

BOARD MEETING MINUTES
Wednesday, January 14, 2015

A regular Board meeting of the Housing Finance Authority (“HFA”) of Broward County, Florida, was held on Wednesday, January 14, 2015, which directly followed a 5:30 p.m. Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, in the 2nd Floor Conference Room, located at 110 NE 3rd Street, Fort Lauderdale, Florida.

Mr. John G. Primeau, Chair, determined a quorum was present and called the meeting to order at 5:55 p.m.

Board Members Present:

Ruth T. Cyrus, Member
Donna Jarrett, Secretary
Jose “Pepe” Lopez, Member
John G. Primeau, Chair
Milette Thurston, Assistant Secretary

Board Members Absent:

Kirk Frohme, Member
Daniel D. Reynolds, Member
Bertha Smith, Vice Chair

Staff:

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

Also Present:

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

CALLING OF THE ROLL

A Roll Call was taken by Ms. Betsy Barnicle.

Mr. Primeau postponed the scheduled Plaque Presentation for Mr. Daniel Reynolds’ leadership as 2014 HFA Board Chair until the next HFA meeting, due to Mr. Reynolds’ not being present.



CONSENT AGENDA (1 and 2)

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

There were no discussions on Consent Agenda items 1 and 2.

MOTION was made by Mr. Jose Lopez, seconded by Ms. Milette Thurston, 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 that the December 2014 to November 2014 Balance Sheet includes end-of-the-year entries such as depreciation and reclassifications between line items for purposes of the audit financial reporting versus the monthly financial internal reporting.

MOTION was made by Mr. Lopez, seconded by Ms. Donna Jarrett, to approve the HFA monthly financial reports for December 31, 2014. This motion was unanimously approved.

4. Franklin Park Estates Development

Mr. Ralph Stone reported that the Board of County Commissioners (BOCC) decided at the January 6th BOCC Regular Meeting to defer the Franklin Park agenda item until the January 27th BOCC Regular Meeting, in order to allow time for Staff to make a presentation to the Franklin Park Neighborhood Association, which is scheduled for January 22. Mr. Stone added that the County Administrator strongly encouraged the HFA to go ahead and take action on the Request for Proposals (RFP) (subject to the County Commission action), due to the Disaster Recovery Initiative's (DRI) funding deadline of the end of September.

Mr. Stone discussed the draft RFP (attachment 1), which is presented under the same financial terms as discussed in the November meeting: the construction of eighteen (18) homes, a 4% financing rate, \$1.1 million from the Disaster Relief Initiative (DRI) funds, approximately \$3 million from the HFA investment portfolio, and \$664,000 from the BOCC for the buffer wall construction.

Mr. Stone referred to the "Proposal Process Timeline" (on page 2 of the RFP) and noted that the Public Notice requesting proposals is to be published January 30, 2015. He

explained that at that time the Cone of Silence will begin and will apply to each individual Board Member, because the submitted proposals will be individually scored by the Members. He added that the Cone of Silence will stay in place until the BOCC considers the approval of the contract/agreement on April 14, 2015. Attachment "D," a pricing matrix for each of the home models and wall, was also reviewed.

In reference to the developer's cash flow during the project, it was explained that the HFA will pay the developer on a reimbursement basis, and the HFA will only be invoiced after the developer has encumbered funds and done the work. Mr. Stone advised the Board that all questions regarding the RFP are to be directed to Mr. Norman Howard, and all questions/answers will be posted on the HFA web site. Mr. Carlos Rodriguez-Cabarrocas, Assistant County Attorney, noted that there is the provision to negotiate liquidated damages if the contractor is late.

Mr. Stone stated that at the February meeting the Board will be asked to authorize the liquidation of some investment portfolio funds. He explained that the Professional Team will be devising a system for reimbursement and interest rate application, the Board will recapture the entire construction advance and the 4% financing amount at the closing of each individual home, and then the recaptured amount will be placed back in the investment portfolio. The home marketing will be done in-house by Staff.

MOTION was made by Ms. Donna Jarrett, seconded by Mr. Lopez, to approve Request For Proposals (RFP), No. R2014012015FP, to select a Developer to build eighteen (18) single family homes on infill lots in the Franklin Park Estates (the "Properties"); subject to the County Commission approval on January 27th. The motion was passed unanimously.

5. Single Family Mortgage Revenue Bonds, Series 2006ABC and 2007ABCD – Letter to CitiMortgage ("Citi" or "Servicer")

Mr. Stone summarized the January 14th 4:30 p.m. web-based conference call which included HFA Staff, Professional Team members (Financial Advisor, Trustee, External Accountant and County Legal Department), and Citi (represented by many staff members). He stated call participants were able to look at documents simultaneously and discussed individual loans, charges, pay-offs, remittance errors and the timing of actions that Citi has taken. It was explained that while Citi admitted to some mistakes, HFA Staff still has questions on actions Citi has taken related to fees, short sales, bankruptcies, remittance errors and collateral matters. Mr. Stone reported that another call is planned with Citi in two weeks, and the information requested of them is due this week.

Mr. Stone recommended that due to the progress made within the conference call, the HFA should defer sending the HFA letter (discussed at previous meetings) to Citi regarding a detailed audit and possible regulatory agency review.

MOTION was made by Ms. Jarrett, seconded by Mr. Lopez, to defer for one month the HFA execution and HFA Staff issuance of a letter requesting that Citi conduct a full and open audit of its mortgage servicing activities in connection with the HFA Single Family Mortgage Revenue Bonds, Series 2006ABC, and Single Family Mortgage Revenue Bonds, Series 2007ABCD (the "Bonds"). The motion was passed unanimously.

SUPPLEMENTAL AGENDA

6. 2015 State Tax Credit Local Matching Funds - Multifamily

Mr. Stone informed the Board of the Staff's request for approval to provide an additional \$500,000 for a 9% tax credit local match for the nonprofit builders who are trying to get funding through Florida Housing. He explained that in addition to the existing five (5) matched applications, he has been contacted by developers for the possibility of another six (6), which when added to a Home Investment Partnership Program (HOME) project (expected in late Spring), would make a total of twelve (12). Mr. Stone suggested approving the funding for adding another five (5); this would allow for the extra two (2) that are currently not allotted, plus the funding sufficient to cover an additional three (3) as a buffer. Also, Mr. Stone explained that HOME funds are used once the applications are selected, and that while the HFA acts as a reserve, no funds leave the HFA investment portfolio.

MOTION was made by Mr. Jose Lopez, seconded by Ms. Donna Jarrett, to approve Staff to request an additional \$500,000 from the HFA Reserve Account to provide a local match on the majority of Broward County multifamily projects for year 2015. This motion was passed unanimously.

7. MATTERS OF HFA MEMBERS

None.

8. MATTERS FROM THE FLOOR

None.

9. NEXT BOARD MEETING

February 11, 2015

10. ADJOURNMENT

There being no other business, the meeting was adjourned at 6:16 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 1-14-2015) can be provided after 24 hours notice to the administrative office at 954-357-4928

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