

BREVARD COUNTY HOUSING FINANCE AUTHORITY  
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MINUTES  
October 26, 2022

The Brevard County Housing Finance Authority convened on the 26th day of October, 2022, at the hour of 3:00 p.m. in the Lecture Room of the Brevard County Agricultural Center, 3695 Lake Drive, Cocoa, Florida, and by telephone conference call.

Present in person: Michael Hartman, Vice Chairman  
Barry Forbes, Secretary/Treasurer  
James Katehakis, Asst. Secretary/Treasurer  
Alison Colvard, Member  
Angela A. Abbott, Attorney for the Authority

Present by telephone: Kamran Sarkarati, Chairman  
Mark Mustian, Nabors, Giblin & Nickerson  
Marianne Edmonds, Public Resources Advisory Group  
Monique Spotts, Public Resources Advisory Group  
Debbie Berner, RBC Capital Markets  
Rob Cramp, Housing for Homeless  
Debbie Blinderman, DDB Affordable Housing Consulting, LLC  
Paul Shevchuk, Omni New York, LLC

I. The Vice Chairman, Michael Hartman, opened the public hearing at 3:01 p.m., regarding proposed issuance of not to exceed \$15,000,000, Multifamily Housing Revenue Bonds, Emerald Place 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 3:02 p.m.

II. The Vice Chairman called the meeting to order at 3:02 p.m., determined the presence of a quorum and acknowledged 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 Jim Katehakis, seconded by Alison Colvard and carried unanimously to approve the Consent Agenda as follows:

- A. Approval of Minutes of August 24, 2022 meeting
- B. Approval of payment of invoice of Public Resource Advisory Group for 3rd Quarter, 2022

- C. Approval of payment of invoices of Angela A. Abbott, P.A. for 3rd Quarter, 2022
- D. Approval of payment of Florida ALHFA annual dues for 2022-2023
- E. Approval of payment of Annual Special District fee for FY 2022-2023
- F. Approval of Public Depositor Annual Report to Chief Financial Officer
- G. Approval of payment of NALHFA and FLALHFA conference registration fees and authorization to incur reimbursable expenses for 2023
- H. Approval of 2023 Public Meeting Schedule

V. Report of Treasurer, Barry Forbes: Presentation of 4th Quarter, FY 2021-2022 Treasurer's Report: Mr. Forbes presented the budget comparison, balance sheet and checkbook ledger for the fourth quarter of fiscal year 2021-2022. He noted that interest rates are up. The funds in the Fidelity account are being invested in staggered one year term CD's. The Truist checking account has a current balance of approximately \$2.3 million with a rate of return of 0.01%. Mr. Forbes recommended transferring \$1 million from the checking account to the Fidelity account. Motion made by Jim Katehakis, seconded by Alison Colvard and carried unanimously to approve the transfer of \$1 million to the Fidelity account to invest in one year FDIC insured CD's. Mr. Forbes noted the largest variances in the budget comparison. The fee for Millennia Projects is past due, but is expected within the next two weeks. Under "other income", the large positive variance is due to the repayment of the cost of issuance in connection with the Venue at Viera issue. Motion made by Jim Katehakis, seconded by Alison Colvard and carried unanimously to accept the report of the Treasurer into the record.

VI. 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. Rob Cramp indicated that the credit underwriting report for Orchid Lake was provided to Marianne Edmonds after the August meeting. He stated that the cost of the Orchid Lake project is now \$29 million, which is approximately \$5 million more than originally anticipated. The plan to cover \$2.2 million of the shortfall is through a mortgage from Raymond James at an interest rate of 6.0%. Mr. Cramp stated that he wants to reduce the debt service to provide funds for more case management. Mr. Hartman and Ms. Colvard disclosed that they are in discussions with HFH on a different project. Mr. Cramp indicated that the loan/grant from the HFA would be in approximately one year at the time of lease up.

Ms. Edmonds stated that the project received a positive recommendation from the credit underwriter. In addition to bonds, the project will receive

CHIRP and SAIL loans, an ELI loan from FHFC and 9% tax credits. She stated that there is not a lot of hard debt. In order to consider a loan or grant from the HFA, she would need to see how operating costs are affected by the proposed loan/grant. Ms. Colvard asked whether the Raymond James loan is included in the sources of funds. Mr. Cramp responded yes. Barry Forbes pointed out the cost to the HFA of making a non-interest-bearing loan is 4.5% now. Ms. Colvard stated that case management is critical to the success of the project. The cost of a case worker is \$60,000 to \$80,000/year. She added that this project is very beneficial to Brevard County. Mr.

Forbes stated that the requested loan/grant would make the project better. It was the consensus of the members was that the Authority would be willing to entertain a proposed loan/grant at a future meeting. Mr. Cramp agreed to provide the figures requested. He noted that Orchid Lake is one of three projects HFH is working on. The other two projects (one in Titusville and one in Melbourne) are being developed in partnership with Carrfour Supportive Housing.

B. 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.

VII. Single Family Programs:

A. Status Report on 2012-2022 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 September 30, 2022. During the months of August and September, three new loans closed and six (6) loans paid off. There are no loans currently pending. The agenda package included status reports on the DPA and GNMA Custody accounts, and a summary of GNMA profits as of September 30, 2022. The average GNMA profit per loan this fiscal year is \$3,357.40, which is \$11,642.60 short of covering the \$15,000 second mortgage. The current balance in the DPA custody account is approximately \$140,069. As previously approved, a check for \$100,000 has been remitted to Bank of New York for deposit to the DPA account.

B. Discussion regarding Single Family Mortgage Revenue Bonds: Debbie Berner presented a written summary of a proposed single family bond program to be issued by the Hillsborough County HFA. Ms. Berner stated that the TBA program mortgage interest rates have skyrocketed and the loans are no longer profitable to the HFAs. She added that bonds will produce a better mortgage rate. There are now GIC providers to support a bond issue. The Hillsborough County HFA is ready to proceed to closing before the end of this year. The other counties that now participate in the TBA program are

invited to participate in the bond issue. The total bond issue size will be \$35 million and the mortgage interest rate would be 6.1% as of today, which is lower than the TBA program. Mr. Forbes asked about the market rate. Ms. Berner responded that the rate will be about one point lower. Ms. Edmonds added that the Hillsborough HFA is going forward with the bond issue and the TBA program will be put on hold. The Hillsborough HFA will pay the cost of issuance for the bonds. If approved, first mortgage loans will be available to Brevard County residents through participating lenders. There will be no risk or cost to the Brevard HFA, except that the Brevard HFA would provided the down payment assistance loans for Brevard County residents. The Brevard HFA will not share in any income or profit on the bond program. Mr. Forbes stated that he would like the Authority to have its own bond program. Ms. Berner explained that the level of loan production in Brevard in recent years does not support a stand alone bond issue. Motion made by Barry Forbes, seconded by Jim Katehakis and carried unanimously to approve participation in the Hillsborough County HFA bond program.

C. Discussion regarding Single Family 1991 C Second Mortgages: Ms. Abbott presented a status report reflecting that all five outstanding loans remain delinquent. She indicated that each of the borrowers have resided in their homes for over thirty years. Once the mortgages mature, the Authority will have to take legal action within five years or the mortgage will be deemed satisfied pursuant to Florida law. The Authority will continue to monitor the delinquent loans.

D. Quarterly status report on second mortgages: Ms. Abbott presented the status report on second mortgages as of September 30, 2022. There were four new loans and seven second mortgages paid off during the last quarter.

VIII. Multi-Family Programs:

A. Discussion regarding proposed transfer of Oak Meadows Project: Ms. Abbott indicated that the Oak Meadows project is being transferred to Dominion. The LURA will be assumed by Dominion and the outstanding bonds will be defeased. It is expected that Dominion will apply for bonds with the Authority in the future. Ms. Colvard disclosed that her husband worked for the developer when Oak Meadows was first financed by the Authority in 2007. Also, her son now lives at Oak Meadows. Ms. Abbott advised Ms. Colvard that she did not have to abstain from voting. Motion made by Barry Forbes, seconded by Jim Katehakis and carried unanimously to approve Resolution 2022-05 entitled:

A RESOLUTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF THE FORMS OF THE (I) ASSIGNMENT AND ASSUMPTION OF AND AMENDMENT TO LAND USE RESTRICTION AGREEMENT, (II) SATISFACTION OF MORTGAGE, AND (III) ESCROW DEPOSIT AGREEMENT IN CONNECTION WITH THOSE CERTAIN \$10,490,000 BREVARD COUNTY HOUSING FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS (OAK MEADOWS APARTMENTS), 2007 SERIES A; AUTHORIZING THE CHAIR OR VICE CHAIR OR ANY AUTHORITY MEMBER AND THE SECRETARY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREIN; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

B. Discussion regarding application of Emerald Place Florida, L.P.: Ms. Edmonds presented a written summary of the application for the issuance of \$15,000,000 in bonds. Following discussion, motion made by Alison Colvard, seconded by Jim Katehakis and carried unanimously to approve Resolution 2022-06 entitled:

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$15,000,000 IN 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 EMERALD PLACE  
FLORIDA, L.P.; AND PROVIDING AN EFFECTIVE DATE.

- IX. Discussion regarding RFP for Underwriter: Based upon the positive long term relationship with RBC Capital Markets, motion by Barry Forbes, seconded by Jim Katehakis, and carried unanimously to extend the engagement with RBC Capital Markets for an additional one year term.
- X. The meeting adjourned at 4:09 p.m.