

BREVARD COUNTY  
HOUSING FINANCE AUTHORITY

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MINUTES  
August 28, 2024

The Brevard County Housing Finance Authority convened on the 28th day of August 2024, at the hour of 3:00 p.m. in the Auditorium of the Brevard County Agricultural Center, 3695 Lake Drive, Cocoa, Florida, and by telephone conference call.

Present in person: Kamran Sarkarati, Chairman  
Michael Hartman, Vice Chairman  
Barry Forbes, Secretary/Treasurer  
Alison Colvard, Member  
Angela A. Abbott, Attorney for the Authority  
Rob Cramp, Housing for Homeless  
Drew Warren, Community of Hope  
Thomas Williams, Dominion

Present by telephone: James Katehakis, Asst. Secretary/Treasurer  
Mark Mustian, Nabors, Giblin & Nickerson  
Marianne Edmonds, Public Resources Advisory Group  
Helen Feinberg, RBC Capital Markets  
Cameron Hill, RBC Capital Markets  
Sue Denihan, eHousing Plus  
Paul Shevchuk, SBV

- I. The Chairman opened the public hearing at 3:00 p.m., regarding the proposed issuance of not to exceed \$15,000,000, Multi-Family Mortgage Revenue Bonds, Emerald Place 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 3:01 p.m.
- II. The Chairman opened the public hearing at 3:01 p.m., regarding the proposed issuance of not to exceed \$17,600,000, Multi-Family Mortgage Revenue Bonds, Oak Meadows 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 3:01 p.m.

- III. The 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.
- IV. Public Comments: The Chairman called for public comment. Hearing none, public comment was closed.
- V. Consent Agenda: Motion made by Alison Colvard, seconded by Michael Hartman and carried unanimously to approve the Consent Agenda as follows:
  - A. Approval of Minutes of May 22, 2024 meeting
  - B. Approval of payment of Hendrickson Ink invoice for website maintenance
  - C. Approval of payment of invoice of Public Resource Advisory Group for 2<sup>nd</sup> Quarter, 2024
  - D. Approval of payment of invoices of Angela A. Abbott, P.A. for 2nd Quarter, 2024
  - E. Approval of reimbursement of Florida ALHFA conference expenses
  - F. Approval of revised Retainer Agreement of Angela A. Abbott, P.A.
  - G. Approval of 12 Month Planning Goals
  - H. Approval of budget for fiscal year 2024-2025 and adoption of Resolution No. 2024-01 entitled:

RESOLUTION ADOPTING THE 2024-2025 BUDGET FOR THE BREVARD COUNTY HOUSING FINANCE AUTHORITY

- VI. Report of Treasurer, Barry Forbes:
  - A. Presentation of 3rd Quarter, FY 2023-2024 Treasurer's Report: Mr. Forbes presented the budget comparison, balance sheet and checkbook ledger for the third quarter of fiscal year 2023-2024. He noted that income, particularly on investments, continues to exceed the budget, while expenses are under budget. Motion made by Michael Hartman, seconded by Alison Colvard and carried unanimously to accept the report of the Treasurer into the record.
  - B. Discussion regarding proposed custody account for investments: Mr. Forbes stated that he is working with U. S. Bank and Fidelity to move the funds out of the Fidelity account and over to the U.S. Bank custody account. The CD's are earning about 5%.
- 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. Rob Cramp distributed copies of descriptions of three developments that HFH is working to develop. He thanked the Authority for the loan it made almost 10 years ago, which helped the organization grow to where it is now. HFH is looking into a future project to assist the developmentally disabled in the Merritt Island area.

B. Loan to Community of Hope, Inc.: The loan to Community of Hope (“CoH”) is paying as agreed. A summary of all payments was included in the agenda package. Drew Warren stated that the loan the Authority made to Community of Hope in 2018 has made a huge impact on the organization. In 2018, it was serving 125 people and now 394 families/1200 people are being served. He stated that CoH has formed the first and only Community Land Trust (“CLT”) in Brevard County to address home ownership for some of its rental residents. Housing prices are so high now that first time homebuyer financing does not work. CoH has obtained a line of credit from Valley Bank and has properties in Titusville, Melbourne and Palm Bay. The CLT removes the cost of land from the home buying cost, but in order for homes to be affordable an extra stipend of \$10,000 to \$20,000 is needed, in addition to the first and second mortgage. Barry Forbes mentioned that he learned about affordable manufactured home communities and duplexes at the FLALHFA conference. Mr. Warren stated that they have considered nontraditional construction, including 3-D printing and modular, but the market is not in Brevard County yet. Mr. Hartman asked whether cities have been asked to waive impact and other fees. Mr. Warren responded that cities are amenable to the waivers. Mr. Hartman suggested buying old trailer parks which already have water hook ups in place. Ms. Colvard stated that having a good lending partner is critical and that the Federal Home Loan Bank has programs available. Mr. Warren stated that Valley Bank is experienced with CLT financing. He explained that the homebuyer pays a small land lease fee and a transfer fee upon sale. The cost to build a 1200 square foot, 3 bedroom/2 bath home is about \$260,000, but grants and soft loans can bring the home cost/first mortgage to the buyer down to \$225,000. The goal is to provide permanent affordability because the home may only be sold to another income eligible first time home buyer. There is a limit on the profit to the homebuyer. Mr. Forbes expressed concerns about the long term viability as the structure may be problematic for lenders. He thinks that, upon sale, the homebuyer should have to repay all subsidies but should also reap the benefits of the profit on sale. Mr. Hartman expressed concerned about whether the homebuyers will properly maintain the home if there is a limit on their profit/appreciation. Mr. Warren stated that the first development will be on scattered lots Titusville. He stated that if the Authority would provide \$10,000 to each homebuyer, he thinks that the cities will provide matching funds. At the FLALHFA conference, Mr. Forbes heard about other Authorities utilizing public lands to develop affordable housing. He is aware that the county parks department would like to divest itself some land due to high maintenance costs. Mr. Warren stated that the current law provides that surplus lands must be used first for affordable housing. One of the mechanisms for this is through CLT’s. The Authority encouraged CoH to continue to fine tune its program and to come back with its request in the future.

#### VIII. Multi-Family Programs:

- A. Discussion regarding status of application of Cocoa Leased Housing Associates II, LLLP (Oak Meadows Apartments Project):
  1. Request for waiver of payment and performance bonds: Thomas Williams stated that the credit underwriting report is not ready yet, but is expected

within the next few days. The lender submitted to FNMA for a commitment. He added that Dominion acquired this 120 unit project in October, 2022. Tenant income is limited to 30 units at 35% of AMI, and 90 units at 60% of AMI. Dominion is requesting a waiver of payment and performance bonds, which has been agreed to by the lender, Walker Dunlop and FNMA, for the following reasons: This is an occupied rehabilitation so rents will continue to be paid. There will be rolling rehabilitation of a few units at a time. Only the ADA units will require vacancy during construction. Dominion will pay the costs to relocate and house the displaced tenants. Corporate guaranties of Dominion Holdings I and II will be provided. Finally, there are reserves for the equity bridge loan. Therefore, there is a very small risk of nonperformance. Dominion would prefer to put the funds into the project rather than toward the payment of the performance bonds. He indicated that this will not be a continuing request for all projects. Marianne Edmonds stated that it is the policy of the Authority to instruct the credit underwriter to underwrite to FHFC standards. The credit underwriter is not willing to remove the bond requirement without HFA approval. Mr. Williams responded to Ms. Colvard's question that they are assuming loans of approximately \$10 million from FHFC (\$8 million in ELI and \$2 million in non-ELI). The contractor is Langerman Construction. The contract for rehabilitation is a fixed price \$5 million, with a 10% contingency. Mr. Forbes stated that he cannot imagine being able to collect on a payment and performance bond in this scenario. Mr. Hartman and Ms. Colvard agreed. Motion made by Barry Forbes, seconded by Alison Colvard and carried unanimously to approve the waiver of the payment and performance bonds, pending the completion of the credit underwriting report. Ms. Abbott noted that the county limits the Authority's meetings to four per year unless special permission is granted to meet in excess of four times. Permission was granted to hold this meeting, which is the fifth meeting of the fiscal year. She stated that if the county does not grant permission to meet for a sixth time, the next meeting will have to be held after October 1st. If a special meeting is necessary, she will circulate proposed dates to the members.

2. Resolution 2024-02 was pulled from the agenda because the credit underwriting report is not complete.

B. Discussion regarding status of application of Emerald Place Florida, L.P. (Emerald Place Project): Ms. Abbott stated that the issue is moving through credit underwriting with Seltzer Management Group and expects to seek final approval from the Authority at its October or December meeting. The closing is expected to take place in December, which is after the expiration of the TEFRA approval. Ms. Abbott stated that she will be seeking County Commission approval for the third time.

IX. Single Family Programs:

- A. Status report on 2012-2023 TBA / MCC Program and discussion regarding funding of Down Payment Assistance loans: Ms. Abbott presented a written status report on the Single Family Program for the months of May, June and July, 2024. She indicated that five new loans closed, two loans paid off, one new foreclosure was filed, one foreclosure was completed, and two foreclosures were dismissed. One loan is expected to close in August. Loan production is more than double as compared to last year.
  - B. Quarterly status report on second mortgages: Ms. Abbott presented second mortgage report for the quarter ending June 30, 2024. She noted that foreclosures are settling out with payment plans.
- X. Report of Public Resources Advisory Group, Inc.: Ms. Edmonds noted that the Authority will want to discuss its strategy for the new allocation process at its next meeting.
- XI. Report of Angela A. Abbott, Esquire: Ms. Abbott mentioned that there is a new requirement beginning October 1, 2024, for the Authority to establish goals and objectives for each of its programs, and establish performance measures and standards to determine if goals are being achieved. By December 1 of each year, the Authority must post to its website the goals and objectives, the performance measures and any goals that the Authority failed to achieve. Motion made to Barry Forbes, seconded by Alison Colvard and carried unanimously to authorize Ms. Abbott to develop and post the required information.
- XII. Other:
- A. Approval of request for contribution to Sadowski Education Effort: Ms. Abbott noted that the Sadowski Education Effort has made a huge impact on housing funding over the years. Motion made by Alison Colvard, seconded by Barry Forbes and carried unanimously to approve a contribution of \$20,000 to the Sadowski Education Effort.
  - B. Approval of extension of Bond Counsel and Disclosure Counsel engagement agreements and Approval of Extension of Financial Advisor Agreement or direction to distribution Request for Proposals: Ms. Abbott presented a memo regarding the status of the referenced contracts. She recommended extending the financial advisor contract for an additional year based upon performance and the fact that there are two bond issues in process. She also recommended exercising the built in extensions on the bond counsel and disclosure counsel contracts. Motion by Michael Hartman, seconded by Alison Colvard and carried unanimously to approve a one year extension of the bond counsel, disclosure counsel and financial advisor contracts.
  - C. Alison Colvard mentioned that she attended the Florida Housing Coalition conference. Melissa Levy, with FHFC, is seeking information about unused local bond allocation. Ms. Colvard asked Ms. Abbott to reach out to her with any information she may have through FLALHFA.
  - D. Ms. Abbott mentioned that she received an email request yesterday from an affordable housing developer for the Authority to contribute \$50,000 in the form of a loan or grant to its project, as a "local government contribution". She has not responded since this is not something that the Authority typically does.

XIII. Motion by Michael Hartman, seconded by Alison Colvard and carried unanimously to adjourn the meeting at 4:07 p.m.