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BOARD MEETING MINUTES **Wednesday, June 8, 2016**

A regular Board meeting of the Housing Finance Authority ("HFA" or the "Authority") of Broward County, Florida, was held on Wednesday, June 8th, 2016, in the 2nd Floor Conference Room at 110 Northeast 3rd Street, Fort Lauderdale, Florida 33301.

Ms. Milette Thurston, Chair, determined a quorum was present and called the meeting to order at 5:30 p.m.

Board Members Present

Milette Thurston, Chair
Ruth T. Cyrus, Vice Chair
Kirk L. Frohme, Member
Colleen LaPlant, Assistant Secretary

Jose "Pepe" Lopez, Member
John G. Primeau, Member
Daniel D. Reynolds, Member

Board Members Absent

Jacqueline Paige Browne, Secretary
Donna Jarrett, Member

Staff

Betsy Barnicle, Secretary
Norman Howard, Senior Officer
Tina Kosakowski, Secretary
James Rowlee, Senior Assistant County Attorney
Ralph Stone, Executive Director

Also Present

Brian McDonough, Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
Junious Brown, Nabors, Giblin & Nickerson, P.A.
Kevin Day, AIG Global Real Estate
Star Storey, Housing Preservation Trust
Patti Green, Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
Jasmine Privott, Deerfield Beach Housing Authority
Tim Wranovix, Raymond James & Associates
Linda Mendillo, Dufresne & Associates, CPA, PA
Liran Friedman, Continental Real Estate Companies
Deborah Zomermaand, Zomermaand Financial Advisory Services, LLC



CALLING OF THE ROLL

A Roll Call was taken by Ms. Tina Kosakowski.

CONSENT AGENDA (#1 - #2)

1. Approval of May 11, 2016, Regular Meeting Minutes
2. Executive Director's Report

A MOTION was made by Mr. Daniel D. Reynolds, seconded by Mr. Kirk L. Frohme, to approve Consent Agenda, Items #1 - #2. This motion was unanimously approved.

REGULAR AGENDA

3. Cypress Grove Apartments

Mr. Stone advises this is an opportunity for Cypress Grove to utilize an exemption for significant savings on the property taxes. However, in the course of all that evolved a transfer fee in which the HFA is requesting a waiver and, likewise, will be providing direction to the applicant regarding same.

Junious Brown advised the Borrower is requesting the HFA to partially release the land and modify the mortgage asking for a waiver of the Transfer Fee under the LURA.

A. MOTION was made by MR. DANIEL D. REYNOLDS, seconded by MR. JOHN PRIMEAU, to approve Resolution of the Housing Finance Authority of Broward County, Florida ("Housing Finance Authority) pursuant to a (i) partial release of First Mortgage, Assignment of rents and Security Agreement, and (ii) partial release of third mortgage, assignment of rents and Security Agreement (collectively, the "partial release"), a partial release of the improvements on the land securing that certain (i) First Mortgage, Assignment of rents and Security Agreement, and (ii) Third Mortgage, Assignment of rents and Security Agreement (collectively, the "Mortgage"), each given to and in favor of the Housing Finance Authority by HPT-Cypress Grove Associates, LTD. (formerly known as Reliance-Cypress Grove Associates, LTD.), a Florida Limited Partnership, on Cypress Grove Apartments (the "Project") and in connection with the issuance by the Housing Finance Authority of its \$33,230,000 Multifamily Housing Revenue Bonds (Cypress Grove Apartments Project), Series 2004A and its \$4,270,000 Multifamily Housing Revenue Bonds (Cypress Grove Apartments Project), Subordinate Series 2004B; authorizing the subsequent modification of the mortgage pursuant to a (i) first modification to First Mortgage, Assignment of Rents and Security Agreement, and (ii) first modification to Third Mortgage, Assignment of Rents and Security Agreement (collectively, the "Mortgage Modification"); authorizing the Amendment to the Land Use Restriction Agreement pursuant to a First

Amendment to Land Use Restriction Agreement (the “LURA Amendment”); authorizing the form of the (i) Partial Release, (ii) Mortgage Modification, and (iii) LURA Amendment; authorizing the form and distribution of a Remarketing Supplement in connection with the partial release and modification of the Mortgage and the collateral thereunder; authorizing the proper Officers to do all things necessary or advisable; and providing an effective date for this Resolution. This motion was unanimously approved.

B. A second MOTION was made by MR. DANIEL D. REYNOLDS, seconded by MR. JOHN PRIMEAU, to approve the owner’s request for a full waiver of transfer fee required pursuant to the LURA and if necessary take action regarding the request. This motion was unanimously approved.

4. The Palms of Deerfield Apartments

Ralph Stone commented this is a straight forward recommendation to approve TEFRA hearing and additional Resolution on the project as described.

A. A MOTION was made by MR. KIRK L. FROHME, seconded by MR. JOSE LOPEZ, to move to request approval of an inducement resolution and authorization to:

- a. Hold a TEFRA hearing – Multifamily development referred to as the Palms of Deerfield Beach Apartments
- b. Publish all Public Notices for the TEFRA hearing subject to HFA receipt of all applicable fees.

B. A MOTION was made by MR. KIRK L. FROHME, seconded by MR. JOSE LOPEZ, to approve the Resolution of the Housing Finance Authority of Broward County, Florida (the “Housing Finance Authority”) declaring its official intent to issue Multifamily Housing Revenue Bonds (the “Bonds”) of the Housing Finance Authority to finance all or a portion of the cost of the acquisition, rehabilitation and equipping of certain multifamily housing facilities (the Palms of Deerfield Apartments) located within Broward County, Florida, and other related purposes; approving the issuance of the bonds, subject to certain further findings and conditions; and providing an effective date. This motion was unanimously approved.

5. Financial Reports Monthly Overview – Ms. Linda Mendillo

Ms. Linda Mendillo presented the Monthly Financial Reports and noted the following after each report.

FINANCIAL REPORTS: They have the normal activities, nothing out of the ordinary.

FLUX REPORT: The issues are mostly due to timing of transfers and timing of payments.

YEAR TO YEAR FLUX REPORT: Timing issues and the beginning balance was lower for cash. In addition, all requested changes have been made with explanations.

PROFIT & LOSS: Timing issues, in addition to new bond financing and some payoffs which are included in this report.

FLUX REPORT: The Budget to Actual - questions were from the timing of receipts, and invoice and payments. The HFA had the lower balance.

A MOTION was made by MR. DANIEL D. REYNOLDS, seconded by MR. JOSE LOPEZ, to approve the HFA's Monthly Financial Report for May 31, 2016. This motion passed with all ayes.

UPDATE ITEMS

6. Continental Real Estate Companies (Proposal for Land Swap – 120 Property)

Mr. Stone stated, as directed at the last Board Meeting, he is providing additional information on the proposed land swap, as follows:

An assessment from the County's Real Estate Department - In terms of what they perceive the value of the lot, they provided a Memo which is in the additional correspondence that is in each Board Member's binder. Summarizing the situation:

The County's Real Estate Department believes the value of the lot on a standalone basis is \$50 per square foot, yielding a value of \$362,500.

They assessed the value of the lot as they characterized as an "Assemblage Lot". They value the lot as an Assemblage Lot at \$130 per square foot, yielding \$950,000 for the lot.

An estimate for an appraisal of the lot would cost approximately \$1,500 - \$3,000 to generate.

Possible uses of, not only the lot, but the entire property has been identified with four (4) options.

1. Overflow Parking for the FHA Building.
2. Phased Development – On the East side of the HFA lot, including the lot where the little house sat, would be the first phase. The second phase then would be to come over to the West side of the HFA lot and

demolish the current HFA building and build on that as the second phase.

3. Total Redevelopment of the site. Retain the little house site, knock down the current HFA building, and redevelop the site.
4. Create the opportunity to retain this building and build a structure over the East half of the current parking lot and the little house.

Liran Friedman added that what they are proposing is continuation of status quo, the HFA would not be losing or gaining any square footage.

In addition, to the economic benefit above that; not losing any kind of land continuity, you're adding some additional land to the West and using some additional land to the East.

As an Assemblage, it's a benefit to us because it allows us to increase the size of our site from 29,000 to approximately 36,000 square feet which enhances the probability of something actually being developed on the lot to the East.

To widen it a little bit gives us more option to be able to, widen the platform, bring down the height, and enhances the probability of that actually getting developed.

Behind the HFA Building is an alley way. If one were going to take that piece and assemble it with any other land, this is the only opportunity to add that to a larger combination of land.

A MOTION was made by MR. JOSE LOPEZ, seconded by MS. RUTH CYRUS, to retain status quo of the HFA's lot. A vote was taken and the motion passed by the following vote:

Ayes: 5

Noes: 2

7. HFA 110/120 Properties (Parking Lot Extension)

Based on the action the Board just took and the background expressed therein, Mr. Stone recommended that the HFA not come out of pocket and do a full parking lot treatment which would not generate the number of parking spaces as originally thought. The alternative, includes stabilizing the lot, allow use as overflow parking, and complete the fencing (\$63,043), all of which would be within the budget that was already authorized.

A MOTION was made by MR. DANIEL D. REYNOLDS, seconded by MR. KIRK L. FROHME, to move Option 1. This motion carried with all ayes.

8. 2015 Statement of Financial Interest, Form 1 (Financial Disclosure) from Florida Commission on Ethics – James Rowlee, Senior County Attorney

Mr. Rowlee announced good news stating that the Statement of Financial Interest, Form 1 (Financial Disclosure), does not have to be filed, per the Florida Commission on Ethics.

Staff, non HFA Board Members, will have to continue to file Form 1 but HFA Board Members do not have to file the Financial Disclosure form.

INFORMATION ITEM

9. Ratings Update – Moody’s Investors Service – Single-Family Mortgage Revenue Bonds, Series 2006A and Single-Family Subordinate Mortgage Revenue Bonds, Series 2006B; S&P Global Rating – Multifamily Housing Revenue Bonds GMMA (Prospect Park Apartments Project, Series 1998A)

Mr. Stone advised Moody’s downgraded the ratings on the Housing Finance Authority of Broward County’s Single-Family Mortgage Revenue Bonds, Series 2006A from B1 – B2 and the Single-Family Subordinate Mortgage Revenue Bonds, Series 2006B from Ca – C.

Deborah Zomermaand added that the downgrade was a continuing disclosure event; therefore, a letter was sent to the Trustee as Dissemination Agent, requesting that the appropriate parties receive notification per the Continuing Disclosure Agreement.

10. **MATTERS OF HFA MEMBERS**

11. **MATTERS FROM THE FLOOR**

As this is Ms. Betsy Barnicle’s last HFA Board Meeting, Ralph Stone expressed thanks and gratitude for the outstanding work and assistance that Ms. Barnicle has provided to the HFA.

12. **NEXT BOARD MEETING**

August 10, 2016

13. **ADJOURNMENT**

The meeting was adjourned at 6:34 p.m.

Disclosure: The above captioned Minutes are transcribed in a summary format. To request a CD of the full meeting (HFA 6-8-2016), please contact the Administrative Office at (954) 357-4928.