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BOARD MEETING MINUTES Wednesday, March 13, 2013

A regular Board meeting of the Housing Finance Authority of Broward County, Florida, was held on Wednesday, March 13, 2013 in the 2nd Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida. The Chair, Mr. Robert McKinzie, Jr. called the meeting to order at 5:30p.m.

Present: Robert McKinzie, Jr., Chair
Daniel Reynolds, Vice Chair
Tony R. Valentine, Secretary
John Primeau, Assistant Secretary
Donna Jarrett, Member
Jose "Pepe" Lopez, Member
Brad Orvieto, Member
Bertha Smith, Member

Absent: Kirk L. Frohme, Member

Staff: Noel Pfeffer, Deputy County Attorney
Norman Howard, Assistant to the Director
Elizabeth Kersting, Interim Administrative Assistant

Also Present: Bill Lamm, Bank of New York Mellon Trust Co.
JoLinda Herring, Bryant, Miller & Olive, P. A.
Tracy Bryan, Dufresne & Associates, CPA
Kevin Murray, Karpus Investment Management
DeAnna Stinson, Harvey, Covington & Thomas of South Florida L.L.C.
Candi Burton, Harvey, Covington & Thomas of South Florida L.L.C.
Benjamin Mallah, Equity Management Partners, L.L.C., (Buyer of Praxis)
Joseph Sozzoni, Equity Management Partners, L.L.C., (Buyer of Praxis)
Frank Brady, Attorney for seller of Praxis of Deerfield Beach
Nicolas Hoffer, Raymond James & Associates
Helen Feinberg, RBC Capital Markets
Vladimir Munoz, Regions Financial Corp
Sophia S. Miller, Sharpton, Brunson & Associates, P.A.
Deborah Zomermaand, Zomermaand Financial Advisory Services

CALLING OF THE ROLL

A Roll Call was taken by Ms. Elizabeth Kersting and a quorum declared.

CONSENT AGENDA (1 through 5)

1. Approval of February 13, 2013 Regular Meeting Minutes
2. Executive Director's Report
3. Financial Reports

4. Karpus Investment Management (Non-Discretionary Agreement)

MOTION TO AUTHORIZE the Chair of the Housing Finance Authority to provide the acknowledgment of a Non-Discretionary Agreement allowing for the retention of securities within a Non-Discretionary category with Karpus Investment Management.

5. Praxis III Apartments Project (Assumption Agreement)

MOTION TO APPROVE Resolution of the Housing Finance Authority of Broward County, Florida, authorizing the form of Assignment, Assumption, Consent and Release Agreement related to the Land Use Restriction Agreement dated as of July 1, 1998 of Praxis Phase III Apartments and providing for certain details thereof; authorizing the proper officers to do all things necessary or advisable; and providing an effective date for this Resolution.

It was acknowledged by Mr. Norman Howard that representatives concerning Praxis Phase III Apartments of Deerfield Project were present at the meeting. Mr. Benjamin Mallah, introduced himself together with Vice President/General Counsel Mr. Joseph Sozzoni as owners of Equity Management Partners, L.L.C., and indicated that they were the buyers of Praxis III of Deerfield. Mr. Frank Brady who was also present at the meeting introduced himself as the Attorney representing the seller of Praxis of Deerfield.

Mr. Primeau made reference to the Financial Report under (*Profit & Loss (Flux Report)*) and pointed out that there were no explanation noted for the large variance amount shown under Net Profit/(Loss) between what was budgeted and the difference. He also made reference to the Balance Sheet (Flux Report) on page 1 of the Financial Report which also reflected variances but noted explanations were provided accordingly. He felt that page 2 of the report should have reflected the same format. His concern was that it would be perceived questionable seeing such a disparity should anyone be reviewing the HFA financial statements. Mr. Howard responded that going forward staff will reflect noted explanations for any disparity in the Financial Statements.

MOTION was made by Mr. Daniel Reynolds, seconded by Mr. John Primeau to approve Consent Agenda Items 1, 2, 3, 4, and 5, for March 13, 2013. This motion was unanimously approved.

Mr. Jose Lopez entered the meeting at 5:40pm.

Ms. Donna Jarrett entered the meeting at 5:45pm

REGULAR AGENDA

PRESENTATION

6. Harvey, Covington and Thomas, LLC – 2012 Audited Financial Statements (Year Ended September 30th)

Ms. DeAnna Stinson, of Harvey, Covington & Thomas of South Florida L.L.C. provided a presentation in reference to the HFA 2012 Audit Financial Statements for year ended September 30, 2012. Ms. Stinson took the opportunity to thank Mr. Howard and staff for their involvement in the auditing process. She indicated that the audit was completed and everything was in compliance in accordance with Government auditing standards. She stated that they reviewed all activities that were administrated by the HFA and the goals that the Agency was trying to accomplish; reviewed the Single Family Bonds, Mortgage Credit Certificates and had an overall management's discussion and analysis and comments in terms of the balance sheets and financial statements.

Fiscal highlights provided were: Issued Mortgage Credit Certificates in the amount of \$5.7 million to provide up to \$2,000 in annual tax credits for a 30 year period; there were more than 9,773 affordable rental housing units that were currently available in the area; total program revenue was \$1.1 million, an increase of \$.1 million which was attributed to redemption of existing bond issues; Eight (8) multifamily bond projects (Pembroke Village, Harbour Town, Jacaranda Village, Pompano Oaks, Golf View Gardens, Banyan Pointe, Bridgewater and Cross Keys) were refinanced and totaled financial impact to the amount of \$173,982 ; Financial Analysis - Net assets exceeded net liabilities by \$12.4 million. The total condensed comparative data indicated similarity from fiscal year 2011 to fiscal year 2012. The total net assets for FY2011 were \$12.2 million; Total net assets for FY 2012 were \$12.4 million; Activities during the overall fiscal period ended September 30, 2012 increased by \$150,398. Key elements of this increase were an increase in bond issuance redemption income of \$196,785 and a decrease in personal services of \$269,477.

Ms. Stinson continued her presentation by reviewing economic factors and financial outlook, statement of net assets, statement of activities, balance sheet; statement of revenues, expenditures and changes in fund balances. Notes to these statements were reviewed in terms of a summary of significant accounting policies; the basis of presentation and basis of accounting; measurement focus; assets, liabilities and equity; bond issuance fees, costs and use of estimates; current assets in terms of restricted cash, investments, capital assets, related party transactions, deposits in escrow; short-term debt and long-term obligations.

In conclusion Ms. Stinson noted that because the Authority provides a public service for the benefit of County residents, the Authority is an integral part of the reporting entity and, thus, is included in the Comprehensive Annual Financial Report of the County. Mr. McKinzie and board members thanked Ms. Stinson for the presentation.

7. Down Payment Assistance Loan Program – (Utilized in conjunction with Florida Housing Finance Corporation MOU agreement which provides reimbursement to local HFAs)

MOTION TO APPROVE Resolution of the Housing Finance Authority of Broward County, Florida, authorizing a Second Mortgage Loan Program to provide down payment assistance and providing for certain details thereof; authorizing the proper Officers to do all things necessary or advisable; and providing an effective date for this Resolution.

Motion was made by Mr. Daniel Reynolds, seconded by Mr. Brad Orvieto to approve the resolution pertaining to a Second Mortgage Loan Program to provide down payment assistance and providing for certain details thereof; authorizing the proper Officers to do all things necessary or advisable; and providing an effective date for this Resolution. This motion was unanimously approved.

8. Single Family Mortgage Loan Program (TBA Program)

MOTION TO AUTHORIZE staff to discuss a Single Family Loan Program with another undecided Housing Finance Authority and negotiate an Interlocal Agreement; to allow the HFA access to a Single Family Bond Program pursuant to the Memorandum of Understanding (MOU) with Florida Housing Finance Corporation; and to publish a notice for the HFA to hold a Special Meeting to approve an Interlocal Agreement.

There was discussion between board members, the professional team, Bond Counsel and the Financial Advisor, Ms. Zomermaand in terms of first and second mortgages, requirement for each HFA to fund its own DPA loans currently not to exceed \$7,500; the monthly reimbursement process through Florida Housing Financial Corporation; the intent to have one form of Memorandum of Understanding between the local HFAs and Florida Housing whereby funds would be awarded on a first come first served basis and authorizing bond counsel expenditures not to exceed \$5,000 to implement the initiative; request by Ms. Zomermaand to have a special board meeting before April 9th to get the form of documents approved. In lieu of having a special board meeting, it was unanimously agreed by the board members to move forward with the execution of an Interlocal agreement with the Housing Finance Authority of Lee County for the Single Family Mortgage Loan Program (TBA Program).

Motion was made by Mr. John Primeau, seconded by Mr. Daniel Reynolds to authorize the Chair to execute an Interlocal Agreement with the Housing Finance Authority of Lee County for the Single Family Mortgage Loan Program (TBA Program) in substantially similar form as the Palm Beach HFA Interlocal Agreement subject to recommendation for approval by the HFA's Financial Advisor, Broward County Attorney's Office, Bond Counsel (Bryant Miller & Olive P.A.). This motion was unanimously approved.

INFORMATION ITEMS

9. Dufresne & Associates – Professional Fees Breakdown as of January 31, 2013
10. Karpus Investment Management (Agreement)
11. GEFCMS Muni Bond Derivative Settlement

Mr. McKinzie introduced Informational Items #9, #10 and #11.

On Item # 9 Dufresne & Associates – Professional Fees Breakdown as of January 31, 2013 - There were no comments from the Board regarding Dufresne's Professional Fees breakdown.

On Item # 10 Karpus Investment Management (Agreement) - Mr. Primeau referred to Mr. Kevin Murray of Karpus Investment Management who was present at the meeting and had one question for him in reference to his firm being located in the State of Florida. Mr. Murray was affirmative; there were no other questions from the Board in reference to the terms of the agreement.

On Item # 11 in reference to the GEFCMS Muni Bond Derivative Settlement – There were no comments from the Board.

12. **MATTERS OF HFA MEMBERS**

None

13. **MATTERS FROM THE FLOOR**

None

14. **NEXT BOARD MEETING**

April 10, 2013

15. **ADJOURNMENT**

Meeting at adjourned at 6:05pm

Disclosure: The above captioned Minutes are transcribed in a summary format. To hear the full meeting, a compact disk of the meeting (#HFA 02-13-2013) can be provided after 24 hour notice to the administrative office at 954-357-4928.