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BOARD MEETING MINUTES Wednesday, December 11, 2013

A regular Board meeting of the Housing Finance Authority of Broward County, Florida, was held on Wednesday, December 11, 2013 in the 2nd Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida.

Mr. McKinzie called the meeting to order at 5:30p.m.

Board Members Present

Robert McKinzie, Jr., Chair
Daniel Reynolds, Vice Chair
John Primeau, Assistant Secretary
Donna Jarrett, Member
Jose "Pepe" Lopez, Member
Kirk L. Frohme, Member
Bertha Smith, Member
Milette Thurston, Member

Board Members Absent

Tony R. Valentine, Secretary

Staff:

Noel Pfeffer, County Attorney
Carlos Rodriguez-Cabarrocas, Assistant County Attorney
Ralph Stone, Executive Director
Norman Howard, Assistant to the Director
Elizabeth Kersting, Interim Administrative Assistant

Also Present:

JoLinda Herring, Bryant, Miller & Olive, P. A.
Linda Dufresne, Dufresne & Associates, CPA
Jorge Zumaeta, Florida International University
Tim Wranovix, Raymond James & Associates
Helen Feinberg, RBC Capital Markets
Vladimir Munoz, Regions Financial Corp.
Deborah Zomermaand, Zomermaand Financial Advisory Services

CALLING OF THE ROLL

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

Mr. McKinzie informed HFA members of Mr. Valentine's resignation from the HFA Board. (Staff received letter of resignation dated December 10, 2013.)

CHAIR INTRODUCED AND WELCOME NEW HFA BOARD MEMBER

Mr. McKinzie introduced and welcomed new board member Ms. Milette Thurston. He informed members that Ms. Thurston was appointed to the HFA Board by Broward County Commissioner Chip LaMarca.

Mr. Dan Reynolds entered the meeting at 5:36pm.

CONSENT AGENDA (1 through 6)

1. Approval of October 9, 2013 Regular Meeting Minutes
2. Executive Director's Report
3. Financial Reports
4. Multi-family Private Activity Bond Applications for 2014

MOTION TO DIRECT Staff to publish a notice that the HFA will be soliciting proposals from Multifamily Developers interested in utilizing private activity bond allocation; and providing an open application cycle for applications received to the extent private activity bond allocation is available or may be available to fund such developments.

5. Zomermaand Financial Advisory Services, LLC – Financial Advisory Services Agreement - RLI #20140413-FAS-1

MOTION TO APPROVE a Resolution of the Housing Finance Authority of Broward County, Florida, approving and authorizing an Agreement between the Housing Finance Authority of Broward County, Florida, and Zomermaand Financial Advisory Services, LLC, for financial advisory services; and providing for severability, and an effective date.

6. St Croix Apartments Project (Refinance)

MOTION TO APPROVE Resolution of the Housing Finance Authority of Broward County, Florida approving and authorizing an Amendment to Land Use Restriction Agreement in connection with its \$17,500,000 Multifamily Housing Revenue Bonds, (St Croix Apartments Project), Series 2002A and \$595,000 taxable multifamily housing revenue bonds, (St Croix Apartments Project), Series 2002B; approving and authorizing the execution and delivery of certain other documents in connection therewith; and providing an effective date.

There was no discussion on the Consent Agenda items (1 through 6).

MOTION was made by Mr. Jose Lopez, seconded by Ms. Bertha Smith to Approve Consent Agenda Items 1, 2, 3, 4, 5 and 6 for December 11, 2013. This motion was unanimously approved.

REGULAR AGENDA

7. Election of New Officers for Year 2014

An election process took place for the nominations of new officers for the HFA Board for 2014.

On nomination by Mr. Frohme, seconded by Ms. Jarret, it was unanimously approved that Mr. Daniel Reynolds serve as Chair of the Housing Finance Authority of Broward County for Year 2014.

On nomination by Ms. Jarret, seconded by Ms. Smith it was unanimously approved that Mr. John Primeau serve as Vice-Chair of the Housing Finance Authority of Broward County for Year 2014.

On nomination by Mr. Reynolds, seconded by Mr. Primeau, it was unanimously approved that Ms. Bertha Smith serve as Secretary of the Housing Finance Authority of Broward County for Year 2014.

On nomination by Mr. Lopez, seconded by Mr. Primeau, it was unanimously approved that Ms. Donna Jarret serve as Assistant Secretary of the Housing Finance Authority of Broward County for Year 2014.

Mr. McKinzie congratulated the new Slate of Officers that will serve the HFA Board effective Thursday, January 2, 2014:

Mr. Daniel Reynolds – Chair
Mr. John Primeau – Vice Chair
Secretary – Ms. Bertha Smith
Assistant Secretary – Ms. Donna Jarrett

8. Meeting and Conference dates for Year 2014

Mr. McKinzie requested a motion to approve the Housing Finance Authority board meeting dates and Conference dates set forth for Calendar Year 2014. He encouraged HFA Members to attend the upcoming NALHFA and Florida ALFHA conferences that will be held in 2014. This motion was passed by unanimous voice vote.

CONFERENCE DATES

1. The NALHFA Spring Educational Conference, April 2-5, 2014, Omni Hotel in Atlanta, GA.
2. FLALHFA Conference, July 9-12, 2014 - St. Augustine, FL.

HFA MEETING DATES (The second Wednesday of each month)

1. January 8, 2014
2. February 12, 2014
3. March 12, 2014
4. April 9, 2014
5. May 14, 2014
6. June 11, 2014
7. July 2014 **(No HFA Meeting)**
8. August 13, 2014
9. September 10, 2014
10. October 8, 2014
11. November 12, 2014
12. December 10, 2014

9. 2014 Florida Housing Finance Corp SAIL Loan Local Government Contribution

MOTION TO APPROVE Resolution of the Housing Finance Authority of Broward County, Florida ("HFA"), approving and authorizing the use of up to \$1,000,000 from HFA reserves to provide the Local Government Contribution requirement for the Florida Housing Finance Corporation's, 2013 State apartment incentive loan request for applications for Multifamily Developments, subject to the conditions as set forth herein; and providing for severability, and an effective date.

Mr. Stone provided information on the 2014 Florida Housing Finance Corp Sail Loan Local Government contribution. He stated that the process was identical to the local match that was provided for the State 9% Tax Credit Match application for multi-family projects. He stated that if this project is approved the HFA match of \$1,000,000 will be taken out from the Federal HOME Grant funding or through bond allocation. He stated that in an interim basis there will be no risk to the HFA.

Mr. Frohme made inquiries in reference to HFA's reserve account and whether funds have been used for the calendar year 2013. Mr. Stone responded accordingly and stated that no funds were utilized. As an FYI Mr. Stone informed members that during the Tax Credit round two Broward County projects were selected and together with the SAIL project there will be three new multifamily projects for this year. Ms. Zomermaand also added that with the SAIL funds staff could use them with local bonds and also inferred that the HFA could have a bond deal this year. Mr. Stone provided an update of what has been taking place in Broward and inferred that there were 14 affordable housing projects in the pipeline with the tax credit match. He also discussed the linkage between HFA's allocation and the 9% credit match from the State that would make these projects successful. Further discussion took place in terms of the developers and gap finances. Mr. Stone stated that he hopes to secure \$1/2 million dollars coming to the Division after the holidays to be earmarked for the Housing Finance Authority.

Motion was made by Mr. Jose Lopez, seconded by Ms. Bertha Smith to approve the Resolution of the Housing Finance Authority of Broward County, Florida ("HFA"), authorizing the use of up to \$1,000,000 from HFA reserves to provide the Local Government Contribution requirement for the Florida Housing Finance

Corporation's, 2013 State apartment incentive loan request for applications for Multifamily Developments, subject to the conditions as set forth herein; and providing for severability, and an effective date. This motion was passed by unanimous voice vote.

DISCUSSION ITEM

10. Multi-Family Projects (County Business Enterprise (CBE) Sub-contractor/Supplier)

Mr. Stone informed members that on October 22 at the County Commissioners meeting, the Commissioners directed staff to review the County's Business Enterprise (CBE) subcontractor's policy and consider establishing goals on HFA multifamily projects using County subcontractors. Mr. Stone provided information in terms of CBE eligibility requirements. He spoke about the present situation in terms of HFA's limited ability to add such requirements. He also indicated that the developers were able to secure financing from Florida Housing Finance Corporation. Mr. Stone made suggestions in terms of solicitations of bond allocations for new projects with a recommendation from staff that no additional CBE requirements were to be imposed on tax credit projects. There was a lengthy discussion among members and the professional team in terms of policies, Requests for Proposals (RFPs) application process and criteria requirements which concluded with a motion.

Motion was made by Mr. Frohme, seconded by Mr. Primeau that the HFA Board concurs with staff's recommendation that no additional requirements were to be imposed on tax credit multifamily projects done by the HFA. This motion was passed by unanimous voice vote.

INFORMATION ITEM

11. Single Family Mortgage Revenue Bonds, Series 2007ABC (Moody's Downgrade)

Ms. Zomermaand informed members that the HFA Board was advised of the downgrades in reference to Single Family Mortgage Revenue Bonds, Series 2007ABC. She stated that the Trustee was notified that this event should be reported per the Continuing Disclosure Guidelines. She also informed that additional funds from Series 2007A that was in a Capitalized Interest Account should have been released to the HFA. According to the Supplemental Indenture a special mandatory redemption was to occur on February 1, 2009. She stated that this time frame has passed and funds were not released by the Trustee to the Issuer. She stated that the HFA sent correspondence to the Trustee advising of their position. She indicated that before the Trustee can release funds they will need to get permission from a different group because of the downgrades on these items. Staff is waiting for additional information back from the Trustee at which time the HFA Board will be apprised with additional direction.

Ms. Zomermaand continued that with reference to the downgrade, Raymond James was the Underwriter for the 2007AB&C transactions. She stated that they were working with the rating agency on a few issues to determine applicable cash flows by the Trustee per the language of the Indenture. She stated that work is being done to see if all parties were in agreement with how the cash flow was being handled in terms of the issue of the Single Family Mortgage Revenue Bonds. Mr. Frohme inquired on the approximate dollar amount in terms of additional funds that were in the Capitalized Interest Account. Ms. Zomermaand responded that it was to the amount of approximately \$49,000. Mr. Frohme inquired from Raymond James if their forensic review was completed and have they exchanged information with the rating agency? Raymond James representative, Mr. Tim Wranovix responded to the affirmative.

12. **MATTERS OF HFA MEMBERS**

13. **MATTERS FROM THE FLOOR**

At the request of Mr. Howard, a round table introduction was performed by HFA Board members, staff and the professional team for the benefit of Ms. Thurston.

14. **NEXT BOARD MEETING**

January 8, 2014

15. **ADJOURNMENT**

Disclosure: The above captioned Minutes are transcribed in a summary format. To hear the full meeting, a compact disk of the meeting (#HFA 12-11-2013) can be provided after 24 hours' notice to the administrative office at 954-357-4928