

BREVARD COUNTY
HOUSING FINANCE AUTHORITY

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MINUTES
April 23, 2025

The Brevard County Housing Finance Authority convened on the 23rd day of April, 2025, 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: Kamran Sarkarati, Chairman
 Michael Hartman, Vice Chairman
 Barry Forbes, Secretary/Treasurer
 James Katehakis Asst. Secretary/Treasurer
 Angela A. Abbott, Attorney for the Authority
 Marianne Edmonds, Public Resources Advisory Group
 Molly Clark, Public Resources Advisory Group
 Drew Warren, Community of Hope
 Katessa Archer, Dominionium
 Glen Daniels, Dominionium
 Gabriel Alayof, Dominionium

Present by telephone: Alison Colvard, Member
 Mark Mustian, Nabors, Giblin & Nickerson
 Helen Feinberg, RBC Capital Markets
 Andrew Taylor, Kittle Property Group, Inc.

- I. The Chairman opened the public hearing at 3:00 p.m., regarding the proposed issuance of not to exceed \$80,000,000, Multifamily Housing Revenue Bonds, (Cocoa West Apartments Project) pursuant to the Notice of Public Hearing which was properly published and asked for public comment. Hearing no comments, 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 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 Michael Hartman and carried unanimously to approve the Consent Agenda as follows:

- A. Approval of Minutes of March 26, 2025 meeting
- B. Approval of payment of Hendrickson Ink invoice for website maintenance
- C. Approval of payment of invoice of Public Resource Advisory Group for 1st Quarter, 2025
- D. Approval of payment of invoices of Angela A. Abbott, P.A. for 1st Quarter, 2025
- E. Approval of payment of Computershare invoice in connection with the Single Family 1985 issue

V. Report of Treasurer, Barry Forbes:

- A. Presentation of Treasurer's Report 2nd Quarter for fiscal year 2024-2025: Ms. Abbott presented the budget comparison, balance sheet and checkbook ledger for the second quarter of fiscal year 2024-2025. She noted that income, particularly on investments, continues to exceed the budget, while expenses are under budget. She noted that the issuer fees in connection with the Millennia project remain past due since July, 2024. The Trustee's fees are also past due. The Trustee, Computershare, has sent a letter to the guarantors stating the Authority may exercise the right to draw on the guaranties if the fees are not paid by May 5, 2025. Millennia does not have the ability to perform. HUD has cut them off and Millennia is selling its portfolio. It started out troubled. Motion made by Michael Hartman, seconded by Jim Katehakis and carried unanimously to accept the report of the Treasurer into the record.
- B. 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 rate on the Fidelity account is now approximately 4.1%, which is similar to the return on the U.S. Bank custody account.

VI. Status Reports on Special Projects: Loan to Community of Hope, Inc. ("CoH"): A summary of all payments was included in the agenda package. The loan payments have been made through April 1, 2025. Ms. Abbott presented the Loan Agreement and Mortgage Note for an interest free bridge loan of \$150,000 to assist in the construction of six attached homes in Titusville. This loan will be an advance under the existing mortgage loan and will be due in full in one year. Motion made by Michael Hartman, seconded by Jim Katehakis and carried unanimously to approve the execution of the Loan Agreement as presented.

VII. Single Family Programs:

- A. Status report on 2012-2025 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 month of March, 2025. She indicated that four (4) new loans closed, and two (2) loans paid off. Six new loans are expected to close in April, 2025.
- B. Quarterly status report on second mortgages: A report for the quarter ending March 31, 2025 was presented.
- C. Discussion regarding allocation process: Mark Mustian indicated that he submitted the request for an addition \$36 million in allocation. The website is not up to date so he is awaiting confirmation from the Florida Division of Bond Finance that the allocation was awarded. Assuming that the request is awarded, the Authority should have sufficient allocation for the Sunset Palms and Cocoa West issues.

VIII. Multi-Family Programs:

- A. Discussion regarding application of Dominion: Marianne Edmonds and Molly Clark presented a memorandum summarizing the application and the waiver requests. Ms. Edmonds suggested that some of the waiver requests may need to be considered after the credit underwriting report is issued. Katessa Archer introduced herself as a Vice President with Dominion. She is involved in many bond issues throughout Central Florida. She indicated that Dominion previously financed the Crane Creek and Oak Meadows project through the HFA. Both of those issues preservation deals. This application is for new construction in a Qualified Census Tract and Difficult Development Area. The parcel is 37 acres which is properly zoned for 10 units per acre. The property has good access to SR 520 and I-95, and to public transportation. The purchase is under contract now and development is expected to move forward quickly. It is expected that the bonds will be sold to Freddie Mac. The entire project will be 100% affordable at 60% of AMI for a thirty (30) year period. Dominion will be a long term owner and will maintain the quality of the project.

Waiver Requests of the HFA Guidelines:

- 1. Personal Guarantees: Ms. Archer requested a waiver of the personal guarantees in favor of corporate guarantees. In the past, personal guarantees were provided on the prior issues. She explained that Dominion Holdings I, LLC and Dominion Holdings II, LLC have been established to provide guarantees. The LLC's provide more liquidity and stability than personal guarantees. Dominion Holdings I, LLC has \$60 million in net worth with \$10 million in minimum liquidity and would guarantee through construction and stabilization. Dominion Holdings II, LLC has \$12 million in net worth with \$2 million in minimum liquidity and would provide the long term guarantees. Dominion has never failed to complete a project and has never been

foreclosed upon. It has historically funded cost overruns. Mr. Hartman noted that a corporate guarantee as opposed to a personal guarantee was recently permitted in St. Johns County. Ms. Edmonds noted that First Housing feels strongly about personal guarantees. Mr. Forbes stated that it is important to have covenants to maintain liquidity. Ms. Archer confirmed that this will be provided. In addition to the \$10 million minimum liquidity, there is also \$6 million in liquidity generated annually. Ms. Archer indicated that Dominion manages its own projects and will remain accountable. Ms. Edmonds indicated that credit underwriting has not yet commenced. Ms. Archer wants to lock interest rates as soon as possible. She indicated that personal guarantees have been provided on deals that include SAIL loans and FHFC bonds. Mr. Forbes does not have a problem waiving personal guarantees because they are generally uncollectible. The continued relationship is important. Mr. Hartman noted that he has known of Paul Sween for many years and has never heard a bad word about him. Motion by Michael Hartman, seconded by Barry Forbes and carried unanimously to permit corporate guarantees in lieu of personal ones if the credit underwriting report supports this decision.

2. Interim Fund Gap: Ms. Archer stated that the first mortgage debt will not be converted for about 36 months after the project is built and leased up. FHFC and the credit underwriter do not consider forward rents and have required funding of the "gap" at closing. Dominion is requesting that it not be required to fund the "gap" at closing but rather at stabilization when rents are known, if one exists. This is the way that the lender handles the "gap". Ms. Archer indicated that in another area, the gap funding required the developer to post cash with the trustee. Ms. Edmonds indicated that a letter of credit may be used as an alternative to posting cash. Ms. Archer conceded that this request may be premature since there may be no gap, but if there is, she will be back to request a waiver of cash funding of the gap. She stated that a letter of credit may be an option. Mr. Forbes asked what would happen if the gap is realized. Ms. Archer stated that if there are cost overruns or other shortfalls, the gap will be funded by the developer. Ms. Edmonds noted that the construction loan and other bridge loans have to be paid off at conversion. Mr. Hartman noted that HUD has bumped rents 6% which will be beneficial to the project. Mr. Forbes indicated that he would be willing to consider this request when the facts are known.
3. Ongoing Issuer Fee: Ms. Archer stated that Dominion does not want to carry the Issuer fee as part of its first mortgage rate stack. She has discussed with Ms. Edmonds the possibility of paying the fee up front or paying it from subordinate or surplus cash flow to maximize first mortgage proceeds. They are looking at various options. Ms. Edmonds wants to make sure the HFA will be treated the same. An option is to allow the fee to be paid from surplus funds, with a one year reserve posted, and secured by a subordinate

mortgage. Mr. Hartman favors an upfront fee. Mr. Forbes likes the one year reserve. Ms. Abbott mentioned that the Manatee County HFA received a similar request from Dominion three or so years ago. The compromise there was to require half of the issuer fee upfront and a reduced ongoing issuer fee. Ms. Edmonds suggested that she work with Dominion to resolve this issue. Dominion will come back after the credit underwriting report is issued to propose a solution.

4. Payment and Performance (P & P) Bond: Ms. Archer is requesting a waiver of the P & P bond. The cost is likely to be over \$700,000 for this project. Dominion will provide construction completion guarantees. Mr. Hartman noted that the owner and contractor are related entities so the subcontractors have to be paid from one of them. In his experience, the P & P bond is uncollectible. Mr. Forbes suggested that the contractor be underwritten. He would like to know it is bondable. Ms. Archer will provide information to the credit underwriter as to the bondability of the project.
5. Design Requirements: Ms. Archer presented the amenities being provided, including bus stops. Dominion does not like to gate its affordable projects because of the social message gating sends and the ongoing maintenance issues with gates. Dominion will provide washer/dryer hook ups but is planning to charge the tenants for the washers and dryers. There may also be a central laundry. Mr. Hartman is concerned about a compliance issue if the tenant is required to rent the washers and dryers. Ms. Archer stated that this item is still being considered and she will need to come back when there is more certainty. She requested a waiver of a car care area and garden area. Mr. Hartman agreed that these requirements should be removed from the application. There are environmentally difficult and expensive. Ms. Archer also requested a waiver of Energy Star ceiling fans and windows, and eco-friendly cabinets and flooring due to costs. Mr. Hartman agreed with these waivers but stated that 15 seer HVAC systems is a minimum. Ms. Archer agreed to drop this request. The Dominion representatives distributed photographs of a few of its other projects to show the quality of its developments. Ms. Abbott stated that she attended the grand opening of Reef at Riviera in Manatee County and it is a beautiful, high quality project. Mr. Forbes stated that he is concerned about health care in this area.

He mentioned that Brevard Health Alliance recently received a grant to expand its mobile health unit.

Motion by Michael Hartman, seconded by Jim Katehakis and carried unanimously to approve Resolution No. 2025-03 entitled:

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$80,000,000 IN MULTIFAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, 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 COCOA LEASED HOUSING ASSOCIATES III, LLLP; AND PROVIDING AN EFFECTIVE DATE.

- B. Request in connection with Oak Meadows Project: Ms. Archer stated that the Oak Meadows issue closed in November, 2024. One of the requirements in the LURA is for an outside recreation area for older children (such as a tennis, volleyball or basketball court, etc.). She noted that a school bus stop with electrical and Wi-fi will be added and requested that the bus stop be counted as satisfying the outside recreation area requirement. There is no room for a tennis, volleyball or basketball court due to water retention areas. Mr. Hartman stated that in other projects, a basketball court has not attracted the right element. Motion made by Barry Forbes, seconded by Michael Hartman and carried unanimously to accept the school bus stop as the outside recreational area for older children under the LURA.
 - C. Discussion regarding status of Kittle Property Group, Inc. (Sunset Palms Apartments Project): Andrew Taylor presented a request for a variance from the requirement in the guidelines and application that two bedroom units contain one and one-half bathrooms. He stated that seniors prefer extra storage space/closet in lieu of the half bath. In lieu of the half bathroom, he proposed unisex communal bathrooms on each floor. Alison Colvard asked about roommates, as opposed to couples, sharing a two bedroom unit. She is seeing more widows living together to share expenses. Mr. Taylor responded that he was not sure of the statistics but the shower would have to be shared. Ms. Colvard stated that she would like to see the tenant population figures. Motion made by Michael Hartman, seconded by Alison Colvard and carried unanimously to deny the requested variance.
 - D. Discussion regarding anticipated multifamily applications: Ms. Abbott asked Ms. Archer about the Indian River project previously discussed. Ms. Archer stated that Indian River is considering the area of operation agreement to allow the HFA to operate there. She will have more information by the next meeting. Ms. Edmonds stated that the new allocation rules require that the issuing authority be located within the same region.
- IX. Report of Public Resources Advisory Group, Inc.: Marianne Edmonds introduced Molly Clark with PRAG.
- X. Report for Angela A. Abbott, Esquire: Report for Angela A. Abbott, Esquire: Ms. Abbott reminded the members of the Florida ALHFA Educational Conference in July. She also stated that the RFP

for auditor was circulated in early April. The responses are due by May 13, 2025, and will be considered at the next HFA meeting.

XI. Adjournment: The meeting adjourned at 4:40 p.m.