

BREVARD COUNTY
HOUSING FINANCE AUTHORITY

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MINUTES
July 9, 2020

The Brevard County Housing Finance Authority convened on the 9th day of July, 2020, at the hour of 4:00 p.m. by telephone conference call.

Present by telephone:

- Kamran Sarkarati, Chairman
- Michael Hartman, Vice Chairman
- 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
- Sarah Karpinski, Millennia Housing Development
- Stephanie Sinito, Millennia Housing Development
- Anna Terry, Habitat for Humanity
- Annette Condo, Habitat for Humanity
- Rob Cramp, Housing for Homeless
- Joe Athey, eHousing Plus
- Tricia Heintz, Bank of New York Mellon

- I. The Chairman, Kamran Sarkarati, called the meeting to order at 4:03 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.
- II. Public Comments: The Chairman called for public comment. Hearing none, public comment was closed.
- III. 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 May 27, 2020 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, 2020

IV. 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 and has reach the halfway point. A summary of all payments was included in the agenda package. Rob Cramp updated the Authority on the activities over the past five years. There has been steady growth with some setbacks. HFH has been in operation for 30 years, owns 80 properties and has approximately 135 homeless persons under its care. Sixty to seventy percent of its funding comes from HUD or the VA. In 2016, HFH lost \$350,000 in HUD transitional funding, which is one quarter of its funding. Transitional housing was replaced with “rapid rehousing”, which is more hands off. HFH has a 20 year relationship with the VA. In 2018, the VA developed a new program with HFH in Titusville to assist chronically homeless veterans. Due to the high acuity of the veterans, 24 hour security has to be provided. The program is running well now. The VA will be providing approximately \$400,000 for programs through 2023.

In 2015, HFH became acquainted with Carrfour, the largest developer of housing for homeless, which utilized mixed income housing, as opposed to 100% homeless housing. Mr. Cramp has come to agree with this model so his developments now include 30% low income housing.

HFH has taken on a new program in conjunction with Health First, for homeless patients who are released from the hospital who need rehab. In addition, next month the County will award 10 more properties to HFH for low to very low income residents.

- B. Loan Agreement with Habitat for Humanity of Brevard County: There has been no activity on this loan since the Authority’s last meeting. Ms. Abbott reported that the Loan Agreement will expire on July 31, 2020. The HFA had requested a plan for utilizing the loan within the next year or two. Anna Terry, the new executive director stated that Habitat has no current plans to utilize the line of credit. She indicated that Habitat will approach the Authority in the future if the need arises. The HFA members expressed their appreciation for the work that Habitat does.
- 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.

V. Multi-Family Programs:

- A. Status report on Application of Venue at Brevard, Ltd. (The Venue at Viera Senior Living Project) and approval of Resolution No. 2020-06.

Ms. Edmonds presented a summary of the credit underwriting report (CUR) prepared by First Housing and recommended approval of the issue. The members received a copy of the complete credit underwriting report by email prior to the meeting. Ms. Edmonds stated that the issue has been structured in accordance with the CUR and the terms previously agreed to by the HFA. Mr. Hartman questioned whether Florida Tax Holdings will be providing the guarantees as stated in the summary. Scott Culp stated that the bond purchaser, FL Tax Holdings, is the guarantor for construction completion, but not the operating deficit guarantor. Ms. Edmonds stated that this is an error in her summary. Mr. Hartman noted that the operating deficit guarantors don't have much in the way of assets. Ms. Edmonds stated that she got comfortable with the different entities as guarantors because they have put in the tax credit equity which would be jeopardized if the guarantors do not step up. Scott Culp stated that others will step in to cover deficits because the limited partner and tax credit syndicator's funds are at risk. Mr. Culp pointed out the discrepancy between special condition number 2 and general condition number 16. The equity will come in before the bond proceeds but not at closing, so special condition number 2 governs. He added that site work is well underway and vertical construction will be by the end of the month.

Motion made by Michael Hartman, seconded by Jim Katchakis and carried unanimously to approve Resolution No. 2020-06 entitled:

A RESOLUTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING \$16,755,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS MULTIFAMILY HOUSING REVENUE BONDS (THE VENUE AT VIERA SENIOR LIVING); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING THE DATE, INTEREST RATES, INTEREST PAYMENT DATES AND MATURITY SCHEDULE AND OTHER TERMS OF SUCH BONDS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A TRUST INDENTURE, FINANCING AGREEMENT, LAND USE RESTRICTION AGREEMENT, AND RELATED LOAN DOCUMENTS; AUTHORIZING THE NEGOTIATED ISSUANCE AND DELIVERY OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A TRUSTEE FOR THE BOND; AUTHORIZING THE CHAIR OR VICE CHAIR OR ANY AUTHORITY MEMBER AND THE SECRETARY TO TAKE ANY OTHER ACTIONS NECESSARY TO ISSUE THE NOTE AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

- B. Status report of Application of Southlake Towers, LLLP (Southlake Towers Apartments Project) and approval of Resolution No. 2020-07.

Ms. Edmonds presented a summary of the credit underwriting report. She stated that there has been one change. The developer will not be using income averaging because all tenants are at or below 60% of median income. The seller notes are considerable which makes the deal work.

Motion made by Michael Hartman, seconded by Jim Katakakis and carried unanimously to approve Resolution No. 2020-07 entitled:

A RESOLUTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING \$11,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS MULTIFAMILY HOUSING REVENUE NOTE (SOUTHLAKE TOWERS PROJECT) AND NOT EXCEEDING \$2,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SUBORDINATE MULTIFAMILY HOUSING REVENUE NOTE, SERIES 2020B (SOUTHLAKE TOWERS PROJECT); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING THE DATE, INTEREST RATES, INTEREST PAYMENT DATES AND MATURITY SCHEDULE AND OTHER TERMS OF SUCH NOTES; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A FUNDING LOAN AGREEMENT, PROJECT LOAN AGREEMENT, LAND USE RESTRICTION AGREEMENT, SUBORDINATE TRUST INDENTURE, SUBORDINATE LOAN AGREEMENT, AND RELATED LOAN DOCUMENTS; AUTHORIZING THE NEGOTIATED ISSUANCE AND DELIVERY OF THE NOTES; AUTHORIZING THE APPOINTMENT OF A FISCAL AGENT FOR THE GOVERNMENTAL NOTE AND A TRUSTEE FOR THE SUBORDINATE NOTE; AUTHORIZING THE CHAIR OR VICE CHAIR OR ANY AUTHORITY MEMBER AND THE SECRETARY TO TAKE ANY OTHER ACTIONS NECESSARY TO ISSUE THE NOTE AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

- C. Status report on application of Millennia Housing Development (Jupiter Ridge, Armstrong Glen and Sandpoint Village Projects, collectively Millennia Project): Stephanie Sinito stated that they are working through due diligence with the lender and the credit underwriter. Third party reports are being ordered.
- D. Status report of application of HKH Tropical LP (Tropical Manor Apartments Project): Ms. Abbott reported that the developer has not yet paid the developer deposit. Therefore, the request for approval of the TEFRA hearing has not gone to Brevard County Commission yet.
- E. Status report on rental collections during May, 2020 for bond financed properties: Ms. Abbott surveyed all of the outstanding projects financed by the Authority and presented a summary of the survey. The occupancy rates and rental collections range from 90% to over 100%.

VI. 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 June 30, 2020. During the months of May and June, four (4) loans closed and two (2) loans paid off. 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, or August, 2021.

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

VII. Report of Angela A. Abbott, Esquire:

A. Ms. Abbott indicated that the Venue at Viera issue is scheduled to close on July 13 and July 14, 2020. The Southlake Towers issue has been postponed to July 30 and July 31, 2020.

B. Ms. Abbott reminded the members that FLALHFA is holding the annual conference virtually and that there is no registration fee. The members are encouraged to attend the conference sessions.

VIII. Motion made by Michael Hartman, seconded by Jim Katchakis and carried unanimously to adjourn the meeting at 4:34 p.m.