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BOARD MEETING MINUTES Wednesday, August 12, 2015

A regular Board meeting of the Housing Finance Authority (HFA or the "Authority") of Broward County, Florida, was held on Wednesday, August 12, 2015, 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 5:31 p.m. Mr. Primeau introduced the new Board member, Ms. Jacqueline Paige Browne, appointed on June 23, 2015, by Mayor Tim Ryan. Ms. Paige gave a brief history of her background, then Board members and Staff provided self-introductions around the room.

Board Members Present:

Jacqueline Paige Browne
Ruth T. Cyrus, Member
Kirk Frohme, Member
Jose "Pepe" Lopez, Member

John G. Primeau, Chair
Daniel D. Reynolds, Member
Bertha Smith, Vice Chair
Milette Thurston, Assistant Secretary

Board Members Absent:

Donna Jarrett, Secretary

Staff:

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

Also Present:

Junious Brown, Nabors, Giblin & Nickerson, P.A.
Helen Feinberg, RBC Capital Markets Corp.
Greg Griffith, Atlantic Pacific Communities
Michael C. Jenkins, Regions Bank
Brian McDonough, Stearns Weaver Miller Weissler Alhadeff and Sitterson, P.A.
Linda Mendillo, Dufresne & Associates
Tim Wranovix, Raymond James & Associates
Deborah Zomermaand, Zomermaand Financial Advisory Services



CALLING OF THE ROLL

A Roll Call was taken by Ms. Betsy Barnicle.

CONSENT AGENDA (1 through 4)

1. Approval of June 10, 2015, Regular Meeting Minutes
2. Executive Director's Report
3. Leasing of HFA Office Building – Memorandum of Understanding between the HFA and Broward County Housing Finance and Community Development Division
4. Florida Association of Local Housing Finance Authorities

MOTION was made by Mr. Jose Lopez, seconded by Mr. Daniel Reynolds, to approve Consent Agenda Items 1 through 4. This motion was unanimously approved.

REGULAR AGENDA

5. Financial Reports Monthly Overview – Ms. Linda Mendillo, Dufresne & Associates

Ms. Linda Mendillo reviewed the primary changes in the Balance Sheet, comparing June to July, 2015, noting a decrease in Assets and an increase in Liabilities. Ms. Mendillo then reviewed the Profit and Loss Report, noting Construction as the largest increase in Expenses and the Bond Authority Fees as the largest decrease in Income affecting the Net Profit/Loss.

Mr. Primeau inquired as to how the Karpus investment account was insured, and Mr. Ralph Stone replied that the account was bound by the County's policy and guidelines. Mr. Kirk Frohme suggested removing the Construction line item as an Expense and adding it as a footnote to the Profit & Loss Report, making an entry of "Excludes cumulative Construction Costs" above the Expense amount. Ms. Mendillo agreed to discuss employing this recommended change with Ms. Linda Dufresne and reporting back to Staff.

MOTION was made by Ms. Bertha Smith, seconded by Mr. Kirk Frohme, to approve the HFA monthly financial reports for June 30, 2015, and July 31, 2015. This motion passed with all ayes.

6. Stanley Terrace Apartments

Ms. Deborah Zomermaand reported that this Agenda Item requested the authorization to increase the Private Activity Bond ("PAB") allocation amount from \$6,000,000 to \$9,000,000 for the development known as Stanley Terrace Apartments, and to authorize Staff to publish required notices and hold a TEFRA Hearing. Ms. Zomermaand explained that the Board had previously approved and held a TEFRA in the amount of \$6,000,000, and the developer

now needed \$9,000,000 of tax exempt bonds. She reported that the developer expects to close this transaction by the end of the 2015 calendar year.

MOTION was made by Mr. Reynolds, seconded by Mr. Frohme, to authorize an increase of Private Activity Bond Allocation from \$6,000,000 to \$9,000,000, and Staff to publish required notices and hold a Tax Equity Fiscal Responsibility Act (TEFRA) Hearing for a multifamily development referred to as Stanley Terrace Apartments. All votes were aye on this motion.

7. Cornerstone Group – Laguna Pointe Apartments, Sanctuary Cove Apartments & Heron Pointe Apartments

Ms. Zomermaand presented a summary of the motion for the HFA to consent to the documents necessary to assign the interests of Stuart Meyers and his related entities or those of various development entities relating to the Cornerstone Group to the remaining members in that same group (other parties already involved in the transactions). She reported that the County had already executed a similar Consent to Assignment. Mr. Brian McDonough, counsel to the developers, explained that this was part of a transfer of sixty (60) projects.

MOTION was made by Mr. Reynolds, seconded by Mr. Frohme, to delegate authority to the Chair, Vice Chair or Executive Director to execute documents necessary to Consent to the Assignment of the interests of Stuart Meyers and any of his affiliated entities (“Meyers Parties”) in the general partner, managing general partner, or other entities as applicable, of various development entities relating to the Cornerstone Group, to the remaining member(s) of the respective general partners and entities, in a form acceptable to Bond Counsel and the Office of the County Attorney.

8. Northwest Gardens V Apartments Project

Ms. Zomermaand noted some waivers being requested such as a waiver of the HFA policy prohibiting the use of subordinate financing to pay off tax-exempt bonds and a waiver of the HFA’s Audit Fees. She also noted that Northwest Properties V, Ltd., the “Owner” of the development, has requested authorization to defer a portion of the Issuer Fees until the Conversion Date, due to a tax law issue.

Mr. Primeau asked if there was a cap on the subordinate financing, and Ms. Zomermaand replied that the subordinate loans are identified in the credit underwriting report and come from Florida Housing and the Housing Authority of the City of Fort Lauderdale. Mr. Frohme asked for a range of time for the deferral, and Ms. Zomermaand reported that it’s anticipated to be a two year construction period, and payment can’t be made until after the Conversion Date (after construction completion and stabilization), (Agenda Item’s Attachment 2 was referred to as providing more detail).

MOTION was made by Mr. Lopez, seconded by Mr. Reynolds, to approve Resolution of the Housing Finance Authority of Broward County, Florida (the “Housing Finance Authority”), authorizing the issuance of its not to exceed \$14,000,000 Multifamily Housing Revenue Bonds, 2015 Series B (Northwest Gardens V Apartments Project) for the purpose of financing the acquisition, construction, rehabilitation and equipping of Northwest Gardens V Apartments located in Broward County, Florida (the “Project”); establishing parameters for the award of the sale thereof and establishing criteria for determining the terms thereof, including interest rates, interest payment dates, maturity schedule and other terms of such bonds; approving the forms of and authorizing the execution and delivery of (i) a Trust Indenture by and between the Housing Finance Authority and Regions Bank, as Trustee (the “Trustee”); (ii) a Loan Agreement by and among the Housing Finance Authority, the Trustee and Northwest Properties V, LTD. (the “Borrower”); (iii) a Land Use Restriction Agreement by and among the Housing Finance Authority, the Trustee and the Borrower; (iv) a Bond Purchase Agreement by and among the Housing Finance Authority, the Borrower and Bank of America, N.A. or its affiliate, as Bond Purchaser; (v) Assignment of Mortgage and related documents by the Housing Finance Authority to the Trustee; (vi) a Placement Agent Agreement by and between the Housing Finance Authority and RBC Capital Markets, LLC and Raymond James & Associates, Inc., as Placement Agents; and (vii) a Trustee Fee Agreement by and between the Housing Finance Authority and the Trustee; approving and authorizing the execution and delivery of certain additional agreements, instruments, certifications and affidavits necessary or desirable in connection with the issuance of the bonds; authorizing the Housing Finance Authority to consent to the borrower placing subordinate financing on the Project and approving the execution of such agreements as may be necessary in connection with such consent; waiving the prohibition against using subordinate financing to pay off tax-exempt financing; waiving the fee for services related to the Housing Finance Authority’s annual audit of the Project; authorizing the Housing Finance Authority to defer a portion of the issuer’s fee due and payable to the Housing Finance Authority in connection with the issuance of the bonds and thereafter; authorizing the proper Officers of the Housing Finance Authority to do all things necessary or advisable in connection with the issuance of the bonds; and providing an effective date for this Resolution.

9. Request Letter of Interest (RLI) – HFA Trustee Services

Mr. Stone stated that Staff was preparing for the need to solicit Trustee Services for the HFA before the end of the existing contract at the end of the calendar year.

MOTION was made by Ms. Smith, seconded by Mr. Frohme, to approve Request Letters of Interest (RLI) No. 20151231-TS-2, Trustee Services for the HFA Multifamily Mortgage Revenue Bonds and Single-Family Mortgage Revenue Bonds.

10. HFA 120 N.E. 3rd Street Property

Mr. Stone reported that Staff had been working with the County's Construction Management Division in determining how to acquire a vendor for demolition and for a preliminary design and estimate on the conversion of the lot to an overflow parking area. Preliminary pricing provided by Construction Management for the demolition and new parking and fence work totaled \$170,000.

The Board discussed options and details such as the pricing, which Mr. Stone explained as including costs such as drainage, landscaping, and asbestos and lead abatement analysis. The Board considered and decided against the need to ask for a variance to leave the existing asphalt in place. Mr. Stone explained that the work would be put up for bid to a library of bidders

- A. MOTION was made by Mr. Reynolds, seconded by Ms. Smith, to approve the Project cost of demolishing the Little House and creating up to nine (9) additional parking spaces for the HFA 110 Building (the "Project"), and to authorize expenditures not to exceed \$170,000.**
- B. MOTION was made by Ms. Thurston, seconded by Mr. Reynolds, to direct Karpus Investment to transfer funds in the amount of \$170,000 to the HFA Wells Fargo Operational Account to fund the Project.**
- C. MOTION was made by Ms. Thurston, seconded by Mr. Lopez, to authorize the Executive Director of the HFA to execute any agreements required for the Project as long as such agreements are approved by the HFA's attorney and do not to exceed a value of \$170,000.**

INFORMATION ITEM

11. New Board Member appointed, Jacqueline Paige Browne

The Chair noted that the new Board member had been introduced at the beginning of the meeting.

12. **MATTERS OF HFA MEMBERS**

The Board discussed the relevance of the current Carlisle investigation, with Ms. Zomermaand and Mr. McDonough explaining how the HFA had no known exposure.

Mr. Primeau asked Staff about the status of the Franklin Park Project, and Mr. Stone gave a thorough update regarding the completed lottery, construction, and the use of allocated DRI funds.

13. **MATTERS FROM THE FLOOR**

Mr. Stone recommended that the Professional Staff introduce themselves to the new Board member, Jacqueline Paige Brown, and introductions were made by those in attendance.

14. **NEXT BOARD MEETING**

September 9, 2015.

15. **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 8-12-2015) can be provided after 24 hours' notice to the administrative office at 954-357-4928