



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, May 14, 2014**

A regular meeting and retreat of the Housing Finance Authority of Broward County, Florida, was held on Wednesday, May 14, 2014 at 1:30 p.m., at Secret Wood Nature Center, located at 2701 West State Road 84, Dania Beach, Florida.

Mr. Daniel Reynolds called the meeting to order at 1:32 p.m.

#### Board Members Present:

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

#### Board Members Absent:

Bertha Smith, Secretary

#### Staff:

Noel Pfeffer, Deputy Broward County Attorney  
Carlos Rodriguez-Cabarrocas, Assistant Broward County Attorney  
Angela Benjamin, Broward County Attorney's Office  
Ralph Stone, Executive Director  
Norman Howard, Assistant to the Director  
Suzanne Feyes, Assistant Director  
Vena Paylo, Website Specialist  
Elizabeth Kersting, Interim Administrative Assistant

#### Also Present:

JoLinda Herring, Bryant, Miller & Olive, P. A.  
Parnell Joyce, Broward County Housing Authority  
Monica Navarro, Broward County Housing Council  
Dr. Nadine Jarmon, Deerfield Beach Housing Authority  
Linda Dufresne, Dufresne & Associates P.A.  
Betsy Barnicle - Guest  
David Brandt, Palm Beach County HFA  
Tim Wheat, Pinnacle Housing Group  
Donald Peterson, Raymond James & Associates  
Tim Wranovix, Raymond James & Associates  
Helen Feinberg, RBC Capital Markets  
Vladimir Munoz, Regions Bank  
Deborah Zomermaand, Zomermaand Financial Advisory Services

## **CALLING OF THE ROLL**

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

Mr. Stone stated that the HFA Minutes of the Meeting held on April 9<sup>th</sup> will be deferred for approval at the June 11, 2014 HFA Board Meeting.

## **REGULAR AGENDA**

### 1. Down Payment Assistance (DPA) Funds

MOTION TO APPROVE Staff's recommendation that no DPA loan reservation shall be accepted after May 21, 2014; all pending loans must close on or before May 30, 2014; and the Housing Finance Authority exposure for DPA loans in reservation are not to exceed \$200,000.

Mr. Reynolds made reference to a memorandum addressed to board members regarding staff's request for direction based upon funding source and loan closing timeline of the DPA Program.

**MOTION was made by Mr. John Primeau, seconded by Mr. Kirk Frohme to approve Staff's recommendation that no DPA loan reservation shall be accepted after May 21, 2014, all pending loans must close on or before May 30, 2014; and the Housing Finance Authority exposure for DPA loans in reservation not to exceed \$200,000. This motion was unanimously approved.**

### 2. MATTERS OF HFA MEMBERS

None

### 3. MATTERS FROM THE FLOOR

None

### 4. NEXT BOARD MEETING

June 11, 2014

### 5. **ADJOURNMENT**

**HFA Meeting was adjourned at 1:35pm.**

## **HFA BOARD RETREAT**

The Board Retreat convened at 1:35pm. Mr. Reynolds requested a round table introduction from members of the Board, Panel, staff and guest who were in attendance.

Several PowerPoint presentations were reviewed by the audience:

**A. State of Affordable Housing in Broward County**

Mr. Stone provided an overview of the current conditions in reference to affordable housing in Broward County. He spoke of the initiation of the 2011 Broward County Affordable Housing Needs Assessment and key findings in terms of affordability gaps pertaining to single-family homes in the largest municipalities; comparison report between 2011 vs. 2013 single-family home sales; severe housing cost burden by state; affordable rental unit demand with a remaining potential demand in Broward County of approximately 45,000 units. Mr. Stone provided a snapshot of federal/state affordable housing grants and the utilization of five strategies for these allocations in terms of purchase assistance, home repairs, multifamily gap financing, barrier free home improvements and foreclosure counseling. In summary Mr. Stone stated that Broward County continue to experience flat wages, increasing home and rental prices and decreasing funding resources. He stated that there needs to be a solution in terms of legislative advocacy.

**B. Overview of State Enabling Legislation and County Ordinance for HFA (including areas of authority)**

Mr. Pfeffer provided an overview on the history, policies, procedures and guidelines that regulates the HFA through the Florida Statutes, Broward County Ordinances, Broward County Administrative Code, HFA By-Laws and HFA written policies. Mr. Pfeffer also reminded members of the new rules with respect to the attendance policy. He also provided in-depth information for the purpose of HFA procurement requirements, fee structures and the approval process of qualifying projects in connection to affordable housing in Broward County.

**C. Bond Issue History (# issued/ # of units/ # still in inventory)**

Mr. Howard provided an overview of HFA's historical accomplishments. He stated that since its inception in 1980 Single-family and Multi-family housing revenue bonds issued to date was approximately \$1.7 billion - \$1 billion for multi-family mortgage revenue bonds and \$730 million in single-family mortgage revenue bonds. Statistics regarding rental housing units created to date were approximately 24,800 with a breakdown of 15,292 multi-family rental units, which equates to 74 projects and 9,500 single family units. Mr. Howard also provided HFA's current portfolio size: Multi-family mortgage revenue bonds was a total of \$319 million with an inventory of 9,560 multi-family units with a 75% ratio of set asides and \$41 million in single family mortgage revenue bonds in reference to 1<sup>st</sup> and 2<sup>nd</sup> mortgages. Mr. Howard spoke of the success of the Mortgage Credit Certificate Program which was implemented in FY2010. To date 365 Mortgage Credit Certificates were issued.

**D. Impact of the Florida Housing Finance Corporation (FHFC)**

**E. State of Florida Local HFAs / Current & Future Deals**

There was a group presentation between panel members: Debbie Zomermaand of Zomermaand Financial Advisory, Inc., Helen Feinberg, RBC Capital Markets representing Florida ALHFA, Tim Wranovix, Raymond James & Associates and David Brandt, Executive Director of Palm Beach County HFA who provided a historical timeline on the establishment and evolution of the housing agencies at the State level, its impact through the legislative process and the relationships reflected between the State Housing Finance Agencies and the local HFAs.

Ms. Feinberg provided an overview of several initiatives that took place in the large municipalities from 1978 to 2013. Some of these initiatives included the creation of Broward Housing Finance Authority; the creation of Florida Housing Finance Corporation; Low Income Housing Tax Credits; the passing of the William E. Sadowski Act that helped to raise the statewide documentary stamp tax by ten cents per \$100; The State Housing Initiative Partnership Program; the legislative adoption of cap revenues pertaining to the Housing Trust Funds; Housing and Economic Recovery Act in reference to the Tax Credit Assistance Program utilizing HOME funds; the American Recovery and Reinvestment Act relating to the GAP Financing Programs and for 2013 the National Mortgage Settlement Funds of \$200 million (\$40 Million to SHIP and \$9 Million to local HFAs for the Down Payment Assistance Program which has been successful throughout the State.

Ms. Feinberg, representing Florida Association of Local Housing Agencies, provided positive feedbacks in reference to traditional HFA resources i.e. Tax Exempt bonds; Mortgage Credit Certificates; FHFC/State programs such as the SAIL, SHIP and HOME; Loans that utilized HFA reserves as well as Federal-County/City direct funding Neighborhood Stabilization Program (NSP).

Mr. Wranovix provided a status report on HFA's Raymond James TBA "Turnkey" program operated through Lee County HFA and Palm Beach HFA. He stated that Broward County HFA initiated 44 loans equating to \$7 million. He also provided information regarding the reimbursement process and amounts earned to date on 25 delivered loans which were approximately \$450,000 on the 1<sup>st</sup> mortgages. He also provided several recommendations for future single family bond deals in reference to 1<sup>st</sup> and 2<sup>nd</sup> mortgages.

Mr. Brandt provided his perspective as Executive Director of Palm Beach County HFA. He discussed several factors which identified HFA's inability to deliver housing units. Some of these factors were tax exempt bond considerations such as reduced interest rate spread vs. conventional financing; increased development costs; erosion of dedicated State resources and the non-traditional housing resources concentrated with FHFC with limited access by local HFAs.

Ms. Zomermaand spoke on the development of non-traditional resources and new initiatives in terms of Multi-family and Single-family programs with several recommendations: to utilize HFA resources to create permanent mortgages for 9% LIHTC transactions; create an on-going TBA program which may be combined with the HFA's Mortgage Credit Certificate Program; encourage FHFC to allow HFA's direct access to non-traditional funding sources which allow circumvention of litigation and more expeditious delivery of units to eligible households. She concluded that local HFAs have to become more involved with legislative lobbying for additional funds at the local level.

## **F. Developer Perspective:**

Panel Members Tim Wheat, Pinnacle Housing Group and Pernell Joyce of Broward County Housing Authority provided a PowerPoint overview of their collaborations in reference to several projects namely Crystal Lake, Phase II, Highland Gardens, and Oakland Preserve. One of their projects Crystal Lakes which was built between 2006 and 2007 with 190 units was showcased as one of their case study models. They spoke of several challenges that were being experienced as developers in the area of production costs, the scarcity of land and opportunities in Broward County; state and federal funding scarcity and unreliability, the uncertainty of legislative action in reference to Tax Reform, EXPIRE Act, GSE Reform; the cost of operating expenses and the profitability of existing and future business. Mr. Wheat discussed existing opportunities but provided reasons for not being able to move forward due to large funding gaps and the lack of incentive to “land bank” for future development. Mr. Wheat also provided HFA policy prescriptions to increase multi-family production with recommendations to: proportionally have more 9% LIHTC for South East Florida; have local control of surtax revenue and/or effective pairing of SAIL and HFA Bonds; HFA to be custodian for in-lieu-of linkage fees and affordable housing trust fund contributions; and to have Federal policy reversal on “bias” against 4% LIHTC and bonds. He concluded that working together in partnership with Broward County Housing Authority created a great opportunity in reference to affordable housing.

Mr. Reynolds thanked all the members of the panel for their presentations.

Mr. Stone provided a synopsis of what was discussed in the presentations and concluded that, based on what was discussed, members of the professional team can provide an outline menu of options in terms of advocacy, commercial linkage fee, gap financing to be presented to the HFA board for direction at the June 11, 2014 meeting.

## **ADJOURNMENT**

There being no other business the meeting was adjourned at 4:25 pm.

**Disclosure:** The above captioned Minutes are transcribed in a summary format. To hear the full meeting, a compact disk of the meeting (#HFA 5-14-2014) can be provided after 24 hours' notice to the administrative office at 954-357-4928