

BREVARD COUNTY HOUSING FINANCE AUTHORITY
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MINUTES
December 6, 2023

The Brevard County Housing Finance Authority convened on the 6th day of December 2023, 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
James Katehakis, Asst. Secretary/Treasurer
Alison Colvard, Member
Angela A. Abbott, Attorney for the Authority
Helen Feinberg, RBC Capital Markets
Cameron Hill, RBC Capital Markets
Lynn Cowart, Crosswinds Youth Services

Present by telephone:

Mark Mustian, Nabors, Giblin & Nickerson
Thomas Williams, Dominionium
Scott Culp, Atlantic Housing

- I. The Chairman called the meeting to order at 3:00 p.m., determined the presence of a quorum and acknowledged publication of the notice of meeting.
- 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 October 25, 2023 meeting
 - B. Approval of payment of Hendrickson Ink invoice for website maintenance
 - C. Approval of payment of NALHFA annual dues for 2024

IV. Multi-Family Programs:

- A. Discussion regarding application of The Venue at Heritage Oaks Partners, Ltd.: Ms. Abbott announced that the Brevard County Board of Commissioners did not approve the TEFRA hearing at its meeting last night. This item was originally presented on November 14, 2023. The Board asked the developer to hold a community meeting to address the concerns of area residents, who had been contacting the Commissioners' offices, and many of whom attended the meeting. The residents expressed objections to the location of the project, which is at the corner of Minton and Heritage Oaks Boulevard. Heritage Oaks Boulevard is the only access road to several single family subdivisions containing hundreds of homes. The residents primarily expressed concerns about height, density and mostly traffic. The applicant held the community meeting last week but the residents remained opposed to the project. Three of the County Commissioners voted in opposition. There was discussion about how the Live Local Act takes decision making away from local governments in regard to zoning and land use. Scott Culp stated that he thinks the decision and the basis for it were incorrect. He is not sure at this time how or whether the project will move forward. He believes that Live Local was acting as it was intended, but the Commissioners chose to listen to the vocal minority, which was the residents closest to the proposed project. It is possible that they may apply to FHFC for a SAIL loan for a family project or develop the project as a market rate project without bonds.

Ms. Abbott stated that the Authority is holding a \$167,500 developer deposit for this application which needs to be applied to professional fees and the balance refunded to the applicant. Motion made by Michael Hartman, seconded by Alison Colvard and carried unanimously to authorize payment of bond counsel, financial advisor and issuer counsel fees and expenses, with the balance refunded to the applicant. Mr. Hartman asked whether the Commissioners were aware that the \$16 million in allocation will go unused. Ms. Abbott responded that she informed the Commissioners of this fact. Mr. Culp noted that Chairman Rita Pritchett and Vice Chairman Jason Steele voted in favor, and the three other Commissioners voted in opposition. Mr. Forbes asked whether this was primarily a NMBY issue. Ms. Abbott stated that height, traffic and lack of control by the City of West Melbourne were the primary concerns expressed. Mr. Culp noted that although these were the stated concerns at the meeting, the homeowners' mass mailings stated opposition to affordable housing. He stated that the property is currently zoned commercial. Under the Live Local Act, multifamily affordable development may occur in commercial and industrial zoning without a zoning or land use change. There are also increased height and density limits. The City of West Melbourne staff has to administratively approve the site plan based upon its land development code for multifamily development, which includes transportation and concurrency. But elected official approval of zoning, height and density is replaced by the regulatory provisions of Live Local. Mr. Culp stated that there are a number of other uses permitted under the current zoning which would have a greater impact on traffic. The project is in Commissioner Tobia's district and he voted in opposition. Ms. Abbott stated that the Board of County Commissioners is considering amending the Authority's ordinance in regard to future TEFRA hearings. If the proposed project is new

construction in an area that is not zoned for multifamily then the public hearing must be held within the municipality or zip code of the project, a written notice must be mailed to all residents within 500 feet and a notice must be sent to the municipality with a solicitation for comment.

Mr. Forbes stated that he is concerned about the difficulty in developing affordable housing in Brevard County. Mr. Hartman noted that costs are up and it is more difficult to make bond issues work in this higher interest rate environment. Mr. Culp suggested that the Commissioners should be cautioned that if it becomes too difficult to issue bonds through the HFA, affordable housing developers may go to FHFC for bonds which will eliminate local input. Ms. Abbott also noted that there were residents from Venue at Viera that spoke very highly of the project and there were concerned citizens who encouraged affordable housing development. Ms. Colvard stated that it is unfortunate that the project will not be moving forward with 2023 allocation. She encouraged Atlantic Housing to continue to try to develop in Brevard County and she will contact the Commissioners to let them know how important the work of the HFA is.

- B. Discussion regarding status of application of Emerald Place Florida, L.P. (Emerald Place Project): Ms. Abbott stated that the Board of County Commissioners approved the TEFRA hearing for this project on November 14, 2023. Seltzer Management Group has been assigned as the credit underwriter.
 - C. Discussion regarding status of application of Cocoa Leased Housing Associates II, LLLP (Oak Meadows Apartments Project): Ms. Abbott stated that the Board of County Commissioners approved the TEFRA hearing for this project on November 14, 2023. AmeriNat has been assigned as the credit underwriter. Thomas Williams added that this issue is expected to close in second quarter, 2024.
 - D. Discussion regarding allocation process: Mark Mustian indicated that the Authority has \$50 million in carryforward allocation which will be used for the Emerald Place and Oak Meadows issues. With the approval by the County Commission on November 14, 2023, the Authority is set to apply for \$50 million on December 30th and on January 2nd to be used for multifamily in 2025. Ms. Abbott stated that the Volusia County HFA will be applying for about \$18 in allocation for a multifamily project. The total regional allocation is about \$70 million so there should be sufficient allocation for both applications.
- V. Single Family Programs: 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 October and November, 2023. She indicated that two new loans closed and two loans paid off. There was also a loan closed in Brevard utilizing Hillsborough HFA documents, for which the Authority has not yet received a funding request. Ms. Colvard stated that she has reached out to Ian Golden to set a meeting to discuss a joint program with the County.

Helen Feinberg suggested that the HFA consider a new Mortgage Credit Certificate (“MCC”) program. She noted that the 50% MCC results in up to \$2,000 in tax credits to the borrower. However, if a 20% MCC is used then there is no cap on the amount of credit. For instance, on a \$250,000 loan with a 7.125% mortgage interest rate, the first year’s mortgage interest would be \$17,812. With a 20% MCC, the tax credit would be \$3,562. This makes the effective mortgage interest rate much lower. Barry Forbes asked whether borrowers have to continue to income qualify. Ms. Feinberg noted that Hillsborough makes MCC’s mandatory. The MCC’s are more attractive with higher mortgage interest rates. The downside is that the MCC’s use four times the amount of allocation (\$10 million in allocation results in \$2.5 million in MCC’s). Also, historically, MCC have not been well utilized and it is difficult for lenders and borrower to understand. Ms. Feinberg noted that FHFC is not currently offering MCC’s. Barry Forbes requested that the Authority consider an MCC program at its next meeting

VI. Underwriter Selection – Discussion regarding responses to Request for Proposals:

Ms. Abbott indicated that a Request of Proposals was circulated by email on October 31, 2023, to underwriting firms and posted to the HFA website on October 27, 2023. Responses were received from RBC Capital Markets and Raymond James. She noted that both applicants are well qualified but the Authority has a very positive long term relationship with RBC Capital Markets. Motion made by Michael Hartman, seconded by Alison Colvard and carried unanimously to select RBC Capital Markets as the Authority’s underwriter for an additional five year term ending December 5, 2028, with two additional one year optional extensions ending December 5, 2030

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.
- 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.
- C. Discussion regarding status of loan to Crosswinds Youth Services: Lynn Cowart stated that Crosswinds is actively pursuing the keyless entry and security system project, which must be completed by June, 2024. She addressed the recent article in Florida Today, that quoted disgruntled former employees and board members that are half truths. Crosswinds is working with the DJJ and DCF. The organization is still operational. There have been Board and employee changes. She is now serving as the finance director. An annual outside audit has always been performed with no management letters issued. The 2022-2023 audit now underway. Mr. Hartman asked whether any contracts are being pulled. Ms. Cowart stated that one contract with Florida Network of Youth and Family Services that is currently on hold. This represents only about 30% of the shelter

funding. The other programs are up and running. A response to the article is being formulated. The facility is licensed for 20 beds but 14 is optimal, and is now at 10. There are ongoing physical inspections, as well as administrative reviews and accreditations. Barry Forbes asked about financial viability and the requirements of the HFA loan documents. Ms. Abbott stated that the facility must continue to operate and fulfill its purpose or the loan may be called. The 2016 loan will be forgiven in 2026, if the conditions are met. Mr. Forbes asked about the HVAC system being nonoperational. Ms. Cowart stated that a \$7,000 part has been on order to repair the HVAC system. Mr. Forbes stated that it is important that the HFA make sure that the loan funds are properly applied. He also expressed concerns about the ability to raise funds in the community. Ms. Cowart stated that less than ten percent of operating revenues are raised through private donations. Motion by Alison Colvard, seconded by Michael Hartman and carried unanimously to fund the subject loan as a reimbursement as opposed to funding in advance of the costs being incurred.

VIII. Report of Angela A. Abbott, Esquire: Ms. Abbott noted that the HFA audit for fiscal year 2022-2023 is now underway and should be presented at the next meeting.

IX. Other: Ms. Abbott reminded the Authority that the Florida Division of Bond Finance ("FDBF") was proposing to eliminate the regional pools for allocation distribution. Instead, it was proposing that there be a statewide single family pool and a statewide multifamily pool which would be available on a first come first served basis, or by lottery. She indicated that FLAHFA/Sadowski Education Effort has reached a tentative agreement with the FDBF to preserve the regional pools for housing only. Further, there would be an automatic path to carryforward. The only concession is to reduce the number of regions from 17 to 11. Brevard would be in Region 6 with Volusia, Indian River, St. Lucie, Martin, Okeechobee, Highlands and Glades Counties, many of which are inactive. The amount of allocation available in this region will go from about \$70 million to over \$117 million.

X. Motion by Michale Hartman, seconded by Barry Forbes and carried unanimously to adjourn the meeting at 4:05 p.m.