



110 Northeast 3rd Street Suite 300  
Fort Lauderdale, FL 33301  
Phone: 954.357.4900  
Fax: 954.357.8221  
[www.broward.org/HFA](http://www.broward.org/HFA)

## **BOARD MEETING MINUTES Wednesday, January 8, 2014**

A regular Board meeting of the Housing Finance Authority of Broward County, Florida, was held on Wednesday, January 8, 2014 in the 2<sup>nd</sup> Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida.

Mr. Reynolds called the meeting to order at 5:32 p.m.

### Board Members Present

Daniel Reynolds, Chair  
John Primeau, Vice Chair  
Bertha Smith, Secretary  
Donna Jarrett, Assistant Secretary

Kirk L. Frohme, Member  
Jose "Pepe" Lopez, Member  
Robert McKinzie, Jr., Member  
Milette Thurston, Member

### 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:

Cynthia Borders, C Borders-Byrd, CPA  
Darnita Bloom, C Borders-Byrd, CPA  
Scott Johnson, C Borders-Byrd, CPA  
Joshua Stanley, C Borders-Byrd, CPA  
William Washington, C Borders-Byrd, CPA  
Shaun Davis, S. Davis and Associates, PA  
Tanya Davis, S. Davis and Associates, PA  
Linda Dufresne, Dufresne & Associates, CPA  
Jorge Zumaeta, Florida International University  
Rod Harvey, HCT Harvey Covington and Thomas of South Florida LLC  
Adam Segal, HCT Harvey Covington and Thomas of South Florida LLC  
Nicholas Hoffer, Raymond James & Associates  
John Sabatier, 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.

## **PLAQUE PRESENTATION**

Mr. Reynolds presented a plaque to Mr. Robert McKinzie, Jr. for his service as Chair to the HFA and stated *"On behalf of the Housing Finance Authority of Broward County, the Board of Directors and the entire Authority we wish to express our sincere appreciation to Robert McKinzie Jr. for your leadership to the Authority during your tenure as Chair in 2013."* Mr. McKinzie expressed his thanks and appreciation to everyone in receiving the plaque.

## **CONSENT AGENDA (1 through 3)**

1. Approval of December 11, 2013 Regular Meeting Minutes
2. Executive Director's Report
3. Financial Reports

**MOTION was made by Mr. John Primeau, seconded by Mr. Robert McKinzie, Jr. to approve Consent Agenda Items 1, 2, and 3, for January 8, 2014. This motion was unanimously approved.**

## **REGULAR AGENDA**

### **PRESENTATIONS**

4. Certified Public Accounting Firms – RLI #20131006-AS-2 for Audit Services
  - I. Blake and Associates, CPA 5:40pm
  - II. C. Borders-Byrd, CPA, LLC 5:55pm
  - III. Harvey, Covington & Thomas of South Florida, LLC 6:10pm
  - IV. S. Davis & Associates, P.A 6:25pm
  - V. Sharpton, Brunson & Company, P.A 6:40pm

Mr. Stone announced to the HFA Board that Firm #1 Blake and Associates, CPA and Firm #5 Sharpton, Brunson & Company, P.A were unable to participate in the said presentation. He provided explanations to the fact that Blake and Associates was not a County Business Enterprise (CBE) firm and even though Sharpton, Brunson & Company, P.A was CBE certified, they chose to drop out for reasons of their own. Three firms remained to do their presentation.

Member Bertha Smith announced that due to conflict of interest in relationship to one of the firms she was unable to take part in the voting process. Mr. Pfeffer confirmed her discussion with him in relationship to this matter and said that a conflict of interest form *8B Memorandum of Voting Conflict for County, Municipal, and other local Public Officer* will be provided to the HFA at the next meeting (see form 8B attached).

A round table introduction was performed by team members of each firm for the benefit of the Board members, professional team and staff respectively. Each firm provided their presentation via PowerPoint and handouts. At the conclusion of each presentation there was a question and answer period between Board members and each respective firm in terms of performance, staff structure, timelines, peer reviews, expectations of engagement, and the firm's availability for monthly board meetings and other HFA matters.

At the conclusion of the presentations conducted by each firm, Mr. Stone provided voting instructions. Board members completed their respective voting ballot sheets which were turned in for tallying. Mr. Pfeffer performed the tallying process of each ballot which was verified by Mr. Howard. There were discussions among board members in terms of ranking process and procedure should the firm not be able to fulfill their obligations. Mr. Reynolds thanked all participating firms for their RLI presentations and announced for the record the following score results of each firm according to their ranking:

<u>Firms</u>	<u>Total Points</u>	<u>Ranking</u>
S. Davis & Associates, P.A	9	1
C. Borders-Byrd, CPA, LLC.	10	2
Harvey, Covington & Thomas of South Florida, LLC	17	3

S. Davis & Associates, P.A receiving the lowest total score points, was ranked first place and was selected as the qualified Certified Public Accounting Firm – RLI #20131006-AS-2 for Audit Services. Mr. Reynolds requested a motion to approve ranking.

**MOTION was made by Mr. McKinzie Jr., seconded by Mr. Frohme to approve S. Davis & Associates, P.A as the final ranking of the qualified Accounting Firms for Request for Letters of Interest RLI #20131006-AS-2 for Audit Services and authorized staff and Deputy County Attorney to proceed with negotiations. This motion was unanimously approved.**

## **DISCUSSION ITEMS**

### 5. Down Payment Assistance Program

Mr. Nick Hoffer of Raymond James and Associates provided an update of the Down Payment Assistance Program. He requested the Board's authorization to increase the HFA funding commitment from \$200,000 to \$500,000 for Down Payment Assistance via the participation in the Lee County Single Family Mortgage Revenue Bond Program. This funding would be for the initial purchase of down payment assistance loans, which funding is expected to be reimbursed by Florida Housing Finance Corporation, subject to Board conditions with the intent to ensure continuity of the program while limiting potential exposure of the Authority to down payment assistance loans which are ultimately not reimbursed.

Mr. Hoffer informed that this requested increase resulted from a dramatic uptick in the velocity of originations during the month of December. He stated that as of today, HFA lenders

originated a total of 20 loans resulting in \$200,000 down payment assistance loans. He explained that 6 loans were closed and have been reimbursed, 9 loans were funded but not yet reimbursed and an additional 5 loans were in the reservation stage and will be funded within the next two weeks. Based on inquiries made by Mr. Primeau on the dollar amounts funded for each of the 6 loans, Mr. Hoffer confirmed that the HFA funded \$10,000 per loan for each of the 6 closed loans. The HFA has received DPA Loan Program reimbursements totaling \$60,000. Mr. Frohme inquired on the origination of loans. Mr. Hoffer responded that all loans were originated in Broward County. Mr. Hoffer also informed that in December Florida Housing Financial Corporation (FHFC) allocated an additional \$3 million to reimburse HFA's for qualifying DPA Loans.

There was discussion among board members and Mr. Hoffer in regards to reimbursements to the HFA. Mr. Hoffer responded accordingly providing details of this process. Ms. Zomermaand also reiterated that once the HFA received reimbursements on the 19 mortgages that were in the pipeline, there would be 19 \$10,000 second mortgages plus fees that will be received. These second mortgages would be an asset of the HFA. She stated that these loans were conventional loans funded with cash from the HFA to be reimbursed by FHFC. Ms. Zomermaand also stated that all but one of these loans was also linked with the Mortgage Credit Certificate (MCC) Program. At the conclusion of discussion, Mr. Reynolds requested a motion.

**MOTION was made Mr. Mr. Kirk Frohme, seconded by Mr. Robert McKinzie, Jr. to approve a Resolution of the Housing Finance Authority of Broward County, Florida amending Resolution No. 2013-004 entitled “a 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.” to provide for an increase in the aggregate funding amount of the second mortgage loans; authorizing the proper Officers to do all things necessary or advisable; and providing an effective date for this resolution. This motion was unanimously approved.**

#### 6. 2014 Multifamily Bond Application (Public Notice)

Ms. Zomermaand informed members that at the last meeting in January, there was discussion in reference to CBE preference to be included in the solicitation of the 2014 Multifamily Private Activity Bond Applications. She stated that a draft Public Notice advertising the solicitation of multi-family applications has been prepared and was brought before the Board for their review and direction to make sure that it met the intent of what was discussed last month. The Public Notice will be published in time to receive adequate responses from applicants in time for the March, 2014 meeting. She noted that with reference to Florida Housing and the SAIL funding cycle that was discussed previously a letter from staff will be required once the application process has been completed.

There was discussion among the board members and Ms. Zomermaand in reference to CBE requirement, advertising and whether there was any point system in place to award potential applicants. Ms. Zomermaand responded accordingly. She stated that it was not a requirement but a preference for CBE Firms. Advertising will be done through the Sun Sentinel, the HFA Developers Distribution List as well as the Coalition of Affordable Housing.

The Board will be kept apprised of new developments at the next HFA Board meeting. Mr. Reynolds entertained a motion.

**MOTION was made by Mr. John Primeau, seconded by Mr. Robert McKinzie, Jr authorizing staff to proceed and publish said Public Notice in reference to solicitation of HFA's acceptance of multi-family bond program applications from applicants interested in utilizing the HFA's tax exempt and/or taxable private activity bond allocation for the acquisition, construction and/or rehabilitation of multi-family rental housing developments. This motion was unanimously approved.**

7. **Single Family Mortgage Revenue Bonds (2006A&B and 2007AB&C)**

Ms. Zomermaand stated that this was a follow-up from last month's meeting in reference to correspondence sent to CitiMortgage requesting specific background information for one (1) first mortgage loan along with similar information for the corresponding second mortgage. She stated that they were using a new approach and that this particular loan was selected based on CitiMortgage's request for an assignment of the second mortgage. On inquiries made by Mr. Frohme on timeline, Ms. Zomermaand responded that information was requested to be received by January 31, 2014. The Board will be kept apprised as additional information is received.

8. **MATTERS OF HFA MEMBERS**

None

9. **MATTERS FROM THE FLOOR**

Mr. Stone made reference to the Mortgage Credit Certificate (MCC) Program and its rapid pace stating that there is only three months of available funding left. He stated that preparation is being made for the next cycle to secure fund allocation to be transferred into the MCC Program. He stated that to date there are approximately 300 new homeowners in the MCC Program. Ms. Zomermaand stated that they would like to have authority to publish a Public Notice since the IRS requirements for public notice is to be issued for 90 days before any issues can be initiated. Additional details will be brought back at the February/March HFA Meeting. Mr. Reynolds entertained a motion.

**Motion was made by Robert McKinzie, seconded by Mr. Kirk Frohme to publish said Public Notice. Motion was unanimously approved.**

10. **NEXT BOARD MEETING**

February 12, 2014

11. **ADJOURNMENT**

There being no other business the meeting was adjourned at 7:00pm

**Disclosure: The above captioned Minutes are transcribed in a summary format. To hear the full meeting, a compact disk of the meeting (#HFA 1-8-2014) can be provided after 24 hours' notice to the administrative office at 954-357-4928**

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