request in connection with Application of Venue at Brevard, Ltd. (The Venue at Viera Senior Living Project):

Since the Authority's last meeting, the Brevard County Board of County Commissioners approved the TEFRA hearing on May 5, 2020. An application for allocation was submitted to the Division of Bond Finance and was awarded. The closing is scheduled for June 25 and 26, 2020. Ms. Edmonds presented a memorandum stating that the Authority selected Wells Fargo as Trustee in 2007 after an RFP. However, there is no contract with Wells Fargo. The borrower is requesting that, due to the complex nature of the structure and the experience of Bank of New York Mellon ("BNY"), that BNY be permitted to serve as Trustee/Fiscal Agent on this transaction. Wells Fargo has concurred with the selection of BNY. Motion made by Michael Hartman, seconded by Jim Katehakis and carried unanimously to approve the selection of BNY as Trustee/Fiscal Agent for this transaction.

- C. Status report of financing of Southlake Towers, LLLP (Southlake Towers Apartments Project):

Since the Authority's last meeting, the Brevard County Board of County Commissioners approved the TEFRA hearing for the additional allocation of \$2,200,000 on May 5, 2020. An application for allocation was submitted to the Division of Bond Finance and was awarded. The closing is scheduled for July 8 and 9, 2020.

- D. Status report on Application of Millennia Housing Development (Jupiter Ridge, Armstrong Glen and Sandpoint Village Projects, collectively Millennia Project):

Ms. Abbott stated that the Brevard County Board of County Commissioners approved the TEFRA hearing on May 19, 2020. An application for allocation has been submitted to the Division of Bond Finance. The project will be in credit underwriting soon.

- VII. Single Family Programs: Status Report on 2012-2020 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 April 30, 2020, and indicated that the program has slowed down. During the month of April, no loans closed. 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 July, 2021.

The agenda package included status reports on the DPA and GNMA Custody accounts as of April 30, 2020, and a summary of GNMA profits as of April 30, 2020. The Authority will continue to monitor the use of DPA funds closely.

VIII. Report of Public Resources Advisory Group, Inc.: Ms. Edmonds stated that if the Governor does not extend the order, the ban on rental evictions will expire on June 2, 2020. The CARES act prohibits evictions of tax credit project renters until July 25, 2020. Ms. Edmonds suggested that the Authority may want to review options in this regard. Mr. Hartman stated that 95% of rents are being collected at his project in Ft. Lauderdale. He questioned how many projects the Authority had outstanding. Ms. Abbott responded eight: Wickham Club, Timber Trace, Manatee Cove, Malabar Cove I and II, Oak Meadows, Crane Creek and Trinity Towers. Mr. Hartman requested that a survey be conducted of the rent collections for May, 2020. Ms. Edmonds stated that the Hillsborough HFA is funding rental assistance due to job loss related to COVID-19, in the amount of \$300,000. Scott Culp stated that tenants in his projects who have lost jobs are receiving unemployment compensation and subsidies. Rents are being paid.

IX. Other:

A. FLALHFA conference sponsorship: Ms. Abbott presented a request from FLALHFA for the continuation of the gold sponsorship of the virtual conference. The physical conference has been delayed until July, 2021 due to COVID-19. She reminded the members that FLALHFA successfully obtained full funding of the Sadowski Trust funds this year. The postponement of the physical conference will negatively effect the financial status of FLALHFA. Ms. Abbott indicated that all other sponsors who have held meetings have agreed to leave their sponsorships with FLALHFA and she recommended that the Authority do the same. Motion made by Michael Hartman, seconded by Jim Katehakis and carried unanimously to approve leaving the FLALHFA conference sponsorship in place.

B. NALHFA conference status: The physical conference in New York was cancelled and a virtual conference will be held in June. NALHFA requested that Mr. Hartman's registration fee be contributed as a donation to NALHFA or applied to a future conference or applied to the virtual conference registration or refunded. NALHFA set a deadline of May 15th for a decision. Since that Authority would not meet until after the deadline, Ms. Abbott requested a full refund. The members concurred with this action.

X. The meeting adjourned at 4:06 p.m.