

BREVARD COUNTY  
HOUSING FINANCE AUTHORITY

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MINUTES  
October 16, 2024

The Brevard County Housing Finance Authority convened on the 16<sup>th</sup> day of October 2024, at the hour of 3:00 p.m. in the classroom 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, Assistant Secretary/Treasurer  
Angela A. Abbott, Attorney for the Authority  
Thomas Williams, Dominion  
Mike Scully, Interim President/CEO, Crosswinds Youth Services  
John Pilley, CPA, Crosswinds Youth Services, Inc.

Present by telephone: Mark Mustian, Nabors, Giblin & Nickerson  
Marianne Edmonds, Public Resources Advisory Group  
Molly Clerk, Public Resources Advisory Group  
Cameron Hill, RBC Capital Markets  
Paul Shevchuk, SBV

- I. The Chairman called the meeting to order at 3:07 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 Barry Forbes and carried unanimously to approve the Consent Agenda as follows:
  - A. Approval of Minutes of August 28, 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 3<sup>rd</sup> Quarter, 2024

- D. Approval of payment of invoices of Angela A. Abbott, P.A. for 3<sup>rd</sup> Quarter, 2024
- E. Approval of reimbursement of Florida Housing Coalition conference expenses
- F. Approval of payment of Florida ALHFA annual dues for 2024-2025
- G. Approval of payment of Annual Special District fee for FY 2024-2025
- H. Approval of Public Depositor Annual Report to Chief Financial Officer
- I. Approval of Goals and Objectives and ratification of website posting
- J. Approval of payment of NALHFA, FLALHFA and Florida Housing Coalition conference registration fees and authorization to incur reimbursable expenses for 2025
- K. Approval of 2025 Public Meeting Schedule

IV. Report of Treasurer, Barry Forbes:

- A. Presentation of 4th Quarter, FY 2023-2024 Treasurer's Report: Mr. Forbes presented the budget comparison, balance sheet and checkbook ledger for the fourth quarter of fiscal year 2023-2024. He noted that income, particularly on investments, continues to exceed the budget, while expenses are under budget. During the first quarter of fiscal year 2024- 2025, the developer deposits for Oak Meadows and Emerald Place are likely to be returned or disbursed. Motion made by Michael Hartman, seconded by Jim Katehakis and carried unanimously to accept the report of the Treasurer into the record.
- B. Discussion regarding U. S. Bank 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. There is a limit of \$100,000 per day on the funds to be moved and there is no ability to step up a link between the accounts. The CD's in the Fidelity account are continuing to earn 4% to 5%.

V. 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. ("CoH"): The loan to Community of Hope is paying as agreed. A summary of all payments was included in the agenda package.
- C. Crosswinds Youth Services request for partial release: Ms. Abbott presented a memorandum stated that Crosswinds Youth Services, Inc. ("Crosswinds") has been approached by an adjacent land owner who needs to purchase 1.69 acres of its approximately 11 acre property. In order to sell the property, the Authority will need to approve the Partial Release of its mortgage. Mike Scully, the interim President/CEO of Crosswinds, indicates that the proceeds from the sale of the property will provide funds to pay down debt. The sales price is approximately \$237,000. The Authority's mortgage in the amount of \$44,781 will be forgiven in full on March 30, 2026, provided that Crosswinds continues to utilize its remaining property for housing in the form of emergency shelter and services to abused, neglected and endangered youth with low income. Motion made by Jim Katehakis, seconded by Barry Forbes and carried unanimously to approve the Partial Release of Mortgage.

Mr. Scully stated that the keyless entry system previously approved was obtained with other funds. Crosswinds may be coming back with a request for funding for the purchase of a generator and possibly HVAC system repairs. Mr. Forbes inquired about the status of the Board of Directors. Mr. Scully responded that former judge, Morgan Reinman, and another member have been added to the Board, which will have 12 to 15 members.

VI. Multi-Family Programs:

- A. Discussion regarding status of application of Cocoa Leased Housing Associates II, LLLP (Oak Meadows Apartments Project): Ms. Abbott presented the final approval resolution. Marianne Edmonds presented a report summarizing the credit underwriting report, a copy of which was emailed to the members yesterday. She explained that the financing structure uses a Fannie Mae mortgage backed security, which will be delivered shortly after closing of the bonds. The bonds are closed first. Then the bond proceeds will be used to pay project costs and the loan from Walker & Dunlop will be deposited with the Trustee as security for the bonds. Upon delivery of the Fannie Mae MBS, the Walker & Dunlop loan proceeds held by the Trustee will be used to purchase the MBS. This is the primary tax exempt bond issue, which will be secured by the Fannie Mae MBS. There is also a second tax exempt bond series, which is characterized as a loan from Bremer Bank in the amount of \$4,374,000, which will be paid off upon completion of the improvements. There is also a taxable loan from Bremer Bank in the amount of \$1.4 million, approximately \$10 million of loans from Florida Housing Finance Corporation will be assumed, tax credit equity by Alliant Capital and the deferred developer fees. The usual guaranties (construction completion, operating deficit, recourse obligations and environmental indemnity) will be provided by the applicant and Mark Moorhouse. Michael Hartman asked why the operating deficit and debt service reserve is only three months instead of the standard six months. Thomas Williams and Katessa Archer responded that this was set by Walker & Dunlop/Fannie Mae requirement. Ms. Archer reminded the HFA that this is an occupied rehabilitation with no expected vacancies. Mr. Hartman stated that the property can go negative quickly because of insurance premiums. Mr. Forbes asked whether there is a risk of non-conversion. Ms. Edmonds stated that Walker & Dunlop is taking that risk and the primary bonds are secured by the MBS. The payments on the MBS will be passed through the Trustee to pay the bondholders. She added that the Bremer Bank note will be paid by the tax credit equity provider. Mr. Hartman asked whether there is nonpayment risk if the operating deficit drops. Ms. Edmonds and Ms. Archer responded no, that Walker & Dunlop is assuming that risk.

Mr. Forbes asked about the rents. Mr. Williams responded that the rents range from \$550 to \$1,315 depending on tenant income and unit size. He stated that 42 units will use Section 8 vouchers. Ms. Williams stated that the total issue size will be \$17,600,000.

Motion made by Michael Hartman, seconded by Jim Katehakis and carried unanimously to approve Resolution No. 2024-02 entitled:

A RESOLUTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING \$17,600,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS (I) MULTIFAMILY HOUSING REVENUE BONDS (OAK MEADOWS APARTMENTS), SERIES 2024, (II) SUBORDINATE MULTIFAMILY HOUSING REVENUE BONDS (OAK MEADOWS APARTMENTS), SERIES 2024B; AND PROVIDING AN EFFECTIVE DATE.

Thomas Williams added a request for a waiver of the personal guaranty of Mark Moorhouse in favor of the corporate guaranties of Dominion Holdings I and II, which was created in 2013 to provide guaranties in lieu of personal guaranties. The entities have a net worth of \$72 million and \$10 million in liquidity. Dominion has never had a foreclosure or abandoned a property in its history. Mr. Hartman asked about the prior Dominion deal. Ms. Edmonds responded that a personal guaranty was provided. She stated that the credit underwriter, Amerinat, was asked to accept the corporate guaranties, but instead is recommending the use of the personal guaranty. She is aware of other instances where the Dominion corporate guaranty structure was accepted but it was recommended by the credit underwriter. Because this is a rehabilitation project and not new construction, the completion guaranty is mitigated. As a compromise, she suggested keeping the personal guaranty for completion and using the corporate guaranty for the others. Mr. Forbes asked whether the individual was evaluated by the credit underwriter. Ms. Edmonds responded yes. Mr. Hartman thinks the HFA should remain consistent and he wants to accept the credit underwriting report as it is. Mr. Williams stated that Walker & Dunlop, and Bremer Bank are not requiring personal guaranties. Ms. Edmonds added that FHFC is requiring a personal guaranty. Mr. Williams stated that they may come back to request a waiver of the personal guaranties after completion. Mr. Forbes stated that he would want to see an updated credit underwriting report to support the change.

- B. Discussion regarding status of application of Emerald Place Florida, L.P. (Emerald Place Project): Mark Mustian presented the final approval resolution with a change to indicate that there will be a tax exempt bridge loan in addition to the primary bonds, which is consistent with the credit underwriting report. Ms. Edmonds explained that the bonds will be issued, and the proceeds of which will pay project costs. A loan from Key Bank will secure the bonds during construction. Upon completion, an MBS will be delivered to the Trustee to secure the bonds and the payments to bondholders. There will also be a \$700,000 tax exempt bridge loan from the partners. Ms. Edmonds stated that there are personal guaranties on this issue. Ms. Abbott stated that she will be attending the Board of County Commissioners meeting on October 22, 2024, to request approval of the new TEFRA hearings for this issue and Oak Meadows. The prior TEFRA approvals expire on November 14, 2024.

Motion made by Jim Katehakis, seconded by Michael Hartman and carried unanimously to approve Resolution No. 2024-03 entitled:

A RESOLUTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING \$15,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS MULTIFAMILY HOUSING REVENUE BONDS (EMERALD PLACE APARTMENTS); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING THE DATE, INTEREST RATES, INTEREST PAYMENT DATES AND MATURITY SCHEDULE AND OTHER TERMS OF SUCH BONDS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A TRUST INDENTURE, LOAN AGREEMENT, LAND USE RESTRICTION AGREEMENT, AND RELATED LOAN DOCUMENTS; AUTHORIZING THE NEGOTIATED ISSUANCE AND DELIVERY OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A TRUSTEE FOR THE BOND; AUTHORIZING THE CHAIR OR VICE CHAIR OR ANY AUTHORITY MEMBER AND THE SECRETARY TO TAKE ANY OTHER ACTIONS NECESSARY TO ISSUE THE NOTE AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

VII. Single Family Programs:

- A. Status report on 2012-2024 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 August and September, 2024. She indicated that one new loan closed, two loans paid off, and one foreclosure was completed. One loan is expected to close in October. 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 September 30, 2024.

VIII. Motion by Jim Katehakis, seconded by Michael Hartman and carried unanimously to adjourn the meeting at 4:01 p.m.