



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

BOARD MEETING MINUTES Wednesday, October 8, 2014

A regular Board meeting of the Housing Finance Authority ("HFA") of Broward County, Florida, was held on Wednesday, October 8, 2014, in the 2nd Floor Conference Room, located at 110 NE 3rd Street, Fort Lauderdale, Florida.

Mr. Daniel Reynolds, Chair, called the meeting to order at 5:33 p.m. Mr. Reynolds welcomed Ruth T. Cyrus, appointed by Commissioner Dale Holness, as a new member to the HFA Board.

Board Members Present:

Ruth T. Cyrus, Member
Kirk L. Frohme, Member
Donna Jarrett, Assistant Secretary
Robert McKinzie, Jr., Member
John Primeau, Vice Chair
Daniel Reynolds, Chair
Bertha Smith, Secretary
Milette Thurston, Member

Board Members Absent:

Jose "Pepe" Lopez, Member

Staff:

Carlos Rodriguez-Cabarrocas, Assistant County Attorney
James Rowlee, Senior Assistant County Attorney
Ralph Stone, Executive Director
Norman Howard, Assistant to the Director
Betsy Barnicle, Administrative Assistant

Also Present:

Linda Dufresne, Dufresne and Associates
Deborah Zomermaand, Zomermaand Financial Advisory Services

CALLING OF THE ROLL

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



CONSENT AGENDA (1 and 2)

1. Approval of September 10, 2014, Regular Meeting Minutes
2. Executive Director's Report

Mr. Robert McKinzie was recognized by Mr. Reynolds, Chair, and Mr. McKinzie asked that the September 10, 2014, Meeting Minutes be pulled to allow his reading of the following Conflict of Interest statement (Exhibit A):

"At the HFA meeting on September 10, 2014, I represented that my company, Harper and Sons Construction, Inc., was planning to bid on the RFP for the Franklin Park Project. Based on that representation, legal counsel advised that I had a conflict of interest. As a result, I recused myself and abstained from voting on the agenda item for the Franklin Park Project, and I filed a voting conflict form, which has been incorporated into the meeting minutes.

Following the meeting, my company decided that it will not participate in the RFP for the Franklin Park Project. Based on this change in circumstances, and after consultation with legal counsel, I no longer have a conflict of interest, and I will participate in future discussions and votes regarding the Franklin Park Project.

Thank you."

MOTION was made by Mr. Kirk Frohme, seconded by Ms. Bertha Smith, to approve Consent Agenda Items 1 and 2. This motion was unanimously approved.

REGULAR AGENDA

3. Financial Reports Monthly Overview – Ms. Linda Dufresne

Ms. Dufresne provided a brief overview of the monthly reports, noting a change to the criteria followed on the Balance Sheet titled "September 2014 comparison to August 2014" (Attachment 1): if the Cash account fluctuation is greater than or equal to \$100,000, the change will be discussed.

Mr. John Primeau asked why the Compliance Monitoring Fees line item and Interest Income line items on the Flux Report titled "Year to Date As of September 2014" (Attachment 2) do not show an amount under the "Budgeted" column. Mr. Norman Howard replied that the Compliance Monitoring Fee is an "unknown item" and is not budgeted, and Staff will bring back an answer to the Board regarding the Interest Income items.

Mr. Frohme suggested adding a “Total Cash” subtotal under the various Cash Accounts on the Balance Sheet reports under both periods, and Ms. Dufresne acknowledged that this would be added to future reports.

MOTION was made by Mr. Frohme, seconded by Mr. Robert McKinzie, to approve the HFA monthly financial reports for August 31, 2014. This motion was unanimously approved.

4. Single Family – 2014 Carry Forward and 2015 Bond Allocations

Ms. Deborah Zomermaand explained that the 2014 Carry Forward Private Activity Bond allocation and the 2015 Bond allocation are annual requests made by the HFA Board. She provided a brief overview of the two requests (Item 4 Background). Mr. Primeau asked if the allocation has to be given back if not used, and Ms. Zomermaand explained that they have three years to use the allocation once the Carry Forward has been filed (expirations are shown on Attachment 4, “Private Activity Bond Allocation” spreadsheet). She noted that this year Single Family allocation in an amount of approximately \$164 million was used for the Mortgage Credit Certificates (MCC) Program. The 2014 MCC Program will expire on December 31, 2016.

Mr. Frohme asked for an explanation of the difference between the allocation amounts, and Ms. Zomermaand reported that the approximate \$78 million Carry Forward from 2011 was added to the approximate \$86 million received on January 1, 2014, and the sum was used for the MCC’s. She added that if received, the pending 2014 \$100 million allocation could be carried forward and would then be added to the expected 2015 \$87 million, making the amount available in 2015 approximately \$187 million.

MOTION was made by Mr. McKinzie, seconded by Ms. Bertha Smith, to approve the Resolution of the Housing Finance Authority (the “Authority”) of Broward County, Florida, authorizing Staff to carry forward 2014 Allocation; authorizing the request for 2015 Allocation; approving a plan of financing involving the issuance by the Authority of its Single Family Mortgage Revenue Bonds (the “Bonds”) in an aggregate face amount of not to exceed \$250,000,000; approval of the Bonds as required by section 147(f) of the Internal Revenue Code of 1986, as amended; authorizing the Authority to hold a Public Hearing held in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; authorizing the proper Officers to do all things necessary or advisable; and providing an effective date for this Resolution. This motion was unanimously approved.

5. Election of New Officers for Year 2015

Mr. Reynolds opened the floor to nominations for electing the 2015 HFA Board Officers. Mr. Frohme nominated Mr. John Primeau for Chair, Ms. Bertha Smith for Vice-Chair, Ms. Donna Jarrett for Secretary, and Ms. Millette Thurston for Assistant Secretary. The Chair called for further nominations, of which there were none. There being no other

nominations or objections, the Chair confirmed that by acclamation the nominated officers were duly elected to the 2015 Board of Officers as follows:

Chair	Mr. John Primeau
Vice-Chair	Ms. Bertha Smith
Secretary	Ms. Donna Jarrett
Assistant Secretary	Ms. Milette Thurston

6. Meeting and Conference Dates for Year 2015

Mr. Reynolds noted the conflict on the Regular Meeting date in November, 2015, due to the second Wednesday of that month being Veterans Day, a recognized government holiday. The Board discussed and agreed that November 10, a Tuesday, would be the November Regular Meeting date.

MOTION was made by Mr. Primeau, seconded by Mr. McKinzie, to approve the HFA Board Meeting dates, including November 10 as the alternative November date, and Conference dates for Calendar Year 2015. This motion was unanimously approved.

INFORMATION ITEM

7. Single Family Mortgage Revenue Bonds (CitiMortgage Second Mortgage Loans)

Audit Update - Mr. Ralph Stone reported on Staff's attempts to audit and reconcile the Master Servicer's application of payments within the Single Family Series 2006 ABC and Single Family Series 2007 ABCD and the allowable fees that were charged to mortgages. He summarized that after due diligence in their attempts, HFA's Staff and Financial Advisor conclude that use of further resources would not result in any meaningful benefit to the HFA, Bondholders, and/or homeowners. Ms. Zomermaand reported that an estimate of outstanding monies was not in excess of \$50,000.

CitiMortgage Demand Letter – Ms. Zomermaand explained that CitiMortgage had erroneously paid off a second mortgage without sufficient sales proceeds. She continued that they recognized the error after they'd given the money to the Trustee, and then went on to offset payments to make up the difference. Ms. Zomermaand said that The Bank of New York and CitiMortgage are still negotiating how to resolve the discrepancy.

Mr. Primeau asked if there is any fiduciary responsibility to report the actions to a regulatory agency, and Mr. Jim Rowlee, Senior Assistant County Attorney, said that he was not aware of a required fiduciary responsibility but would look into it and return to the Board. Mr. Stone offered to draft a letter, for Chair signature, to the appropriate corporate level in CitiMortgage regarding the current circumstances and expressing their disappointment. The Board agreed that that would be appropriate.

8. **MATTERS OF HFA MEMBERS**

Ms. Donna Jarrett noted a need for correction to her fax number listed on the HFA “Board Members, Internal Only” contact sheet, with the correct number being 954-741-0728. Ms. Barnicle acknowledged that the correction would be made.

9. **MATTERS FROM THE FLOOR**

None.

10. **NEXT BOARD MEETING**

November 12, 2014

11. **ADJOURNMENT**

There being no other business, the meeting was adjourned at 6:11 p.m.

Disclosure: The above captioned Minutes are transcribed in a summary format. To hear the full meeting, a compact disk of the meeting (#HFA 10-8-2014) can be provided after 24 hours notice to the administrative office at 954-357-4928

EXHIBIT A

CONFLICT OF INTEREST STATEMENT

At the HFA meeting on September 10, 2014, I represented that my company, Harper and Sons Construction, Inc., was planning to bid on the RFP for the Franklin Park Project. Based on that representation, legal counsel advised that I had a conflict of interest. As a result, I recused myself and abstained from voting on the agenda item for the Franklin Park Project, and I filed a voting conflict form, which has been incorporated into the meeting minutes.

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