

Brevard County Housing Finance Authority
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Minutes
August 24, 2022

The Brevard County Housing Finance Authority convened on the 24th day of August, 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: Kamran Sarkarati, Chairman
Barry Forbes, Secretary/Treasurer
James Katehakis, Asst. Secretary/Treasurer
Angela A. Abbott, Attorney for the Authority
Rob Cramp, Housing for Homeless

Present by telephone: Mark Mustian, Nabors, Giblin and Nickerson
Marianne Edmonds, Public Resources Advisory Group
Debbie Berner, RBC Capital Markets

- I. The Chairman, Kamran Sarkarati, opened the public hearing at 3:30 p.m., regarding proposed issuance of not to exceed \$50,000,000, Single Family Mortgage Revenue Bonds pursuant to the Notice of Public Hearing which was properly published, and asked for public comment. Hearing none, the public hearing was closed at 3:31 p.m.
- II. The Chairman called the meeting to order at 3:32 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 Barry Forbes and carried unanimously to approve the Consent Agenda as follows:
 - A. Approval of Minutes of June 22, 2022 meeting
 - B. Approval of payment of Hendrickson Ink invoice for website maintenance
 - C. Approval of payment of invoice of Public Resource Advisory Group for 2nd Quarter, 2022
 - D. Approval of payment of invoices of Angela A. Abbott, P.A. for 2nd Quarter, 2022
 - E. Approval of reimbursement of Florida ALHFA conference expenses
 - F. Approval of 12 Month Planning Goals
 - G. Approval of budget for fiscal year 2022-2023 and adoption of Resolution 22-03 entitled:

RESOLUTION: ADOPTING THE 2022-2023 BUDGET FOR THE BREVARD COUNTY HOUSING FINANCE AUTHORITY

- V. Report of Treasurer, Barry Forbes: Presentation of 3rd Quarter, FY 2021-2022
Treasurer's Report: Mr. Forbes presented the budget comparison, balance sheet and checkbook ledger for the third quarter of fiscal year 2021-2022. He noted that the funds in the Fidelity account are being invested in six month CD's with an increase in interest rate. Ms. Abbott stated that the Tropical Manor and Crane Creek fees were paid subsequent to June 30, 2022. Motion made by Jim Katehakis, seconded by Kamran Sarkarati 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 updated the Authority on the activities of HFH since the interest free loan originated in 2015. The organization was doing fine until HUD withdrew its support for transitional housing with 3 weeks notice. A PPP loan of approximately \$150,000 was forgiven and HFH now has liquidity of about \$250,000.

HFH has partnered with Housing Trust Group from Miami to develop a 90 unit project on Michigan Avenue in Cocoa, which will provide 50% of the units for the homeless. The project will qualify for 9% low income housing tax credits. HFH has applied for \$21.7 million in bonds with FHFC. The original construction cost estimate was \$13.6 million. Now the actual construction costs are expected to be \$18 million. After all funding sources, HFH is short about \$2 million. Housing Trust Group will manage the project for the initial two to three years and will then turn over management to HFH. HFH will move its office to the location. Good cash flow is expected as HUD project based vouchers will be at fair market rent. HFH is the nonprofit partner with Housing Trust Group. Ms. Edmonds noted that FHFC will have to review the change over of management of the project. She stated the Housing Trust Group is a very active developer of affordable housing with a good reputation. Mr. Cramp noted that Housing Trust Group has not dealt with homeless residents so it needs HFH. The project is intended to provide temporary residences for the homeless, who will be transitioned out to other housing after a period of time.

Mr. Cramp requested either a 0% loan or grant of whatever amount the Authority is willing to provide to help with the \$2 million shortfall. Ms. Edmonds stated that this is a common problem due to rapidly increasing construction costs. Mr. Cramp stated that Raymond James is the tax credit investor. The price has gone from \$0.91 to \$0.93 or \$0.94. Mr. Forbes asked if the loan from the Authority could be amortized and secured with a subordinate mortgage. Ms. Edmonds suggested that she review the credit underwriting report for the tax

credits, and utilized to justify CIRP funds. Barry Forbes mentioned that banks have incentives to invest in projects like this for CRA credits. Mr. Cramp noted that one third of the homeless clients are veterans. Mr. Katehakis and Mr. Forbes emphasized that case management is critical to success. Jobs are also an issue. The Authority agree to consider this request at a future meeting after the credit underwriting report is reviewed by Ms. Edmonds.

- 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 July 31, 2022. During the months of June and July, one new loan closed and three (3) loans paid off, one of which was in foreclosure. There are three loans currently pending. The agenda package included status reports on the DPA and GNMA Custody accounts, and a summary of GNMA profits as of July 31, 2022. The average GNMA profit per loan this fiscal year is \$3,652.85, which is \$11,347.15 short of covering the \$15,000 second mortgage. The current balance in the DPA custody account is approximately \$191,981. If the pending loans close, the balance in the DPA will drop below \$150,000.00. Once the balance drops below \$150,000, a check for \$100,000 will be remitted to Bank of New York for deposit to the DPA account.

- B. Discussion regarding Single Family 1991 C Second Mortgages: Ms. Abbott presented a status report reflecting that all five outstanding loans remain delinquent. She received a phone call from one of the borrowers who stated emphatically that he was told by his lender and others that the loan was forgiven after a number of years. Ms. Abbott sent him copies of the mortgage and form of the mortgage note. She indicated that some of the loan files are deficient following a change in the trustee from SunTrust to US Bank. Ms. Abbott suggested that the Authority review this matter at next meeting to see if any payment are received.
- C. Quarterly status report on second mortgages: Ms. Abbott presented the status report on second mortgages as of June 30, 2022. There were six second mortgages paid off during the quarter.
- D. Ms. Abbott indicated that the purpose of Resolution No. 22-04 is to pursue private activity bond allocation to be used in 2023 or subsequent years for single family or multifamily bond issues. It is expected that allocation will become increasing scarce and competitive. Following discussion, motion made by Barry

Forbes, seconded by Jim Katehakis and carried unanimously to approve Resolution No. 22-04 entitled:

A RESOLUTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY APPROVING A PLAN OF FINANCE INVOLVING THE ISSUANCE BY AUTHORITY OF ITS SINGLE FAMILY MORTGAGE REVIEW BONDS IN AN AGGREGATE FACE AMOUNT OF NOT TO EXCEED \$50,000,000 IN ONE OR MORE SERIES; APPROVING USE OF STATE-AWARDED PRIVATE ACTIVITY BOND ALLOCATION (“ALLOCATION”) FOR MORTGAGE CREDIT CERTIFICATE PROGRAMS OR MULTIFAMILY CARRY FORWARD; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE PLAN OF FINANCE AND RATIFYING PRIOR ACTIONS REGARDING SAME AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

- VIII. Multi-Family Programs: Status report on issuance of additional bonds for Venue At Brevard Partners, Ltd. (Venue at Viera Project). Ms. Abbott indicated that the issue in the amount of \$1,990,000 closed on July 12, 2022. She stated that the bonds were sold directly. The investor was obtained by the borrower. Neither RBC nor PRAG acted as a placement agent. PRAG did not solicit the investor nor negotiate terms between the investor and the borrower.
- IX. Report of Public Resources Advisory Group, Inc.: Motion made by Barry Forbes, seconded by Jim Katehakis and carried unanimously to approve a one year extension of Financial Advisor Agreement.
- X. Report of Angela A. Abbott, Esquire: Ms. Abbott indicated that the Board of County Commissioners has adopted an Ordinance which places term limits on advisory board members, which will impact the Authority. The term limit is two terms or not more than 10 years in a 16 year period. The Ordinance also requires the filing of an annual report with the County, which Ms. Abbott will handle. There is a limit of four meetings per year, unless additional meetings are authorized by the County Manager’s office. Mr. Forbes asked whether the term limit will be applied retroactively or prospectively. Ms. Abbott agreed to ask the County Attorney this question.
- XI. Approval of request for contribution to Sadowski Education Effort: Motion made by Jim Katehakis, seconded by Kamran Sarkarati and carried unanimously to approve a contribution of \$20,000 to the Sadowski Education Effort, as budgeted.
- XII. The meeting adjourned at 4:15 p.m.