



BOARD PACKAGE

Meeting

MAY 16, 2018

REGULAR MEETING

A regular meeting of the Housing Finance Authority of Broward County (the "HFA"), Florida, will be held on Wednesday, May 16, 2018, at 5:30 p.m., in the 2nd Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida.

CALLING OF THE ROLL

CONSENT AGENDA ITEMS (1 through 3)

1. Approval of April 18, 2018, Regular Meeting Minutes
2. Executive Director's (April) Operational Report
3. Single Family Bonds – 2018 Mortgage Credit Certificate (MCC) Program

MOTION TO AUTHORIZE Bond Counsel to prepare all program documents and Resolutions which will provide for the exchange of \$140,000,000 in single family bond allocation for \$35,000,000 of Mortgage Credit Certificate authority; designation of a Program Administrator; authorizing the program expenditures in an amount not to exceed \$35,000.

MOTION TO APPROVE the Consent Agenda Items 1 through 3.

REGULAR AGENDA

4. Financial Reports Monthly Overview – Ms. Linda Dufresne

MOTION TO APPROVE the Housing Finance Authority monthly financial report for the month of April 30, 2018.



PRESENTATION

5. Broward County Commission Affordable Housing Workshop – Ralph Stone

6. **MATTERS OF HFA MEMBERS**

7. **MATTERS FROM THE FLOOR**

8. **NEXT BOARD MEETING**

June 20, 2018

9. **ADJOURNMENT**

MINUTES
BOARD MEETING
Wednesday, April 18, 2018

A regular Board Meeting of the Housing Finance Authority (“HFA”) of Broward County was held on Wednesday, April 18, 2018, at 5:30 p.m., in the 2nd Floor Conference Room, located at 110 Northeast 3rd Street, Fort Lauderdale, Florida.

The Chair, Colleen LaPlant, called the meeting to order at 5:30 p.m.

CALLING OF THE ROLL

A Roll Call was taken by Sonia Isme.

Board Members Present

Colleen LaPlant, Chair – Milette Thurston, Vice Chair – Donna Jarrett-Mays, Secretary – Daniel D. Reynolds, Asst. Secretary – John G. Primeau, Member – Kirk L. Frohme, Member

Board Members Absent

Jose Lopez, Member– Ruth T. Cyrus, Member

Staff

Ralph Stone, Executive Director
Norman Howard, Manager
Sonia Isme, Secretary
Annika Ashton, Senior Asst. County Attorney

Also Present

Deborah Zomermaand, Financial Advisory Svcs
Linda Dufresne, Dufresne CPA Services, P.A.
(Linda Dufresne via Phone Conference)

Ms. LaPlant, the Chair, acknowledged Q&A’s acquired by Kirk L. Frohme in reference to the HFA meeting material. Mr. Stone called for a motion to approve the corrections to the HFA meeting agenda.

MOTION was made by Daniel D. Reynolds, seconded by Kirk L. Frohme, to approve the revisions to the HFA Agenda. The motion carried unanimously.

CONSENT AGENDA ITEMS 1 and 2

- 1.Approval of March 21, 2018, Regular Meeting Minutes
- 2.Executive Director’s (March) Operational Report



MOTION TO APPROVE the Consent Agenda for April 18, 2018.

MOTION was made by John G. Primeau, seconded by Daniel D. Reynolds, to approve Consent Agenda Items 1 and 2. The motion carried unanimously.

In reference to Mr. Frohme' s Q&A's, Mr. Frohme requested additional language be included in the Rental Occupancy Report as a footnote indicating projects that are not in timely compliance. Mr. Frohme also requested information on the QP's notation in the occupancy report.

Mr. Howard confirmed the footnote addition will be included, and explained the Qualified Project Period ("QP") expiration date is when the QP compliance will expire; according to the Land Use Agreement (the "LURA") the expiration is normally the later of the date of a QP expiration or when the bonds are paid-off.

Ms. Zomermaand added when the LURA's are outstanding and there are no bonds outstanding due to an assumption, the assumption agreements will include a date for the end of the QP. The QP's referenced in the report may be a result of bonds that may have been paid-off.

There was a detailed discussion on the Qualified Project Period (QPP) amongst HFA Staff, and Kirk L. Frohme.

Ms. Zomermaand explained that the listed expiration date of a QP within the Rental Occupancy Report indicates the expiration date as identified within the documents. She further noted that the LURA is not terminated until the HFA has received written direction from the developer/owner/borrower requesting termination. A form of the LURA termination document is routinely included within HFA documents at the time of refinancing, assumption, etc. Based on the foregoing there may be a lapse between the end of the QP and the actual termination of the LURA.

3. Mr. Liran Friedman, VanGuard Real Estate Services - Letter of Intent to Purchase Real Estate (HFA Vacant Lot)

Mr. Stone informed the Board, a letter was provided to the HFA of an unsolicited proposal to purchase the overflow parking lot, and staff will address all recommendations after Mr. Friedman's presentation.

Mr. Liran Friedman introduced himself as a Real Estate and Commercial Broker with VanGuard Real Estate Services. VanGuard Real Estate Services represents Los Novados, LLC, owner of adjacent property east of the proposed vacant lot for purchase.

Mr. Friedman mentioned the firm have met with the HFA Board in the past on similar accounts. He explained the firm made an offer to the HFA as indicated in the letter of intent as an all cash purchase of the property. Also, with a contingency that the firm would be required to complete a 15-day due diligence of the property.

He pointed-out areas of development in a comp study and stated that the firm find the amount proposed for the property was a comparable value to other neighboring lots.

Mr. Primeau inquired what the property was zoned. Mr. Friedman stated the property was zoned as a regional activity centers/city center. Mr. Stone provided a detailed explanation on certain City requirements for Zoning restrictions.

There was a detailed discussion on Affordable Housing amongst HFA Staff and Board Members, and a discussion on VanGuard Comp Study amongst HFA Board Members HFA Staff and Liran Friedman.

Mr. Frohme inquired what was the meaning of “superior versus similar”. Mr. Friedman responded it represents attributes (improvements). For example, image 4, (“superior”) the Zimmer office building, roughly 3,000 ft, 2-story office building on an 8,046 square foot parcel with office improvements in great condition.

Mr. Frohme inquired how often is the overflow parking lot utilized. Mr. Stone responded at least once every couple of weeks.

Mr. Stone stated the Board of County Commissioners (“BOCC”) conducted a workshop regarding Affordable Housing. One of the six criterias recommended by the BOCC was to establish a land bank, therefore, the need to retain the property is relevant to the Affordable Housing developments in Broward County.

Mr. Stone expressed the need of retaining the property and recommended not to transfer ownership of the property.

Mr. Freidman inquired was there current plans for potential redevelopments for the entire proposed areas. Mr. Stone stated the proposed redevelopment plan was 10-years ago and was more of concept plan with a rough proforma developed by the County Planning Department to show the conceptual opportunity of what the area can become.

Mr. Reynolds inquired what was the annual expenses of maintaining the property. Mr. Howard responded there are no other fees except landscaping expenses. Mr. Stone recounted the cost was once \$80K when there was demolition work and asbestos was found.

MOTION was made by Daniel D. Reynolds, seconded by Kirk L. Frohme, to continue utilizing the property for over-flow of additional parking for meetings and decline VanGuard Services, LLC unsolicited Letter of Intent to Purchase the HFA’s parking lot at 120 NE 3rd Street in the City of Fort Lauderdale. The motion carried unanimously.

4. Financial Reports Monthly Overview – Ms. Linda Dufresne

Ms. Linda Dufresne provided a brief overview of the financial reports and descriptions on adding’s and interests on attachment 3. She stated that two of the line items were combined, at one point a separate line item for interest income for U.S. Bank and one for Bank of New York Mellon. Ms. Dufresne stated it was appropriate to combine to since they were related to the HFA’s investment portfolio.

There were details added regarding the large flux described in item 6, due to a recent closing in the City of Coconut Creek and NW Gardens conversion. Ms. Dufresne concluded there were no significant issue with the numbers.

MOTION was made by Kirk L. Frohme, seconded by Jose Lopez, to approve the Housing Finance Authority monthly financial reports for March 31, 2018. The motion carried unanimously.

5. Good Faith Deposit - Policy and Procedures

Mr. Stone deferred the presentation to Ms. Ashton. Ms. Ashton provided an explanation that the item was previously approved by the HFA, authorizing the Executive Director to reduce the Good Faith Deposit, and the document provided is the language that will be used to make modifications to the HFA's Multifamily Housing Bond Program Policy and Procedures.

Mr. Frohme asked does the item need Broward County approval. Ms. Ashton stated Broward County approval was not needed.

MOTION was made by Daniel D. Reynolds, seconded by Milette Thurston, to approve Resolution 2018-014 amending the policies and procedures for multifamily housing bond program for the Housing Finance Authority. The motion carried unanimously.

6. 2006 Single Family, Series A&B – Optional Redemption of Outstanding Bond

Mr. Stone provided a brief introduction on the item; and deferred to Ms. Zomermaand for explanation. Ms. Zomermaand reminded the board the item is a follow-up to a previous meeting discussion on the authorization of redeeming 2007 ABCD and 2007 EF single family transactions. She advised the board, upon moving forward, the trustees counsel raised a concern redeeming the 2007 transactions while the 2006 transaction remained outstanding in a deficit position.

Ms. Zomermaand stated that Bond Counsel confirmed its either all or nothing in determining which to collapse. Wherefore, if all three transactions were collapsed, the account will remain in a positive position; and upon redeeming the bonds, the HFA would own the mortgage backed securities and the whole loans, which serves as collateral for the transactions.

She mentioned the Investment Committee ("IC") recommended the collapse of all three transactions for Board approval. If approved, the IC would reevaluate whether the HFA would prefer keeping all the mortgage backed securities, and/or adjust the longer maturities to where they are spread throughout the maturity timelines.

Mr. Stone directed Ms. Zomermaand to discuss the expected costs, value of the assets and any risk there may be should the HFA take the recommended approach. Ms. Zomermaand stated the costs would approximately be \$3.8 million of HFA funds to redeem the outstanding bonds. She mentioned the \$3.8 million is available cash held with the Bank of NY Mellon.

Once the transactions are collapsed, there will be an estimated increase of over \$600K, based on the calculations from the amortized face or par value of the securities, not including the whole loans. In addition, the market values are higher. In another calculation, the face value including non-delinquent whole loans would amount to approximately \$962K. The market value may fluctuate; however, the HFA will be in a net positive position and earn higher in returns from securities.

In addition, the positive cash position the HFA will not have any ongoing professional fee deductions reflected in the expense accounts as it relates to the bond issues.

There was a detailed discussion on item 6 amongst HFA Staff and Board Members, and Debbie Zomermaand.

MOTION was made by Daniel D. Reynolds, seconded by Kirk L. Frohme, to approve Resolution 2018-015 approving the Optional Redemption (“redemption”) in full of the Housing Finance Authority’s outstanding Single Family Mortgage Revenue Bonds, Series 2006 ABC, Series 2007 ABCD, and Series 2007 EF (“Bonds”); authorizing the use of Housing Finance Authority funds for the redemption; authorizing the Sale of Securities currently held as collateral for the bonds; authorizing the placement of released securities into the Housing Finance Authority’s investment account; authorizing the proper Officers of the Housing Finance Authority to do all things necessary or advisable in connection with the redemption, including sending all required notices; providing for severability; and providing for an effective date. The motion carried unanimously.

7. Brokerage Investment Agreement - Policy and Procedures

Ms. Ashton explained the Board previously approved the Bank of NY Mellon as the safekeeping agent and brokerage firm for the HFA’s investment portfolio, and therefore staff have presented an informational item declaring no interest in pursuit of other brokerage firms due to the small volume of the investment portfolio, and to use the services of Bank of NY Mellon.

8. Broward County Ethics Workshop – Annika Ashton

Ms. Ashton informed the Board a presentation of the Broward County Ethics was being conducted at the direction from the County Attorney as a refresher to all active Boards. She provided an overview of the provisions outlined in each slide.

Ms. Ashton covered specific areas regarding gifts, conflicting employment relationships, and voting conflicts. She stated the gift provisions the Board must adhere to are in the Florida Statutes and County Ethics provisions. The Florida Statute would apply to individuals who are required to file disclosure forms (Form 1) with the state. However, the County Ethics Code applies to everyone. According to previous accounts, it has been determined that the Housing Finance Authority of Broward County Board members are not reporting individuals. Therefore, an individual is primarily subject to the County Ethics Code and investigation by the Broward County Inspector General. Ms. Ashton described several conflicting scenarios.

The donor offering the gift matters, such as vendors, contractors, lobbyists, and principals of lobbyists of the County. The best practice is to purchase most items without having to calculate the position of the donor.

Mr. Frohme inquired about foreseeability in such cases as an outing with a contractor that does not do business with any boards but hereinafter the company has an interest in bidding or has placed a bid on a solicitation. Ms. Ashton stated the perception may be that the contractor would be an individual seeking to do business with the HFA, from whom gifts would be prohibited.

As an official HFA member, there is a limit \$50 for gifts from persons or entities who are not contractors, lobbyists, or vendors. There are no limitations in gifts of a personal capacity, except for gifts from contractors, vendors or lobbyists of the HFA. If someone is a good friend of yours or a family member, a gift is acceptable, unless that person is a contractor, vendor, or lobbyist of the HFA. Ms. Ashton continued to cover areas described in the presentation and mentioned that the main thing is to focus more on the County codes and to differentiate between official and personal capacity gifts and whether the donor is a contractor, vendor, or lobbyist.

Ms. Ashton advised the board to contact her should there be a concern whether the gift is prohibited or non-prohibited; therefore, it would prove due diligence. Mr. Reynolds inquired whether the \$50 limit on gifts were aggregate or per year. Ms. Ashton stated gifts would be viewed based on reasonableness. She stated that gifts in the form of meals are the biggest encounter for the County.

Ms. Ashton discussed the relationships involving Public Officers and Employees who either have an employment or contractual relationship with a business or agency doing business with an agency involving the individual. Also, a Public Officer cannot vote on a matter that benefits the officer or officer's principal.

Ms. Ashton mentioned Public Officers and Employees cannot have an employment or contractual relationship with a business or agency that does business with the agency involving the individual. Importantly, an individual cannot abstain from voting unless there is an actual conflict of voting or an appearance of a conflict.

9. **MATTERS OF HFA MEMBERS**

Mr. Stone informed the Board of an Affordable Housing Workshop held by the Board of County Commissioners ("BOCC"), whereas significant information was shared that may be an interest to the HFA. He mentioned a PowerPoint presentation will be presented to the Board at next month's meeting.

There was a detailed discussion amongst the Board Members and Ralph Stone regarding the Affordable Housing Workshop.

10. **MATTERS FROM THE FLOOR**

None.



12. **NEXT BOARD MEETING**

May 16, 2018

13. **ADJOURNMENT**

The Chair, Colleen LaPlant hearing no further comments, questions or discussions adjourned the meeting at 6:42 p.m.

MEMORANDUM

Date: May 7, 2018
To: Housing Finance Authority Board Members
Through: Ralph Stone, Executive Director 
From: Norman Howard, Manager 
Subject: April Operational Report

INVESTMENT COMMITTEE

An Investment Committee (IC) meeting was held on March 21, 2018 Wednesday, at 4:00 p.m., at 110 N.E. 3rd Street, 3rd Floor, Suite 300, and Fort Lauderdale, Florida. Attached are the approved meeting minutes (Attachment 1).

SINGLE-FAMILY

Information listed below is the foreclosure/bankruptcy report received from CitiMortgage for the months of February 2018 and March 2018. The report for the month of April 2018 has not been received from CitiMortgage to date.

Bankruptcy – February 2018

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
0	\$0	0	0	\$0	\$0

Foreclosure (180+ days) – February 2018

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
12	\$1,444,989	8	4	\$1,300,794	\$144,195

Bankruptcy – March 2018

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
0	\$0	0	0	\$0	\$0

Foreclosure (180+ days) – March 2018

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
12	\$1,444,547	8	4	\$1,300,495	\$144,052

Foreclosure (180+ days) – comparison between March 2017 to March 2018

Mar-17	3	\$426,398	\$36,504*	\$462,902
Mar-18	12	\$1,300,495	\$144,052**	\$1,444,547

Note: * FY17 contain 3 foreclosures, 1 is a second mortgage.

** FY 18 contains 12 foreclosures, 4 are second mortgages.

2017 Mortgage Credit Certificate Program (MCC)

At this time, the HFA has fifteen (15) lenders participating in the January 2017 MCC Program. The program totals to date are as follows:

<i>MCC's by Lender</i>	<i>Commitments</i>	<i>Issued</i>	<i>Cancelled/Expired</i>
Academy Mortgage Corporation	7	7	0
America's Mortgage Professionals, LLC	0	0	0
Bank of America, N.A.	9	4	0
Banking Mortgage Services Corp	0	0	0
Centennial Bank	0	0	0
CMG Financial, Inc.	0	0	0
Cornerstone Home Lending	2	1	0
Gold Star Mtg. Financial Group	6	5	0
GSF Mortgage Corporation	0	0	0
Gulf Atlantic Funding Group, Inc.	0	0	0
HG Mortgage, LLC	26	18	1
Hamilton Funding Group	41	34	2
Paramount Residential Mortgage Group (PRMG)	17	14	0

<i>MCC's by Lender</i>	<i>Commitments</i>	<i>Issued</i>	<i>Cancelled/Expired</i>
Plaza Home Mortgage, Inc	1	0	0
The Mortgage Firm	4	3	0
Totals	113	86	3
<i>Income to date: \$12,475</i>			

MULTIFAMILY HOUSING BOND TRANSACTIONS

2018 Multifamily housing transactions update for the month of May (Attachment 2).

MULTI-FAMILY COMPLIANCE MONITORING

Multifamily compliance monitoring; reporting period February 21, 2018, to March 20, 2018.

Monthly Compliance

Review of this month's bond report shows all properties are in compliance with their respective Land Use Restriction Agreements (LURA's).

Occupancy Report

The HFA Rental Occupancy Report for period January 21, 2018, to February 20, 2018, is included (Attachment 3).

Annual Management Review and Inspections

There were no reviews or inspections completed during the reporting period of January 20, 2018 to February 20, 2018.

All the above listed properties were in compliance with their respective LURAs.

ATTACHMENT 1

MINUTES
INVESTMENT COMMITTEE MEETING
Wednesday, March 21, 2018

A regular meeting of the Investment Committee (“IC”) of the Housing Finance Authority of Broward County, Florida, was held on Wednesday, March 21, 2018, at 4:00 p.m., located at 110 N.E. 3rd Street, Suite 300, Fort Lauderdale, Florida.

The Chair, Colleen LaPlant, called the meeting to order at 4:00 p.m.

CALLING OF THE ROLL

A Roll Call was taken by Sonia Isme.

IC Members Present

Colleen LaPlant, Chair
Suzanne Fejes, Vice Chair
Stephen Farmer, Member
John G. Primeau, Member
Debbie Zomermaand, Member

Staff

Sonia Isme, Secretary
Norman Howard, Manager
Annika Ashton, Senior Asst. County Attorney
Lori Fortenberry, Finance & Administrative Svcs

Also Present

Linda Dufresne, Dufresne CPA
Services, P.A.

REGULAR AGENDA

1. Approval of January 17, 2018, Investment Committee Meeting Minutes

MOTION was made by John G. Primeau, seconded by Stephen Farmer, to approve the January 17, 2018, Investment Committee Meeting Minutes. The motion carried unanimously.

2. Available, Restricted Cash, Cash Equivalents as of February 28, 2018

Ms. Deborah Zomermaand mentioned Item 2 was for informational purposes only. Mr. Howard commented the information provided will be presented at each Investment Committee meeting to be made aware the funds available and tied into the financial statements.



Ms. Zomermaand referred to several handouts and described areas where the funds were linked. She mentioned Ms. Linda Dufresne included the restricted cash to demonstrate what was indicated in the financial statements.

3. Update Regarding SF 2007 ABC&EF – Collapse

Ms. Zomermaand referred to the previous meeting discussion on collapsing the single-family transaction. She stated the Trustee counsel had concerns because of an existing master trust indenture and the three series under the indenture. The trustee is concerned with collapsing the 2007 transactions without first addressing the 2006 transaction, which stands in a deficit position. The documents are not specific to the pledged collateral and release of assets.

Ms. Zomermaand provided sample documents projecting estimated transaction details pertaining to the collapse of the three bond transactions. She explained that all three transactions would require approximately \$4,038,000 of HFA funds and without the whole loans would result in a positive cash position. She described several other calculation methods of collapsing the bonds.

Ms. Zomermaand stated the bond redemption would reduce HFA ongoing expenses and staff resources as bond audits will be eliminated and there will no longer be fees for professional services such as trustee, audit, accounting and ratings. In addition, redeeming the bonds gives an opportunity of having all bonds redeemed without potential adverse implications for the 2006 transaction and would result in cash and increased investment returns to the HFA.

Mr. Primeau inquired how the current rate hike would affect the projected rates. Ms. Zomermaand stated that the current market value decreased slightly. She mentioned the positive cash projection was based on face value of the Fannie Mae, Freddie and GINNIE Mae Mortgage Backed Securities. The MBSs will be repaid at face value if held to maturity.

Ms. Zomermaand referred to the handouts reflecting the HFA's current portfolio and pointed out several security valuation formats, types of mortgage-backed securities and rates. For discussion purposes, she recommended utilizing \$4 million for the bond redemptions, and when the bonds are redeemed to sell some of the MBS securities and reinvest the cash. Ms. Zomermaand provided a timeline of HFA maturities which included government and mortgage-backed securities.

Ms. Zomermaand recommended that the discussion include the potential of investing one-million within a July 2020 through December 2020 maturity and \$4 million to redeem the bonds allowing HFA to own the released MBS securities. Mr. Primeau inquired what would happen if nothing was done. Ms. Zomermaand explained that the HFA would hold the MBS securities to maturity. If there are prepayments, the final maturity of the MBS securities would potentially be shortened. The IC must decide whether to put the \$1 million in the money market account or pull out the maturity and keep it at the 6-month cycle when matured.

Mr. Farmer suggested not to put the \$1 million into the money market. He stated the IC should first address the maturity gaps in July 2020 to December 2020. Ms. Zomermaand suggested the IC would keep \$4 million in the money market to redeem the bonds, and if the 2006 bonds are redeemed as well, the IC would need approval from the HFA board to collapse the 2006 bonds.

There was a detailed discussion that ensued on the purchase of the bonds between Stephen Farmer, Deborah Zomermaand and Colleen LaPlant.

Ms. Zomermaand recapped that the funds from the money market and the Trustee accounts would be used to redeem the bonds. Once the redemption was complete, the trustee would release the collateral into the HFA's investment account.

Motion was made by John G. Primeau, and seconded by Stephen Farmer, to request authorization to take all actions necessary, including required notices and the use of HFA funds to optionally redeem in full the HFA's Single-Family Mortgage Revenue Bonds 2006 Series ABC, 2007 Series ABCD and 2007 Series EF and to place all released securities within the HFA's investment account at The Bank of New York Mellon Trust Company, N.A.; subject to the approval of Bond Counsel and the County Attorney's Office. The motion carried unanimously.

4. Investment Direction

Ms. Zomermaand referred to the Black Rock Yield handout and stated she acquired information from the U.S. Treasury yield timelines and Bank of New York for additional yields and agencies. She stated that the HFA's portfolio previously invested by Karpus was U.S Treasuries, however, the HFA has the flexibility to invest in securities other than U.S. Treasuries.

A discussion on which investment direction to use ensued between Stephen Farmer, Deborah Zomermaand and Colleen LaPlant.

Ms. Zomermaand recommended reviewing the Broker authorization and the HFA's investment policy procedures to determine direction regarding the investment of \$1 million of HFA funds. The discussion focused on \$1 million with a December 2020 maturity to be invested in the best yielding investments authorized within categories 6.a – 6.c of the HFA's Investment Policy.

Mr. Farmer stated the HFA Investment Policy follows the County's investment procedures, however, the County has multiple brokers to obtain quotes from securities. Ms. Ashton stated the direction of the IC is different from what is contemplated in the policy. The policy indicated the IC would choose the type of security than request for bids but not a general direction of the security.

Mr. Primeau suggested staff or an authorized individual should document the reason the yield was selected. Ms. Zomermaand suggested staff contact the Bank of New York requesting one-million invested in the December 2020 maturity. The broker would send an email of the highest yields and the IC would confirm the selection then keep the information for records.

Ms. Ashton recommended the IC discuss whether having more than one brokerage firm and the type of procedures for bidding to include in the policy.

A discussion on investment direction procedures ensued amongst the IC members.

Ms. Zomermaand stated she will prepare agenda items for HFA Board consideration on collapsing the 2006 and 2007 transactions and obtain the investment direction process from the Bank of New York for board approval. If the HFA Board approved the procedures for investments, staff would purchase the security for the December 2020 maturity. The policy will be provided to the broker as a guide on investment direction.

Motion was made by Deborah Zomermaand, and seconded by John G. Primeau to invest one million from one of the following categories, Money Market Account, Treasuries and/or Mortgage Backed Securities pursuant to HFA Board approval and County Attorney approval that procedures and strategies are acceptable. The motion carried unanimously.

5. Matters of Investment Committee Members

Ms. Fejes informed the Board that Ralph Stone will return to the division on Monday, March 26, 2018 and that Mr. Stone will be the Executive Director of the HFA and that she will move to Assistant Director and be involved with HFA transactions.

The meeting was adjourned by Ms. LaPlant, Chair at 4:58 pm.

ATTACHMENT 2

2018 MULTIFAMILY HOUSING BOND TRANSACTIONS – MAY UPDATE

<u>HFA RANKING</u>	1	2	3
<u>PROJECT NAME</u>	<u><i>Emerald Palms Apartments</i></u>		
<u>PROJECT LOCATION</u>	5331 Southwest 43 rd Terrace Dania Beach, FL 33314		
<u>DEVELOPER</u>	MRK Partners Inc.		
<u>PROFESSIONAL TEAM</u>	<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	<ul style="list-style-type: none"> • RBC • Nabors, Giblin & Nickerson • Seltzer 	
<u>BOND AMOUNTS</u>	<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$38,000,000 • N/A • TBD 	
<u>TEFRA & Inducement</u>	<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • <i>Date of HFA Inducement</i> • <i>Date of TEFRA Hearing</i> • <i>Date of HFA Approval</i> • <i>Date of BOCC App. TEFRA</i> • <i>Date of BOCC Approval Cust. Agreement (If Applicable)</i> 	<ul style="list-style-type: none"> • \$38,000,000 (Inducement) • April 19, 2017 • April 5, 2018 • June 20, 2018 (Projected) • August 14, 2018 (Projected) • N/A 	
<u>ALLOCATION</u>	<ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> • 	\$38,000,000	
<u>TRANSACTION STATUS</u>	<i>See Note #1</i>		

Note #1:

Application to fund Emerald Palms Apartments in the 2017 allocation cycle was submitted to the HFA on March 20, 2017. The financing is expected to fund the acquisition and rehabilitation of 318 units of affordable housing in Dania Beach. The HFA approved and induced the project at its board meeting on April 19, 2017, such approval effectively ranked the development to receive tax-exempt bond allocation and/or carryforward in 2017. On February 21, 2018 the HFA authorized a reduction of the Good Faith Deposit from \$190,000 to \$75,000. The transaction is expected to close during the summer of 2018.

ATTACHMENT 3

Housing Finance Authority of Broward County
Rental Occupancy Report

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Property	Total Number of Units	From Mgmt Number of Units Occupied	% of Units Occupied	Previous month % of Lower Units Occupied February	From Mgmt Low Income Units Occupied	% Occupied by Low Income	LURA Low Income Requirement	Certificate of Compliance rec'd March	Vacant Units
Banyan Bay	416	376	90.4	45%	172	45.7	20%	4/10/2018	40
Chaves Lakes	238	237	99.6	92%	215	90.7	40%	3/27/2018	1
Colonial Park	160	159	99.4	100%	159	100.0	99%	3/23/2018	1
Cypress Grove/Sandalgrove	814	706	86.7	100%	706	100.0	40%	5/4/2018	108
Golden Villas	120	120	100.0	99%	119	99.2	40%	4/5/2018	0
Golf View Gardens	160	160	100.0	100%	160	100.0	100%	3/20/2018	0
Harbour Cove	212	210	99.1	86%	178	84.8	40%	3/29/2018	2
Heron Pointe	200	197	98.5	98%	192	97.5	40%	3/28/2018	3
Laguna Pointe	188	188	100.0	92%	172	91.5	40%	3/28/2018	0
Lake Vista (fka Ashlar/Pier Club)	480	451	94.0	21%	92	20.4	20%	4/4/2018	29
Lauderhill Point (fka Driftwood Terr)	176	175	99.4	100%	175	100.0	100%	4/10/2018	1
Los Prados	444	419	94.4	30%	129	30.8	20%	3/26/2018	25
Mar Lago Village	216	208	96.3	44%	88	42.3	40%	4/10/2018	8
Meridian	160	160	100.0	100%	160	100.0	99%	3/26/2018	0
Palms of Deerfield	56	53	94.6	100%	53	100.0	100%	4/11/2018	3
Pembroke Park	244	241	98.8	84%	202	83.8	40%	3/31/2018	3
Pinnacle Village	148	147	99.3	99%	146	99.3	40%	4/5/2018	1
Prospect Park	125	124	99.2	100%	124	100.0	40%	4/11/2018	1
Sailboat Bend	37	37	100.0	100%	37	100.0	100%	4/11/2018	0
San Tropez (fka Pembroke Village)	480	467	97.3	21%	96	20.6	20%	3/28/2018	13
Sanctuary Cove	292	292	100.0	99%	290	99.3	40%	3/28/2018	0
St Croix	246	244	99.2	100%	244	100.0	40%	4/2/2018	2
Summerlake	108	106	98.1	100%	106	100.0	40%	3/22/2018	2
Woodsdale Oaks	172	170	98.8	100%	170	100.0	70%	3/22/2018	2
Totals	5,892	5,647			4,185				245
<i>* Figures in red show properties that are less than 90% occupied</i>									
<i>* All the above listed properties were in compliance with their respective LURA's (See Executive Report and MF Bond Rental Occupancy Report Key)</i>									

MULTI-FAMILY BOND RENTAL OCCUPANCY REPORT KEY

The Rental Occupancy Report was prepared by staff from Certifications of Continuing Compliance reports received from Multi Family property management.

Column B represents the total number of units the property has.

Column C represents the number of units occupied during the reporting period.

Column D represents the percentage of units occupied versus the total number.

Column E represents the percentage of total units that were lower income occupied during the month of March, 2017.

Column F represents the number of lower income units occupied.

Column G represents the percentage of lower income units occupied versus the total number of units available.

Column H represents the lower income requirement per the Land Use Restriction Agreement.

Column I represents the date the Certificate of Compliance was received by Housing Finance Authority. Dates may vary from the 22nd of the previous month to the 14th of the following month since bond reports are submitted according to the time frame set in the LURA.

Column J represents the number of units vacant for each property.

Columns that are blank represent no report was received from property management.

**Housing Finance Authority of Broward County
May 16, 2018 – Board Meeting**

Single Family (2018 Mortgage Credit Certificate Program) - Action Item

Request Board approval to: 1) engage counsel to prepare all program documents and Resolutions which will provide for: a) the exchange of bond allocation for mortgage credit certificate authority, b) designation of a program administrator, c) all other program documents necessary to implement a Mortgage Credit Certificate (“MCC”) program (the “Program”) and 2) authorize Program expenditures in an amount not to exceed \$35,000.

Background

1. The Board at its March 21, 2018 meeting granted authorization to publish a Mortgage Credit Certificate (“MCC”) Public Notice.

Present Situation

1. The MCC Public Notice will be prepared by Bond Counsel and must be published 90 days prior to the start of the new Program.
2. The new Program has a target start date of October 1, 2018.
3. Staff and Authority professionals recommend the following Program parameters:
 - a. A Program utilizing up to \$140,000,000 in Single Family Bond Allocation which would result in up to \$35,000,000 in MCC authority.
 - b. Program Administration to be handled by the Housing Finance and Community Redevelopment Division of Broward County.
 - c. Initial program fees will include a \$0.00 application fee and \$175.00 commitment fee (due upon the issuance of each MCC). The application and commitment fees are unchanged from the Authority’s prior Program.
 - d. Housing Finance and Community Redevelopment Division of Broward County should have flexibility to allocate a mortgage credit rate between 10% and 50%.
 - e. For one year after the date on which the Authority begins to accept MCC applications, 20% of the aggregate amount of MCC’s under the Program shall be set aside and allocated for loans pertaining to residences located in Targeted Areas.
 - f. Mortgage loans financed pursuant to the Program must be made for the purpose of financing a new mortgage and may not replace a prior mortgage loan on the home (whether or not previously repaid) unless consistent with items v. and/or vi. below.
 - i. Loans must be FHA, VA, USDA/RHS, Fannie Mae Conventional, Freddie Mac Conventional or other HFA-authorized conventional loan programs.

- ii. Have a 15- or 30-year fixed rate. Adjustable rate and interest-only mortgage loans will not be allowed.
 - iii. MCCs cannot be used with bond financing via a single-family bond program.
 - iv. All loans must be originated in accordance with Authority guidelines and must be at prevailing market rates.
 - v. Exceptions to the new mortgage requirements are allowable for bridge loans and rehabilitation loans that meet the requirements of the Internal Revenue Code.
 - vi. The Program allows for the assumption of an existing MCC upon sale of the home to a qualifying household.
 - vii. Subject to Bond Counsel approval, the Board may modify Program criteria i.- vi. as deemed necessary.
4. Authority staff and professionals will prepare a marketing strategy for the Program. The Program documents are anticipated to include:

Listing of Attachments

- a. Administration Agreement (Including Program Guidelines),
 - b. Participation Agreement,
 - c. Resolutions – Authority and BOCC,
 - d. Mortgagor Affidavit,
 - e. Mortgage Credit Certificate,
 - f. Recapture Brochure,
 - g. Notice to Buyers and
 - h. Recapture Notice.
5. Assuming Program fees of \$175/loan, Program expenses should be recouped once approximately 200 certificates have been issued. Full origination of the Program presumes the issuance of approximately 875 certificates depending on the credit percentage and mortgage amount.

Recommendation

Request Board approval to:

- 1) Engage counsel to prepare all Program documents and Resolutions which will provide for:
 - a. the exchange of bond allocation for MCC authority,
 - b. designation of a Program administrator,
 - c. all other Program documents necessary to implement the Program, and
- 2) Authorize Program expenditures in an amount not to exceed \$35,000.

Housing Finance Authority of Broward County

Dufresne CPA Services, PA – Overview of the April 2018 Financial Reports

The following are items considered to be of note regarding the financial reports for the month of April 2018:

1. Balance sheets (Attachments 1 and 2) changes relate primarily to individual cash and investment account activity, including funds released from the indemnification fund for return of good faith deposits in excess of related expenses and the transfer of investments from the US Bank Custody Account to the BNY Mellon Custody Account.
 - a. During fiscal 2017, the Authority's lot valued at \$31,400 entitled "HFA Land Inventory For Homes" was granted to the homeowner who purchased the Franklin park home which was built on the lot. The closing documents assigned no value to the lot and no payment for the lot was received by the Authority when the transaction was closed during fiscal 2017. After discussion with the auditors, the transaction was reported on the audited financial statements for fiscal 2017 as a "Land Grant" on the Statement of Activities and was removed from the Statement of Net Position. The result of recording the transaction to reflect removal of the lot from the Authority's internal records appears as a difference in Attachment 2 on page 3.
 - b. Emerald Palms good faith deposit of \$75,000 was received in April, 2018 and appears as a difference in the Indemnification Fund – BNY and Good Faith Deposits in Attachments 1 and 2, pages 2 and 3.
2. Profit and loss report indicates the changes that relate primarily to timing of new bond issuances, redemptions and related fees and residuals, fair market value adjustments, rent income and timing of invoices paid and payments received. Significant application, TEFRA and closing fees relate to Landings at Coconut Creek closing and NW Gardens conversion (Attachments 3 and 4, pages 4 and 5)

Cash vs Accrual Basis for P&L Budget to Actual comparison (Attachment 4)

On a monthly basis the process to prepare the financial statements includes:

- a. Budgetary column – Cumulative 1/12 of the budgeted revenues and expenses are reported
- b. Actual column – Significant known revenue and expense items are accrued
 - a. Authority fees receivable are adjusted to correct accrual basis balance
 - b. Cumulative 1/12 of budgeted Personnel and Other Expenses due to BOCC are adjusted to correct accrual basis balance
 - c. Expenses for all invoices submitted to the HFA prior to month end are paid and recorded in the financial statements.
 - d. Bank and account management fees that are reported on the monthly bank statements are recorded as expense in the applicable month.

Index to Attachments

- Attachment 1, Page 2: Balance Sheet (Flux Report – April 2018 comparison to March 2018)
- Attachment 2, Page 3: Balance Sheet (Flux Report – April 2018 comparison to April 2017)
- Attachment 3, Page 4: P&L (Flux Report – Current Year-to-Date to Prior Year-to-Date)
- Attachment 4, Page 5: P&L (Flux Report – Budget to Actual)
- Attachment 5, Page 6: Aged Receivables Report
- Attachment 6, Pages 7-8: Wells Fargo Bank Reconciliation Report – Operating
- Attachment 7, Page 9: Professional Fees Detail
- Attachment 8, Page 10: Cumulative Net Change in Investment Value

ATTACHMENT(S)

Attachment 1
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Balance Sheet (Flux Report)
4/30/2018

	April	March	\$ Difference	% Difference	Explanation (See criteria below)
Assets					
Cash-Wells Fargo	\$ 945,994	\$ 1,013,119	(67,125)	-7%	
Cash- LOC	6,168	6,159	9	0.1%	
Indemnification Fund -BNY	405,090	329,770	75,320	19%	4
Cash-BNY Custody Account	5,161,852	5,087,043	74,809	1%	
Total Cash	6,519,104	6,436,091			
Investments-BNY Mellon Custody Account	5,664,416	5,739,985	(75,569)	-1%	
Note Receivable-DPA	387,125	387,125	-	NA	
Prepaid Expense	-	26,872	(26,872)	-100%	
Interest Receivable	24,738	19,421	5,317	21%	2
Notes Receivable-CDC	200,000	200,000	-	NA	
Notes Receivable - Mt. Olive	231,156	231,156	-	NA	
HFA Mortgage Receivables	9,418	9,451	(33)	-0.4%	
Due from Artspace	548,817	548,817	-	NA	
Utility Deposit	1,925	1,925	-	NA	
HFA Land	621,704	621,704	-	NA	
HFA Buildings	1,036,000	1,036,000	-	NA	
Equipment	90,258	90,258	-	NA	
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(127,474)	(127,474)	-	NA	
Accumulated Depreciation, HFA	(679,771)	(679,771)	-	NA	
Total Assets	14,654,892	14,669,036			
Deferred Outflows					
Deferred outflows related to pension	209,589	209,589	-	NA	
Total Assets and Deferred outflows	\$ 14,864,482	\$ 14,878,625			
Liabilities					
Accrued Sick/Vacation, ST	\$ 43,000	\$ 43,000	-	NA	
Due to BOCC - Exp reimb	245,720	368,580	(122,860)	-50%	1
Due to BOCC - Artspace project	428,070	428,070	-	NA	
Due to BOCC - Artspace Interest	120,747	120,747	-	NA	
Audit Fees Payable	900	16,425	(15,525)	-1725%	3
Good Faith Deposits	75,000	-	75,000	100%	4
Net Pension Liability	423,522	423,522	-	NA	
Accrued Sick/Vacation, LT	51,000	51,000	-	NA	
Total Liabilities	\$ 1,387,959	\$ 1,451,344			
Deferred Inflows					
Deferred inflows related to pension	\$ 34,578	\$ 34,578	-	NA	
Equity					
Beginning of year	\$ 13,207,828	\$ 13,207,828			
Current Year Earnings	234,117	184,875			
Total Equity	13,441,945	13,392,703			
Total Liabilities, Deferred Inflows and Equity	\$ 14,864,482	\$ 14,878,625			

Criteria to determine if explanations are required:

Cash account fluctuation explanations provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior month

100% No activity in prior month

-100% No activity in current month

1 Timing of receipts/payments and accruals based on budget

2 Change in accrued income: Investments-BNY Mellon Custody Account

3 Audit fees for multifamily bonds collected by BNY as trustee, remitted to Authority and paid to S.Davis for bond audit services in installment payments

4 Emerald Palms Good Faith Deposit

Attachment 2
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301

Balance Sheet (Flux Report)
4/30/2018

	Apr-18	Apr-17	\$ Difference	% Difference	Explanation (See criteria below)
Assets					
Cash-Wells Fargo	\$ 945,994	\$ 747,852	\$ 198,142	26%	1
Cash-Wells Fargo - Franklin Park	-	2,304,856	(2,304,856)	-100%	
Cash- LOC	6,168	6,096	72	1%	
Indemnification Fund -BNY	405,090	330,785	74,305	22%	4
Cash-BNY Custody Account	5,161,852	-	5,161,852	100%	
Total Cash	<u>\$ 6,519,104</u>	<u>\$ 3,389,589</u>			
US Bank Custody Acct-Karpus	\$ -	\$ 8,850,541	\$ (8,850,541)	-100%	
Investments-BNY Mellon Custody Account	5,664,416	-	5,664,416	100%	
Note Receivable-DPA	387,125	397,125	(10,000)	-3%	
Authority Fees Receivable	-	118,783	(118,783)	-100%	
Interest Receivable	24,738	19,221	5,517	29%	2
Notes Receivable-CDC	200,000	200,000	-	NA	
Notes Receivable - Mt. Olive	231,156	241,156	(10,000)	-4%	
HFA Mortgage Receivables	9,418	9,808	(390)	-4%	
Due from Artspace	548,817	503,729	45,088	9%	
Utility Deposit	1,925	1,925	-	NA	
HFA Land	621,704	698,164	(76,460)	-11%	3
HFA Land Inventory For Homes	-	31,400	(31,400)	-100%	
HFA Buildings	1,036,000	1,036,000	-	NA	
Land Improvements	-	4,499	(4,499)	-100%	
Equipment	90,258	90,258	-	NA	
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(127,474)	(126,954)	(520)	0.4%	
Accumulated Depreciation, HFA	(679,771)	(617,838)	(61,933)	10%	3
Total Assets	<u>14,654,892</u>	<u>14,974,880</u>			
Deferred Outflows					
Deferred outflows related to pension	209,589	-	209,589	100%	
Total Assets and Deferred outflows	<u>\$ 14,864,482</u>	<u>\$ 14,974,880</u>			
Liabilities					
Accrued Sick/Vacation, ST	\$ 43,000	\$ 50,000	(7,000)	-14%	3
Due to BOCC - Exp reimb	245,720	335,557	(89,837)	-27%	2
Due to BOCC - Artspace project	428,070	428,070	-	NA	
Due to BOCC - Artspace Interest	120,747	75,659	45,088	60%	3
Due to BOCC - Franklin Park	-	112,992	(112,992)	-100%	
Audit Fees Payable	900	18,375	(17,475)	-95%	2
Good Faith Deposits	75,000	43,000	32,000	74%	4
Net Pension Liability	423,522	-	423,522	100%	
Accrued Sick/Vacation, LT	51,000	39,000	12,000	31%	3
Total Liabilities	<u>\$ 1,387,959</u>	<u>\$ 1,102,653</u>			
Deferred Inflows					
Deferred inflows related to pension	\$ 34,578	\$ -	34,578	100%	
Equity					
Beginning of year	\$ 13,207,828	\$ 13,533,205			
Prior Period Adjustment	-	476,694	(476,694)	-100%	
Current Year Earnings	234,117	(137,672)			
Total Equity	<u>13,441,945</u>	<u>13,872,227</u>			
Total Liabilities, Deferred Inflows and Equity	<u>\$ 14,864,482</u>	<u>\$ 14,974,880</u>			

Criteria to determine if explanations are required:

Cash account fluctuation explanations provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior year

100% No activity in prior year

-100% No activity in current year

1 Franklin Park proceeds transferred from Cash-Wells Fargo - Franklin Park to Cash-Wells Fargo September 2017

2 Timing of receipts/payments and accruals based on budget

3 Audit adjustments recorded based on current BOCC reports

4 Emerald Palms Good Faith Deposit

Attachment 3
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report) Current Year-to-Date to Prior Year-to-Date
Year to Date As of April 2018

	Apr-18	Apr-17	\$ Difference	% Difference to PY	*Explanation
Income					
Bond Authority Fees	\$ 415,666	\$ 347,719	67,947	20%	2
Bond redemption & other income	-	17,584	(17,584)	-100%	2
Compliance Monitoring Fees	10,400	6,000	4,400	NA	
Application, TEFRA and Closing Fees	286,000	9,500	276,500	2911%	6
MCC and Lender Program Income	9,298	12,350	(3,052)	-25%	
Interest Income, Mortgages	379	394	(15)	-4%	
Interest Income, Wells Fargo	696	364	332	91%	
** Interest Income, BNY Mellon/US Bank	61,791	54,527	7,264	13%	1,3
* Net Change in Investment Value	(28,022)	(53,751)	25,729	-48%	1
* Realized Gain/Loss On Investment, BNY Mellon	(3,048)	(2,852)	(196)	7%	
* Interest Income, FHLB LOC	46	38	8	21%	
FP Sales Proceeds Income	-	2,182	(2,182)	-100%	
Rent Income	-	121,044	(121,044)	100%	2
Parking Rent Income	7,000	5,040	1,960	39%	
Total Income	<u>\$ 760,206</u>	<u>\$ 520,138</u>	<u>\$ 240,067</u>		
Expenses					
Personnel Services, Broward Co	\$ 303,218	\$ 324,351	21,133	100%	2
Other Expenses, Broward County	75,139	105,624	30,485	100%	2
Professional Fees	84,003	117,370	33,367	28%	2, 4
Bank Management Fees	3,615	47,326	43,711	92%	3
Advertising/Marketing	988	1,066	78	7%	
Dues and Membership Fees	2,220	7,290	5,070	70%	2
Conference and Travel Expense	5,475	7,100	1,625	23%	
Building/Land Maintenance	38,208	28,272	(9,936)	-35%	2
Utilities	10,867	10,325	(542)	-5%	
Miscellaneous Expense	175	-	175	100%	
Capital Outlay Expense	2,181	9,087	(6,906)	-76%	5
Total Expenses	<u>\$ 526,090</u>	<u>\$ 657,810</u>	<u>\$ 118,260</u>		
Net Profit/(Loss)	\$ 234,117	\$ (137,672)			

Explanations provided for >=10% and >= \$5,000 variance

- 1 Gain/Loss related to current market conditions**
- 2 Timing of receipts/payments and accruals based on budget**
- 3 Termination of Karpus contract in fiscal 2017; investments transferred to BNY Mellon**
- 4 Franklin Park Homes Construction project completed in fiscal 2017**
- 5 Timing of expenditures for capital improvements**
- 6 Received fees for Landings at Coconut Creek closing (Dec 2017) and NW Gardens conversion (Jan 2018)**

- * Please note that to more accurately reflect the components of interest income certain line descriptions were changed
 ** BNY Mellon was combined with USBank because the USBank assets were transferred to BNY Mellon.

<p>"%Actual to Budget" Column Legend</p> <p>NA - No amount reported in either of the two years</p> <p>0% - Current year actual is equal to PY actual amount</p> <p>100% - No amount in one of the two years presented</p>

Attachment 4
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report) Budget to Actual
Year to Date As of April 2018

	Selected Period	Budgeted	\$ Difference	% Difference to budget	*Explanation
Income					
Bond Authority Fees	\$ 415,666	\$ 242,611	\$ 173,055	71%	1
Bond redemption & other income	-	107,395	(107,395)	100%	1
Bond Audit Fees	-	-	-	NA	
Compliance Monitoring Fees	10,400	-	10,400	NA	
Application, TEFRA and Closing Fees	286,000	-	286,000	NA	
MCC and Lender Program Income	9,298	20,417	(11,119)	-54%	1
Interest Income, Mortgages	379	-	379	NA	
Interest Income, Wells Fargo	696	-	696	NA	
Interest Income, BNY Mellon/US Bank	61,791	110,833	(49,042)	-44%	1
Net Change in Investment Value	(28,022)	-	(28,022)	NA	
Realized Gain/Loss On Investment, BNY Mellon	(3,048)	-	(3,048)	NA	
Interest Income, FHLB LOC	46	-	46	NA	
Rent Income	-	70,613	(70,613)	100%	1
Parking Rent Income	7,000	-	7,000	NA	
Liquidation of Investments	-	58,333	(58,333)	100%	1
Total Income	\$ 760,206	\$ 610,201			
Expenses					
Personnel Services, Broward Co	\$ 303,218	\$ 320,886	\$ 17,668	6%	
Other Expenses, Broward County	75,139	109,124	(33,985)	-31%	1
Professional Fees	84,003	89,250	(5,247)	-6%	
Audit Expense (BOCC)	-	7,700	(7,700)	100%	1
Bank Management Fees	3,615	2,333	1,282	55%	
Advertising/Marketing	988	2,333	(1,345)	-58%	
Dues and Membership Fees	2,220	3,500	(1,280)	-37%	
Conference and Travel Expense	5,475	12,541	(7,066)	-56%	1
Postage/FedEx	-	117	(117)	100%	
Liab Insurance/HFA Board	-	5,250	(5,250)	100%	1
Building/Land Maintenance	38,208	33,833	4,375	13%	
Utilities	10,867	11,667	(800)	-7%	
Capital Outlay Expense	2,181	11,667	(9,486)	-81%	1
Miscellaneous Expense	175	-	175	NA	
Total Expenses	\$ 526,090	\$ 610,201			
Net Profit/(Loss)	\$ 234,117	\$ -			

* Explanations provided for >=10% and >= \$5,000 variance

1 Timing of receipts/payments and accruals based on budget

NA - No Budget amount

100% - Actual is zero

Attachment 5
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301

Aged Receivables
4/30/2018

Authority fee receivable	Total Due	0 - 30	31 - 60	61 - 90	90+
Total Authority Fee Receivable	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE: No receivables over 60 days

110 NE Third Street #300
Fort Lauderdale, FL 33301

Reconciliation Report

5/7/2018
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Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1000 Cash-Wells Fargo				
Date of Bank Statement: 4/30/2018				
Last Reconciled: 3/31/2018				
Last Reconciled Balance: \$1,038,683.29				
Cleared Checks				
4853	3/29/2018	Holmes Lawn Services		\$335.00
4854	3/29/2018	S. Davis & Associates, P.A.		\$0.00
4855	3/29/2018	NALHFA		\$2,975.00
4856	3/29/2018	Zomermaad Financial Advisory		\$6,729.79
4857	4/10/2018	Broward County Board of Coun	\$105,765.37	
4858	4/10/2018	L&B Janitorial Services		\$4,044.00
4859	4/10/2018	Sun-Sentinel		\$168.85
4860	4/10/2018	Dufresne CPA Services, PA		\$12,238.00
4861	4/10/2018	S. Davis & Associates, P.A.		\$15,525.00
4862	4/10/2018			\$0.00
SC043018	4/11/2018	Apr 2018 WF Client Srvc Chrg		\$75.95
4863	4/18/2018	TECO Peoples Gas		\$37.25
4864	4/18/2018	S. Davis & Associates, P.A.		\$15,525.00
GJ000053	4/27/2018	Utility debits for April 2018		\$1,533.82
Total:			\$0.00	\$164,953.03
Cleared Deposits				
CR000042	4/1/2018	2006 Single Family ABC for 00	\$444.27	
CR000043	4/1/2018	2007 Single Family ABC for 00	\$1,593.80	
CR000044	4/1/2018	2007 Single Family EF for 000	\$552.21	
CR000045	4/1/2018	1996 BANYAN BAY for 00000	\$22,075.37	
CR000046	4/1/2018	1996 LOS PRADOS for 00000	\$26,416.17	
CR000047	4/1/2018	2002 MERIDIAN for 00000470	\$5,992.43	
CR000048	4/1/2018	2002 LAGUNA POINTE for 00	\$7,335.02	
CR000049	4/1/2018	2000 SUMMERLAKE for 0000	\$3,563.83	
CR000050	4/1/2018	2008 Golden Villas for 000004	\$2,646.00	
CR000051	4/1/2018	2006 Sailboat Bend for 000004	\$1,170.00	
CR000052	4/1/2018	Payment; 2015 Crystal Lake	\$5,650.95	
GJ000050	4/3/2018	2 MCC's	\$350.00	
IE043018	4/3/2018	Apr 2018 WF Int Earned	\$5.12	
GJ000051	4/6/2018	Dental Parking Rent, 2nd Mtg	\$1,086.84	
GJ000052	4/20/2018	Compliance monitoring late fee	\$4,400.00	
Total:			\$83,282.01	\$0.00
Outstanding Checks				
4865	4/18/2018	Milliken Services LLC		\$4,763.35
4866	4/27/2018	Zomermaad Financial Advisory		\$6,255.15
Total:			\$0.00	\$11,018.50

Reconciliation Report

5/7/2018
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Page 2

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account:	1-1000	Cash-Wells Fargo		
Date of Bank Statement:	4/30/2018			
Last Reconciled:	3/31/2018			
Last Reconciled Balance:	\$1,038,683.29			

Outstanding Checks

Reconciliation

AccountEdge Pro Balance on 4/30/2018:	\$945,993.77
Add: Outstanding Checks:	\$11,018.50
Subtotal:	\$957,012.27
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$957,012.27</u>

Attachment 7

Professional Fees Detail
October 1, 2017 - April 30, 2018

	nc	Services, LLC		
	vic			
	nc	Services, LLC		
	oci			
	nc	Services, LLC		
	vic	Paid quarterly		
	vic			
	nc	Services, LLC		
	vic			
	ci	LC		
	vic			
	ci	LC		
	vic			
4/27/2018		Zomermaad Financial Advisory, LLC	<u>\$84,002.96</u>	
 <u>Grouped by payee</u>				
	oci			
	vic	Paid quarterly		
	vic			
	vic			
	vic			
	vic			
	vic			
	nc	Services, LLC		
	nc	Services, LLC		
	nc	Services, LLC		
	nc	Services, LLC		
	ci	LC		
	ci	LC		
4/27/2018		Zomermaad Finan		
		y, LLC		
			<u>\$42,821.96</u>	
			<u>\$84,002.96</u>	<u>\$ 84,002.96</u>

Attachment 8
Cumulative Net Change in Investment Value
October 1, 2017 - April 30, 2018

	<u>10/31/2017</u>	<u>4/30/2018</u>
BNY Mellon Custody Acct - New Account 11/17		(28,022)
US Bank Custody Acct	<u>(7,599)</u>	<u>(28,022)</u>
	<u>(7,599)</u>	<u>(28,022)</u>
Cumulative Net Change in Investment Value		<u><u>(20,423)</u></u>

NOTE: No material change



Broward County Commission

Affordable Housing Workshop

April 17, 2018 – 10:00 A.M.

Presented by:

Ralph Stone, Director, Housing Finance & Community Redevelopment Division (HFCRD)
Sandra Veszi Einhorn, Executive Director, The Coordinating Council of Broward



Franklin Park Estate, BMSD

Presentation Overview

1. **OVERVIEW/BACKGROUND** Ralph Stone, Director, HFCRD
2. **HOUSING BROWARD: AN INCLUSIVE PLAN** Sandra Veszi Einhorn, Executive Director
The Coordinating Council of Broward
3. **BOARD OPTIONS/NEXT STEPS** Ralph Stone, Director, HFCRD
4. **ATTACHMENTS**
 1. Housing Broward: An Inclusive Plan
 2. Rational Nexus for Affordable Housing Regulations
(Memo from the County Attorney)
 3. 2017 Broward County Land Use Plan Affordable Housing Policies/Definitions



Village Place Apartments, City of Fort Lauderdale



Willey Street Redevelopment Project, City of Hollywood



Franklin Park Estates, BMSD



OVERVIEW/BACKGROUND

Ralph Stone



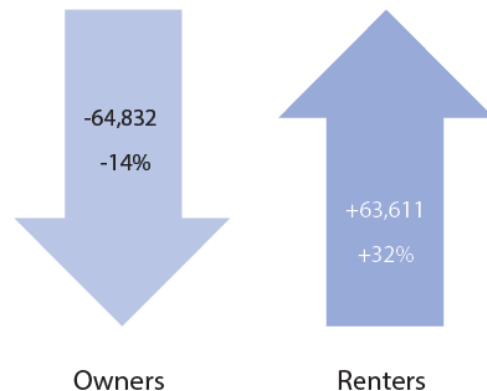
WE ARE STILL NUMBER LAST

Renters – Top 100 Metro Areas

South Florida Is the Most Rent-Burdened Region in the US		
Metro Area	% of Renters Cost Burdened	% of Renters Severely Cost Burdened
Miami-Fort Lauderdale-West Palm Beach, FL	62%	36%
New Orleans-Metairie, LA	55%	35%
New Haven-Milford, CT	57%	33%
Los Angeles-Long Beach-Anaheim, CA	58%	32%
Fresno, CA	55%	32%

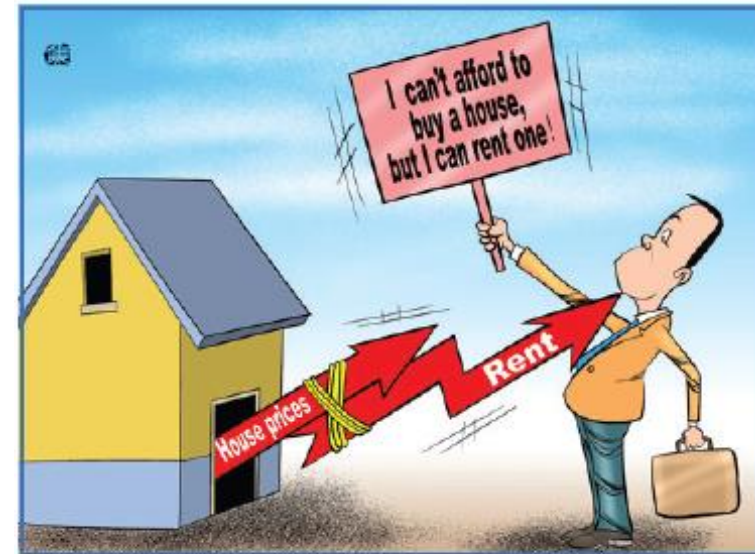
Renting is on the rise.

Change in Owners & Renters, Broward County, 2006–2016



Joint Center for Housing Studies of Harvard University

Increase in RENTERS
Decrease in HOMEOWNERSHIP
Broward County

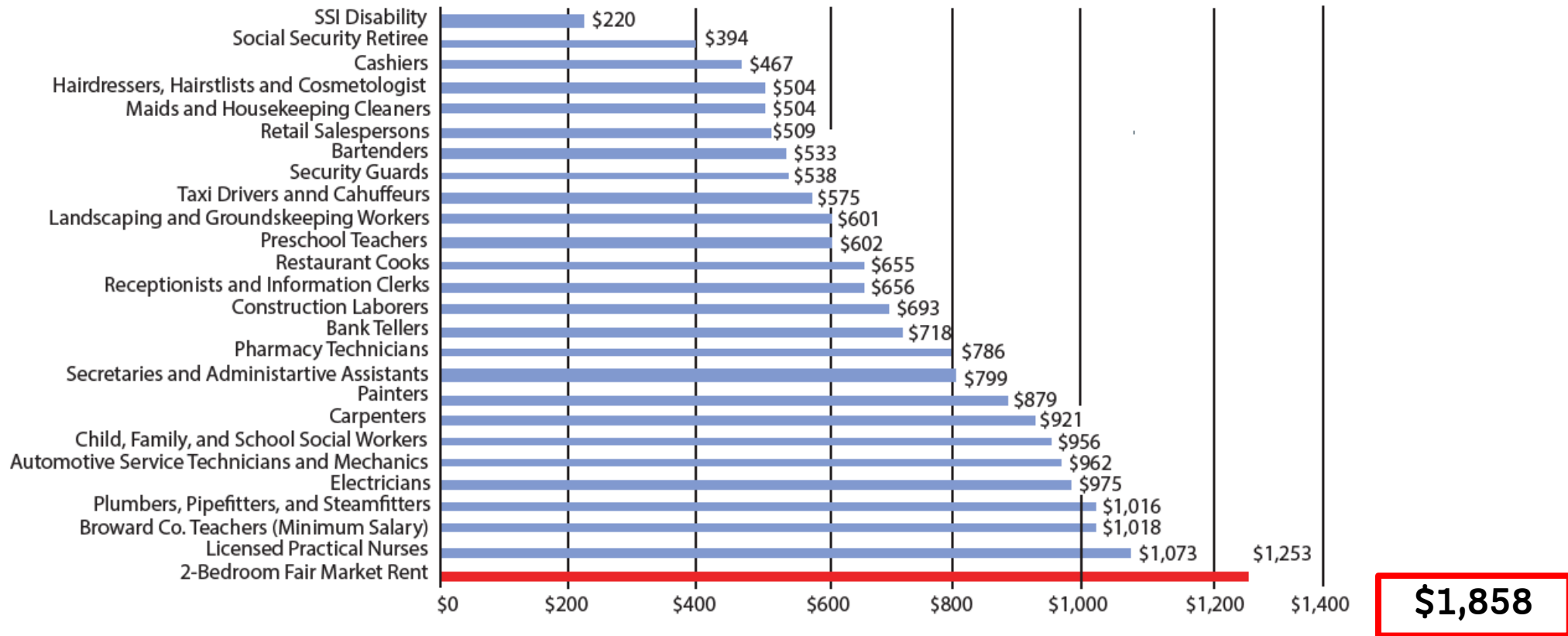


Broward County lost nearly 65,000 homeowners between 2006 and 2016 and gained nearly that many renters over the same period.

Renter growth includes new households and households switching from owning to renting.

Rents outpace wages for many occupations in Broward County

Affordable Rents for Median-Wage Workers vs. 2 Bedroom Fair Market Rent, Broward County, 2016



Based on median wage for occupation. Maximum rent calculated as 30% of monthly salary; compared to HUD Fair Market Rent for 2-Bedroom unit.

Source: Florida Agency for Workforce Innovation, 2016 Occupational Employment Statistics and Wages; U.S Department of Housing and Urban Development, 2016 Fair Market Rents; Broward County Public Schools; U.S Social Security Administration.

Current Average rent in Broward County is **\$1,858**.

“The majority (**54 percent**) of Broward County’s workers are employed in low-wage service sector occupations with hourly wages that translate to workers earning 40–60 percent of the County’s median household income.”

Source: The 2014 Broward County Affordable Housing Needs Assessment Study

Homeownership Affordability Gap Analysis

2017 Median Single Family Sales Price
\$340,000

2017 Median Income
\$64,100

OWNER AFFORDABILITY GAP
\$145,000

Affordable Housing Programs Administered by HFCRD

Purchase Assistance

Homeownership
Rehabilitation/Repair

New Single Family
Construction

Multi-family New
Construction

Special Needs Housing

Recurring County/City Federal/State Resources



FY 08
\$38 million

**County
and
City**



FY 18
\$23.4 million



FY 08
\$11.8 million

**County
Only**



FY 18
\$5.69 million

* Projected 5% increase from FY2017 allocations for CDBG & HOME Programs.

Trends to Watch

“Silver Tsunami”

Baby Boomers Don't Have Enough for Retirement

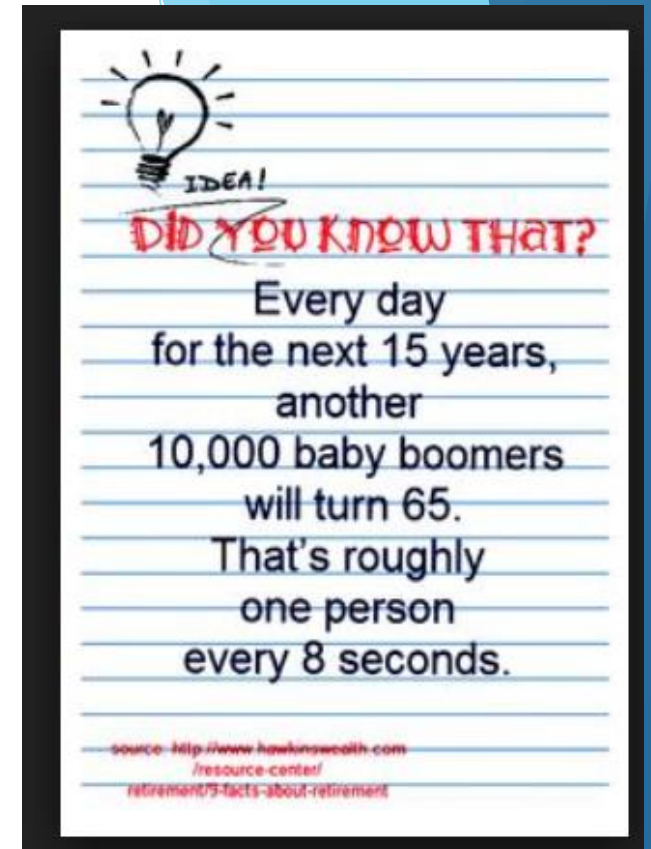
These are sobering numbers:

- 19.7% of retirees get 100% of their income from Social Security.
- A full third (33.4%) depend on it for 90% of their income.
- And 61.1% get at least half their income from Social Security.

<https://www.forbes.com/sites/patrickwwatson/2017/10/12/boomers-are-not-saving-enough-for-retirement-neither-is-the-government/#5a1315351a4d>

According to the Center for Retirement Research at Boston College, the typical account for a worker nearing retirement is only **\$42,000**. And **55 percent** of current workers don't have any employment-based savings at all. AARP says that three-quarters of Americans between 55 and 64 have less than \$30,000 socked away. It all adds up to a \$6.6 trillion gap between what we have and what we need.

<https://www.aarp.org/work/retirement-planning/info-2014/boomer-retirement-little-savings-means-working.html>



Trends to Watch

Interest Rate Increases

Date	Interest Rate	Monthly Principal & Interest (\$175,500* loan, 30-year fixed)
2012 Q4	3.5%	\$ 788
2018 Q1	5%	\$ 942
Projected	6%	\$1,052
Projected	7%	\$1,168
MONTHLY INCREASE		\$ 380

* Assume median affordable sales price of \$195,000 less buyers 10% down payment

Tallahassee fiddles as housing costs burn workers

By Sun Sentinel Editorial Board

April 7, 2018

...When it comes to helping South Florida businesses address the challenge of recruiting and retaining workers who increasingly spend 40 to 50 percent of their paychecks on housing, Tallahassee shrugged it off yet again. ...

...“One thing I hear from a lot of folks in real estate and housing is that they wouldn’t have supported Sadowski when they had the opportunity if they’d known this would have happened,” said Broward County Commissioner Chip LaMarca.” ...

HOUSING BROWARD: AN INCLUSIVE PLAN

Sandra Veszi Einhorn

The Coordinating Council of Broward, Inc. Board of Directors

Sandra Veszi Einhorn, Executive Director

Senator Nan Rich, Chair of Coordinating Council of Broward, Broward County of Commissioners

Edith Lederberg, Executive Director, Aging and Disability Resource Center

Charlotte Mather-Taylor, CEO, Ann Storck Center

Shiela Smith, CEO, Broward 211-First Call for Help

Silvia Quintana, CEO, Broward Behavioral Health Coalition

Dr. Avis Proctor, President, North Campus, Broward College

Kimm Campbell, Director, Human Services, Broward County

Mary Lou Tighe, Executive Director, Broward League of Cities

Michael De Lucca, President and CEO, Broward Regional Health Planning Council

Colonel Frank Adderley, Community Affairs, Broward Sheriff's Office

Kareen Boutros, Executive Director, Broward Workshop

Larry Rein, Interim President and CEO, ChildNet

Linda Carter, CEO Community Foundation, of Broward

Silvia Beebe, Community Development Administrator
Department of Children & Families

Dr. Paula Thaqi, Administrator Department of Health

Renee Jaffe, CEO, Early Learning Coalition of Broward

Ron Drew, Executive Director, Greater Fort Lauderdale Alliance/Six Pillars

Dr. Steven Ronik, President and CEO, Henderson Behavioral Health

Bruce Yudewitz, CFO, Jewish Federation of Broward County

Tim Curtin, Administrative Director, Memorial Healthcare System

Dr. Fred Lippman, Chancellor, Health Services, Nova Southeastern University

Mickey Pope, Director, Student Success Initiatives, School Board of Broward County

Kathleen Cannon, President and CEO, United Way of Broward County

Mason Jackson, CEO, CareerSource Broward

Cindy Arenberg Seltzer, President and CEO, Children's Services Council

Community Engagement

Coordinating Council of Broward (CCB)



The CCB Acknowledges:

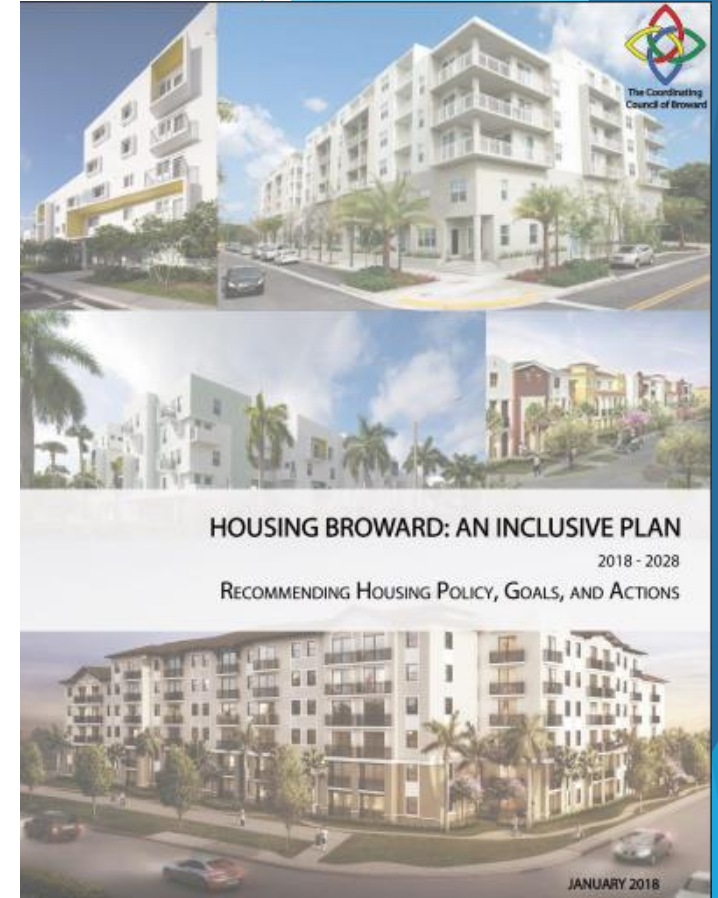
- The Broward Workshop for their generosity in hosting over 400 stakeholders that participated and provided meaningful recommendations, feedback, and information throughout the past year
- The Greater Fort Lauderdale Alliance
- The Broward Regional Health Planning Council
- Nova Southeastern University
- The Broward Housing Council

Vision

A vibrant housing market with a range of choices for existing and new residents at all income levels throughout Broward County.

Core Goals

- I. Create and preserve dedicated affordable housing units.
- II. Promote affordability by increasing the overall supply of housing and lowering barriers and costs.
- III. Help renters and homeowners maintain housing stability.
- IV. Help renters and homebuyers afford units they locate in the private market.



CCB Plan Recommendations

Goal 1. Create and preserve dedicated affordable housing units

Broward County Charter Review Commission passed a recommendation to create a Broward County Affordable Housing Trust Fund which will be presented as a special referendum issue in the November 2018 General Election.

BOCC recently budgeted \$5 million from General Fund for FY 2018 for affordable housing.

BOCC discussed possible commitment of 50% of future savings from expiring CRAs TIF.

Inclusionary Zoning mandates should be enacted by the County and all municipalities.

Goal II. Promoting affordability by increasing the overall supply of housing and lowering barriers and costs

CCB Plan Recommendations

Rezone for higher density residential development.

Reduce parking requirements.

Streamline and expedite permitting and the plan review process.

Redevelop nonfunctioning golf courses for mixed-use, mixed income communities.

Goal III. Help Renters and Homeowners Maintain Housing Stability

CCB Plan Recommendations

Increase homeowner rehabilitation assistance programs.

Increase home education, counseling, and foreclosure prevention programs.

NIMBYism Campaign: Overcoming Community Opposition to Affordable Housing.

Develop a rental registry program to require maintenance inspections of properties.

CCB Plan Recommendations

Goal IV. Help Renters and Home Buyers Afford Units they Locate in the Private Market

Support Minimum Wage Increase and Living Wage Ordinance.

Encourage Financial Institutions to expand lending to income eligible residents.

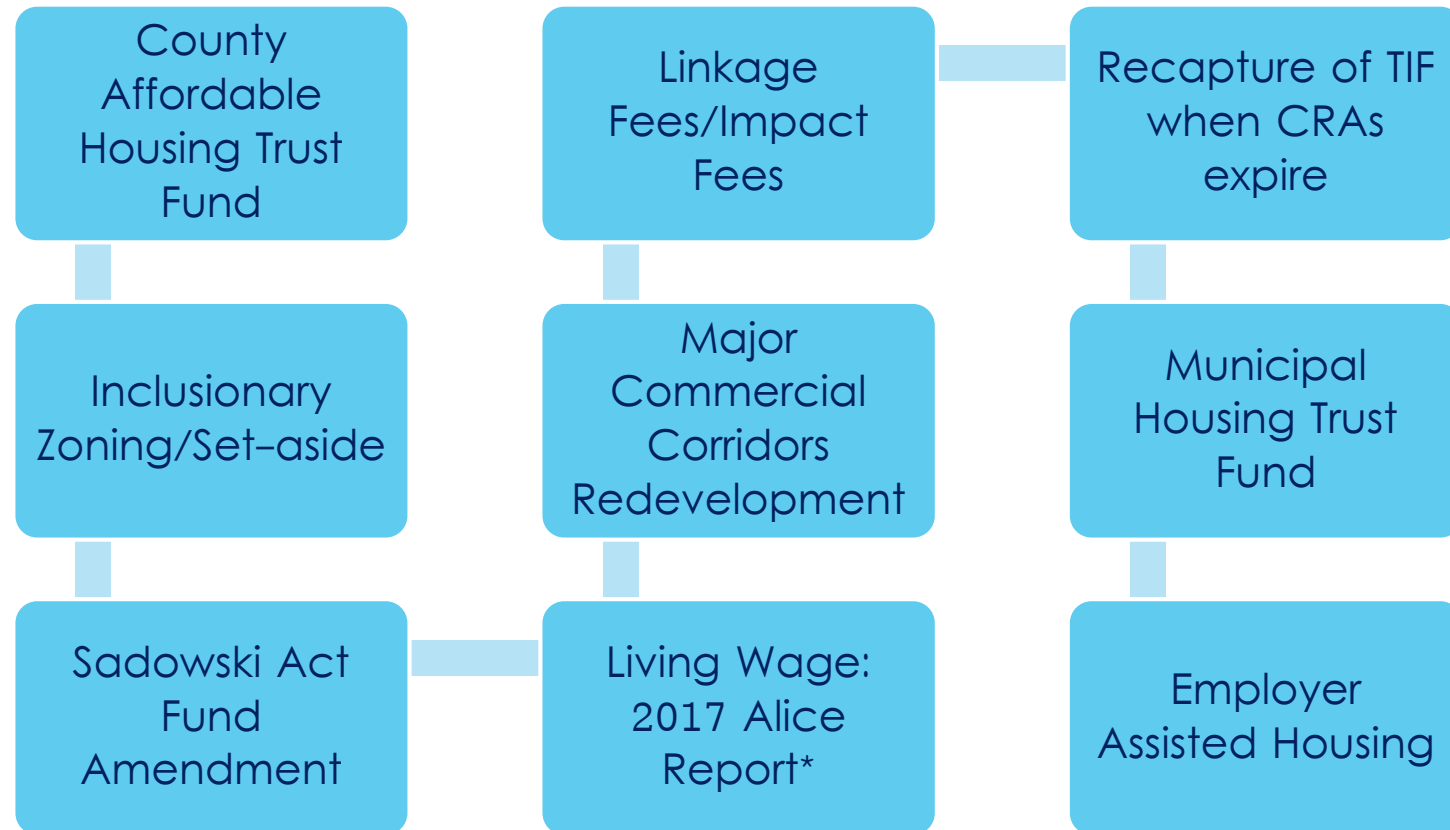
Encourage Preservation of Affordable Housing.

Enforce Housing Codes.

BOCC OPTIONS/NEXT STEPS

Ralph Stone

AFFORDABLE HOUSING PROGRAM OPTIONS



* For a Family of Four is \$61,944

Sadowski Act Amendment

Recommendations

- Propose legislative language to guarantee return of 90% of all Sadowski Trust Funds collected in each county.
- Work with the Sadowski Coalition to propose a Constitutional Amendment with same goal.

Donor County

DOCUMENTARY STAMP TAX COLLECTIONS AND DISTRIBUTION*							
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	Totals
Broward County % Contribution	10.186%	9.860%	9.596%	9.694%	10.114%	10.032%	
Broward County \$ Contribution	17,436,985	18,409,413	23,331,714	25,987,472	30,747,319	33,810,403	
Over (under) Funding	15,739,200	16,434,128	20,509,901	9,010,834	19,405,027	6,528,908	87,627,998

* Office of Economic & Demographic Research Revenue Estimating Data Less Tax Collections by County

Seven (7) Largest Donor Counties Sadowski Trust Fund Contributions:

- FY16: 56% Contribution of total fund
- FY16: \$65.3 million donor total

Tax Increment Expiration

- Two CRAs will expire in 2020.
- Half of the returned funding could be dedicated to affordable housing.

Affordable Housing Incentives/Opportunities

- ▶ Density Bonuses
- ▶ Micro units
- ▶ Impact Fee Waivers
- ▶ Promote Local Activity Centers/Regional Activity Centers
- ▶ Redevelopment of major commercial corridors
- ▶ Accessory Dwelling Units
- ▶ Inclusionary Zoning (*Memo from County Attorney*)
 - ▶ Mount Laurel, NJ
 - ▶ Montgomery County, MD
 - ▶ Tallahassee, FL
- ▶ Linkage Fees
 - ▶ San Diego, CA
 - ▶ Monroe County, FL
 - ▶ Boston, MA

Commercial Corridors Shopping Center Redevelopment



New project proposed at site of Fashion Mall
“Plantation Walk” in Plantation, FL

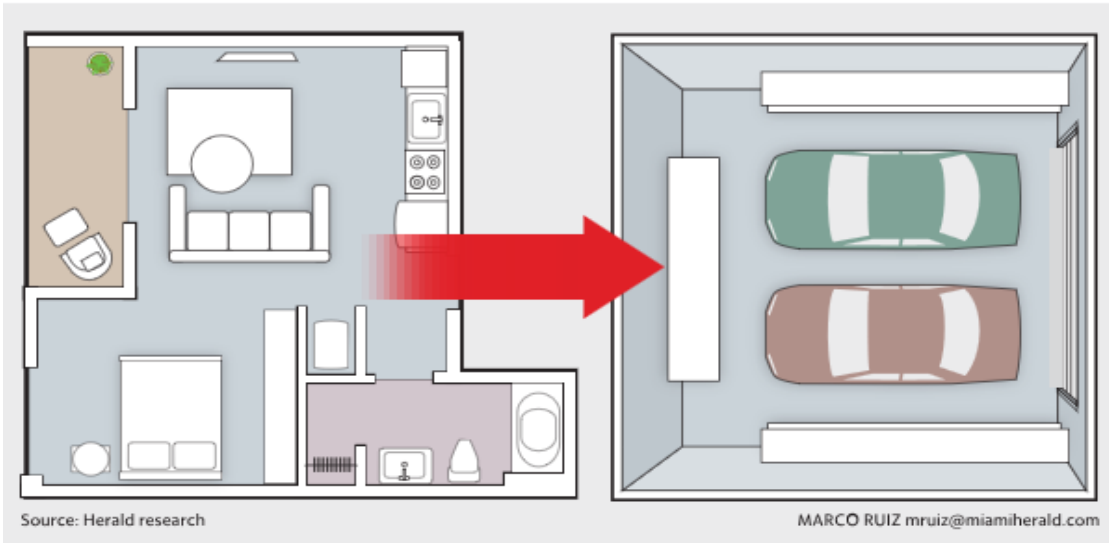


The Waverly at Las Olas, Fort Lauderdale, FL

Micro-Units

Can you 'micro' manage in an apartment this size?

A new trend in South Florida urban apartment living is a "micro" design for units as small as 400 square feet. A more common size, such as the 518 square-foot studio shown at left, would fit nicely in the footprint of a typical two-car garage.



<http://www.miamiherald.com/news/business/real-estate-news/article151409052.html>

Example of a Micro-Unit Floorplan



Source: Curbed NY, What is a Micro Home



Employer-Assisted Housing (EAH) Program

Employer-assisted housing can be described as any employer sponsored housing benefit, which could include down payment assistance or rental assistance, construction, and low-interest mortgages. Specifically, EAH programs can close the homeownership and rental affordability gap and allow employees to live in the communities they serve.

▶ Examples EAH:

- ▶ Department of Housing and Community Development, DC
- ▶ City of Baltimore, MD
- ▶ City of Rock Island, IL
- ▶ Hendry County Citrus Growers
- ▶ AFLAC (Georgia)
- ▶ Tyson Foods (Arkansas)
- ▶ University of Chicago
- ▶ University of Pennsylvania
- ▶ Cleveland Clinic, OH

FUTURE DIRECTION from BOCC

Initiate Sadowski Legislation Amendment to retain 90% of Doc Stamps.

Fund \$5 million for FY19 Affordable Housing Fund (second \$5 million of three years).

Affordable Housing Fund. Request all municipalities to fund proportional share of \$5 million countywide (\$5 million / population = \$2.58 per person).

Direct administration to contract for Rational Nexus Study for residential development and update Non-Residential Linkage Fee Study.

Request the Broward Housing Council to implement an education/advocacy program for amending the Sadowski Act.

Direct Staff to evaluate affordable housing and density bonuses for major commercial corridors/"Big Box" site redevelopment.

Establish a Land Bank Program, and assess government and school board property for affordable housing.

Lets make affordable housing a reality
not just a dream



Thank You

Broward County Board of County Commissioners

Mark D. Bogen • Beam Furr • Steve Geller • Dale V.C. Holness • Chip LaMarca • Nan H. Rich • Tim Ryan • Barbara Sharief • Michael Udine

www.broward.org

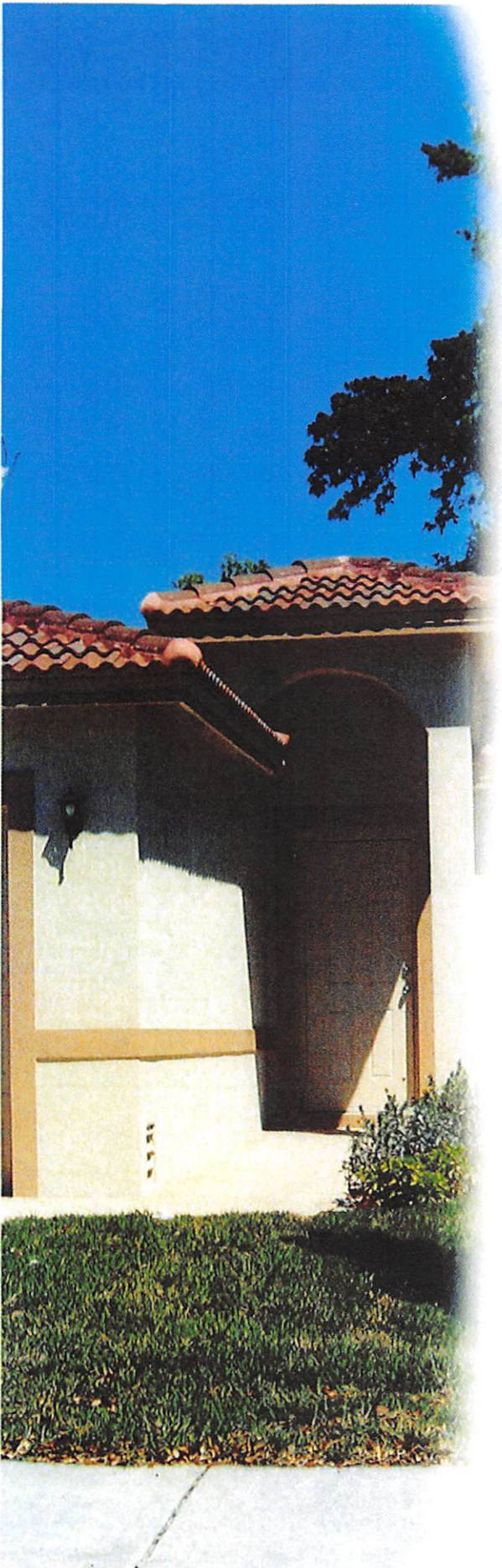
ITEM # 5 – AFFORDABLE HOUSING

ADDITIONAL INFORMATION

- Exhibit 1 – Affordable Housing Vision
- Exhibit 2 – Rational Nexus for Affordable Housing Regulations
- Exhibit 3 – 2017 Broward County LURA Plan- Affordable Housing Policies/Definition

AFFORDABLE HOUSING VISION

Broward County includes a wide range of housing types, from large lot single family “estates” to multi-family high rise towers and group homes. Although the Broward County Land Use Plan accommodates a wide range of residential density, the attainability of housing for large segments of our population has become an increasing challenge. The challenge of housing attainability came to be recognized as a crisis during the County’s housing “bubble” between 2003 and 2007. The “bubble” resulted in rapid housing appreciation and, consequently, a severe lack of housing affordable to those in moderate to lower income ranges. There was also significant conversion of rental apartments to condominiums. Incomes of Broward County residents still lag behind the price of housing. The 2014 Broward County Affordable Housing Needs Assessment found that nearly 50 percent of all households in Broward County (330,624 households) are cost-burdened, meaning they pay in excess of 30 percent of their incomes on housing costs. The Needs Assessment also found that the majority (54 percent) of Broward County’s workers are employed in lower wage service sector occupations with hourly wages equivalent to 40 to 60 percent of the median household income. In this light, the County is committed to support and employ a variety of policies and programs to maximize the attainability of housing for persons and households of moderate to lower incomes.



➤ **STRATEGY AH-1:** Support sustainable funding sources to develop and/or rehabilitate affordable housing.

Affordable housing is generally defined as housing that is affordable to households that earn 120% or less of median area-wide income. Due in part to the County's "built-out" character, resulting in higher land costs, and a workforce significantly employed in the lower wage service sector, the traditional ability of the private market to supply affordable housing has become challenging. In this light, funding strategies to produce affordable housing has increasingly included governmental agencies, as well as non-profits.

Implementation strategies include:

- Identification, support and approval of sustainable countywide and local affordable housing funding sources.
- Broward County shall continue to support full State-level funding to help address affordable housing needs and implementing a needs-based system to fund such housing projects and programs. The County also supports State legislation to provide a "local documentary stamp tax" program dedicated to affordable housing.
- Investigate a comprehensive public land banking program, in coordination with municipalities and other stakeholders, for affordable housing.

➤ **STRATEGY AH-2:** Support private, non-profit, and governmental sector development of housing which utilizes construction techniques affording significant costs savings, while meeting the Florida Building Codes, including resiliency to hurricane-level storms.

Modern manufactured/modular/prefabricated construction techniques may afford significant savings for housing costs in comparison to traditional techniques used in south Florida, such as concrete block construction. Such housing units may have an appearance and safety features generally no different than units constructed using more common methods, and may include a variety of density types, including multi-family.

Implementation strategies include:

- Broward County will not enact regulations or policies inhibiting the placement of safe housing that may afford significant cost savings in comparison to traditional

techniques used in south Florida, and encourage municipalities to include such housing within their jurisdictions.

- Broward County will seek opportunities to support or fund the development of housing that may afford significant cost savings in comparison to traditional techniques used in south Florida via its affordable housing funding programs and initiatives, or in partnership with other agencies and jurisdictions.

➔ **STRATEGY AH-3:** The Broward County Land Use Plan shall include an Affordable Housing Density Bonus Program, including promoting a supply of smaller, traditionally affordable units, such as efficiency/studio occupancy units.

Many jurisdictions throughout the United States have adopted a “density bonus” program as an incentive for developers to construct new affordable housing units. In such programs, a developer obtains the ability to construct additional “market rate” units in exchange for including “affordable” units.

Implementation strategies include:

- The affordable housing bonus for market rate units may be higher if the developer commits to including “very-low” or “low” income housing units, in comparison to constructing “moderate” income units.
- Bonuses may also be higher if the affordable units are located in areas preferred for (re)development near transit and rail stations, or are part of projects which will further additional land use plan priorities.
- Bonus affordable housing units will be restricted to remain such for a defined period in exchange for the bonus market rate units.
- Smaller “efficiency” or “studio” units, which have often served a demand for affordable units, will be addressed as part of a “bonus density” program.

➔ **STRATEGY AH-4:** Municipalities should adopt a comprehensive strategy to ensure a sufficient supply of affordable housing to help meet the needs of our population and economy.

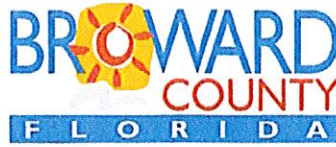
Ensuring a supply of affordable housing to meet the current and future needs of Broward County's residents and economy is in the best interests of all, including municipalities. Municipalities which seek County approval of additional residential density should adopt a comprehensive strategy to ensure a sufficient supply of affordable housing.

Implementation strategies include:

- Amendments to the Broward County Land Use Plan which propose new residential units should not be adopted unless the municipality has an affordable housing strategy that has been approved by the municipality and the Broward County Planning Council.
- A municipal affordable housing strategy shall be based on existing housing supply, considering very-low, low, and moderate income households.
- To receive Planning Council approval, a municipal affordable housing strategy must demonstrate that the municipality has enacted policies and cost feasible programs which will reasonably address needed affordable housing supply in consideration of the municipality's population and future land uses.

Supporting policy and implementation guidelines for the outlined strategies are included in Sections 2 and/or 3 of the Broward County Land Use Plan, and, as may be appropriate, the County's Comprehensive Plan.

Andrew J. Meyers
County Attorney



OFFICE OF THE COUNTY ATTORNEY
115 S. Andrews Avenue, Suite 423
Fort Lauderdale, Florida 33301

954-357-7600 · FAX 954-357-7641

MEMORANDUM

TO: Board of County Commissioners

FROM: Maite Azcoitia, Deputy County Attorney *MA*

DATE: March 19, 2018

RE: **Rational Nexus for Affordable Housing Regulations**
CAO File: 18-026

At its retreat of March 13, 2018, the Board discussed various options for addressing the affordable housing shortage in Broward County. A question was asked regarding the existence of a legal rational nexus to support the imposition of an affordable housing impact fee, linkage fee, an inclusionary zoning requirement, or other regulations to provide for affordable housing. The County Attorney asked me to prepare this memorandum to provide each Board member with information that was previously discussed with Commissioner Rich regarding an affordable housing rational nexus.

The case law regarding exactions related to property development requires the establishment of a dual rational nexus. In order to satisfy the dual rational nexus test, a showing must be made of (i) a reasonable connection, or rational nexus, between the need for additional facilities and the growth in population generated by the development and (ii) a reasonable connection between the expenditure of the funds collected and the benefits accruing to the development. Such a rational nexus study was commissioned for a linkage fee on commercial development that was considered by the Board in 2008. The 2007 linkage fee study was updated in 2016.

In order to enact regulations imposing a linkage fee on commercial development or an affordable housing impact fee on residential development, the 2016 linkage fee study would need to be updated or a similar study would need to be commissioned addressing the impact of new market rate housing on the need for affordable housing. Although an argument exists that the dual rational nexus requirement does not apply to inclusionary zoning because it is a land development regulation under the County's general police

Board of County Commissioners
March 19, 2018
Page 2

power, rather than an exaction, we recommend that any study that is commissioned include a rational nexus analysis for inclusionary zoning regulations.

Upon direction from the Board, our Office will coordinate with the Environmental Protection and Growth Management Department to have the requisite study performed or updated, as applicable. Please let the County Attorney or me know whether you would like any additional information on this issue for the upcoming Board workshop regarding affordable housing.

MA/gmb

c: Bertha Henry, County Administrator
Bob Melton, County Auditor
Henry Sniezek, Director, Environmental Protection and
Growth Management Department
Andrew J. Meyers, County Attorney

**2017 BROWARD COUNTY LAND USE PLAN
AFFORDABLE HOUSING POLICIES / DEFINITIONS**

AFFORDABLE HOUSING

POLICY 2.16.1 Local governments, except for municipalities with planned populations of less than 15,000 shall establish programs to provide, encourage, or enable, low and moderate-income housing to meet the needs of Broward County's existing and future residential population and economic activities.

POLICY 2.16.2 For amendments which propose to add 100 or more residential dwelling units to the existing densities approved by the BCLUP, Broward County and affected municipalities shall coordinate and cooperate to implement the affected municipality's chosen policies, methods and programs to achieve and/or maintain a sufficient supply of affordable housing. In addressing amendments which proposed to add 100 or more residential dwelling units to the existing densities approved by the BCLUP, the municipality, without limitation, may include consideration and implementation of the following affordable housing strategies:

- a. programs and policies involving mechanisms such as, but not limited to, impact fees, in-lieu fees, and/or public funds, in which the municipality, and/or Broward County, and/or other appropriate agencies/entities (including, but not limited to, major employers), provide for the construction or supply of affordable housing;
- b. programs and policies involving mechanisms such as, but not limited to, impact fees, in-lieu fees, and/or public funds, in which the municipality, and/or Broward County, and/or other appropriate agencies/entities (including, but not limited to, major employers), provide funding to facilitate the affordable purchase or renting of housing;
- c. programs and policies in which the municipality, and/or Broward County, and/or other appropriate agencies, facilitate the maintenance of the existing supply of affordable housing stock, if any;
- d. property tax abatement programs aimed at preserving or creating affordable housing;
- e. streamlined and reduced-cost permitting procedures for affordable housing;
- f. specific minimum set-aside requirements for new affordable housing construction;
- g. use of appropriate existing public lands, or public land-banking, to facilitate an affordable housing supply;
- h. programs and policies to facilitate the development and use of municipal and/or Broward County affordable housing density bonus provisions;
- i. land development regulations which promote the availability of affordable housing such as reduced lot size and floor area for dwelling units, construction of zero lot line and cluster housing, vertical integration of residential units with non-residential uses, and the allowance of accessory dwelling units;

j. the existing supply of affordable housing.

The affected municipality shall demonstrate compliance with this Policy at the time of the County's consideration of the applicable land use plan amendment, by establishing that the municipality has implemented or ensured adoption of appropriate policy and program measures to implement the affected municipality's chosen policies, methods and programs to achieve and/or maintain a sufficient supply of affordable housing. The local government shall estimate its supply of affordable housing utilizing the data and methodology referenced within the "Administrative Rules Document: Broward County Land Use Plan." For the purposes of this Policy, the term "affordable housing" shall include the meaning as defined by the BCLUP. The median annual income estimate should be updated at least yearly.

AFFORDABLE HOUSING BONUS DENSITY

POLICY 2.16.3

(1) Bonus residential density may be allocated to facilitate the development of affordable housing for persons within the following income categories as defined in the Broward County Land Use Plan:

- Moderate-income persons having a total annual anticipated income for the household that does not exceed 120 percent of the median annual income adjusted for family size for households within the county.*

- Very Low and Low-income persons having a total annual anticipated income for the household that does not exceed 80 percent of the median annual income adjusted for family size for households within the county.*

*While occupying a rental unit, annual anticipated gross income may increase to an amount not to exceed 140 percent of the applicable median income adjusted for family size.

(2) Bonus Formulas:

Moderate-income: two (2) bonus "market rate" units per every one (1) "moderate-income" unit (including areas east of the Intracoastal Waterway), except the bonus may be up to four (4) "market rate" units per every one (1) "moderate-income" unit for a project located within an "Activity Center" designated on the Broward County Land Use Plan, or projects located within ½ mile of a rail station or ¼ mile of limited transit stop defined as no fewer than 5 buses or similar transit vehicles passing by in one hour (not including areas east of the Intracoastal Waterway).

Very-Low to Low-income: Four (4) bonus "market rate" units per every one (1) "very-low or low-income" unit (including areas east of the Intracoastal Waterway), except the bonus may be up to six (6) "market rate" units per every one (1) "very-low or low-income" unit for a project located within an "Activity Center" designated on the Broward County Land Use Plan, or projects located within ½ mile of a rail station or ¼ mile of limited transit stop defined as no fewer than 5 buses or similar transit vehicles passing by in one hour (not including areas east of the Intracoastal Waterway).

(3) Affordable housing density bonuses are conditioned on the developer or purchaser providing, in a manner acceptable to the affected unit of local government, guarantees, as a minimum, through the use of restrictive covenants, that the affordability of the bonus units for the affordable income groups described above will be maintained for a period of at least fifteen (15) years for rental housing and at least fifteen (15) years for owner-occupied housing.

(4) The total number of bonus affordable and bonus market rate units may not exceed 50% of the maximum number of dwelling units indicated for the parcel by the local land use plan map. However, for "very-low or low-income" units, the total number of bonus affordable and bonus market rate units may not exceed 100% of the maximum number of dwelling units indicated for the parcel by the local land use plan map. For parcels designated "Commercial" or "Employment Center" or similar designation on the local land use plan map, these percentages shall not be applicable.

(5) At the time of allocation of bonus density, the applicable local government must make a finding that adequate public facilities and services are in place, or will be in place with completion of project construction, to accommodate all bonus market rate and affordable units.

(6) Allocations of bonus residential density does not require an amendment to the Broward County Land Use Plan or local land use plan.

(7) Units of local government may utilize the Bonus Density provisions regardless of whether such provisions are incorporated within their certified local land use elements.

(8) By January 31 of each year, an official of each local government shall transmit to the Planning Council an annual report providing tables reflecting bonus density units allocated.

(9) Bonus "affordable" unit and bonus "market rate" unit construction is subject to the following, as enforced by the applicable local government:

- a. One hundred percent (100%) of bonus "affordable" units must receive certificates of occupancy before the final fifty percent (50%) of bonus "market rate" units receive their certificate of occupancy; or the local government must require that bonus "affordable" units are available before or concurrently with bonus "market rate" units.

DEFINITIONS

AFFORDABLE HOUSING - means housing for which monthly rents or monthly mortgage payments (including taxes and insurance) do not exceed 30 percent of an amount representing the percentage (very low = 50%; low = 80%; moderate = 120%) of the median income limits adjusted for family size for the households.

LOW INCOME FAMILIES - means "lower income families" as defined under the Section 8 Assisted Housing Program, or families whose annual income does not exceed 80 percent of the median income for the area. The term "families" includes "households."

LOW-INCOME PERSON - means one or more natural persons or a family, not including students, that has a total annual anticipated income for the household that does not exceed 80 percent of the median annual income adjusted for family size for the county. While occupying a rental unit, a Low-Income Person's annual anticipated gross income may increase to an amount not to exceed 140 percent of 80 percent of the applicable median income adjusted for family size.

MODERATE-INCOME PERSON - means one or more natural persons or a family, not including students, that has a total annual anticipated income for the household that does not exceed 120 percent of the median annual income adjusted for family size for households within the county. While occupying a rental unit, a Moderate-Income Person's annual anticipated gross income may increase to an amount not to exceed 140 percent of 120 percent of the applicable median income adjusted for family size.

VERY LOW-INCOME PERSON - means one or more natural persons or a family, not including students, that has a total annual anticipated income for the household that does not exceed 50 percent of the median annual income adjusted for family size for households within the county. While occupying a rental unit, a Very Low-Income Person's annual anticipated gross income may increase to an amount not to exceed 140 percent of 50 percent of the applicable median income adjusted for family size.

WORKFORCE-INCOME PERSON - means one or more natural persons or a family, not including students, that has a total annual anticipated income for the household that does not exceed 140 percent of the median annual income adjusted for family size for households within the county. While occupying a rental unit, a Workforce-Income Person's annual anticipated gross income may increase to an amount not to exceed 140 percent of 140 percent of the applicable median income adjusted for family size.

ARTICLE 5

RULES FOR IMPLEMENTATION AND ADMINISTRATION OF BROWARD COUNTY LAND USE PLAN POLICY 2.16.2

5.1 INTENT

These administrative rules address the following: 1) to provide guidelines to local governments for submittal of an affordable housing study, report or information and strategy to demonstrate compliance with Policy 2.16.2 of the Broward County Land Use Plan (BCLUP); and 2) to provide “default” criteria for those applicants who wish to offer mitigation as part of the BCLUP amendment or other applicable application process. The primary purpose of Policy 2.16.2 is for local governments to approve an affordable housing study, report or information and strategy that are in compliance with the Policy. For those applications which meet the Policy via a local government study, report or information and strategy, County staff will issue comments that do not recommend additional mitigation from the applicant or local government.

5.2 BROWARDNEXT - BROWARD COUNTY LAND USE PLAN POLICY 2.16.2

For amendments which propose to add 100 or more residential dwelling units to the existing densities approved by the BCLUP, Broward County and affected municipalities shall coordinate and cooperate to implement the affected municipality’s chosen policies, methods and programs to achieve and/or maintain a sufficient supply of affordable housing.

In addressing amendments which propose to add 100 or more residential dwelling units to the existing densities approved by the BCLUP, the municipality, without limitation, may include consideration and implementation of the following affordable housing strategies:

- a. programs and policies involving mechanisms such as, but not limited to, impact fees, in-lieu fees, and/or public funds, in which the municipality, and/or Broward County, and/or other appropriate agencies/entities (including, but not limited to, major employers), provide for the construction or supply of affordable housing;
- b. programs and policies involving mechanisms such as, but not limited to, impact fees, in-lieu fees, and/or public funds, in which the municipality, and/or Broward County, and/or other appropriate agencies/entities (including, but not limited to, major employers), provide funding to facilitate the affordable purchase or renting of housing;
- c. programs and policies in which the municipality and/or Broward County, and/or other appropriate agencies, facilitate the maintenance of the existing supply of affordable housing stock, if any;

- d. property tax abatement programs aimed at preserving or creating affordable housing;
- e. streamlined and reduced-cost permitting procedures for affordable housing;
- f. specific minimum set-aside requirements for new affordable housing construction;
- g. use of appropriate existing public lands, or public land-banking, to facilitate an affordable housing supply;
- h. programs and policies to facilitate the development and use of municipal and/or Broward County affordable housing density bonus provisions;
- i. land development regulations which promote the availability of affordable housing such as reduced lot size and floor area for dwelling units, construction of zero lot line and cluster housing, vertical integration of residential units with non-residential uses, and the allowance of accessory dwelling units;
- j. the existing supply of affordable housing.

The affected municipality shall demonstrate compliance with this Policy at the time of the County's consideration of the applicable land use plan amendment, by establishing that the municipality has implemented or ensured adoption of appropriate policy and program measures to implement the affected municipality's chosen policies, methods and programs to achieve and/or maintain a sufficient supply of affordable housing.

The local government shall estimate its supply of affordable housing utilizing the data and methodology referenced within this document.

For the purposes of this Policy, the term "affordable housing" shall include the meaning as defined by the BCLUP. The median annual income estimate should be updated at least yearly.

5.3 DESCRIPTION OF SELECT TERMS USED IN POLICY 2.16.2

The following are descriptions of select terms used in Policy 2.16.2 as they relate to implementation of the Policy.

Professionally Accepted Methodologies, Policies and Best Available Data and Analysis: Used to prepare a study, report, or information submitted by the local governing body which includes estimates of the existing supply of affordable housing (i.e. "very low," "low" and "moderate") within the local government boundary in comparison to the estimated affordable housing supply that is needed to achieve and/or maintain a sufficient supply.

The local government shall estimate its supply of affordable housing utilizing the methodology described in the report entitled *“Recommended Methodology for Supply and Demand Analysis for Broward County’s Affordable Housing Market,”* prepared by Meridian Appraisal Group, dated June 9, 2015. The local government may submit additional data and analysis regarding the unique circumstances of its municipality.

A sufficient supply for affordable housing must be consistent with a minimum 5 year planning horizon, but no greater than the adopted planning horizon of the local government comprehensive plan.

The demand and supply may consider the existing availability of affordable housing within 3 miles within a contiguous local government, subject to approval by such contiguous local government.

In-Lieu: Refers to monies paid to the local government by developers when affordable housing is not included on-site in a development in compliance with a standard adopted by the local government.

Broward County will use 15% of project housing units as a default guideline for an affordable housing standard within proposed residential development subject to Policy 2.16.2; however, a local government may officially adopt a different standard. However, if the standard is lower than 15% the local government must demonstrate that the proposed level is consistent with demand in the applicable area.

Such monies must be used by the local government to fund affordable housing construction and/or programs. In-lieu monies shall be sufficient to provide for the availability of affordable housing consistent with the standard set by the local government.

Should the local government and developer agree to an in-lieu of fee, the local government shall have the sole and absolute discretion regarding how and where said payment shall be utilized, consistent with its housing policies and programs and shall not be subject to review by the Broward County Commission. If the local government and developer agree to an in-lieu of fee and direct the funds to Broward County, the Broward County Commission shall have sole and absolute discretion regarding how and where said payment shall be utilized, consistent with its housing policies and programs.

The in-lieu methodology identifies the costs associated with achieving the development of affordable housing units within the local government. For example, an in-lieu methodology may be calculated at a rate per gross square foot per new market rate residential unit. As an alternative example, the in-lieu methodology may be based on a percentage of the costs of construction or sales price of all new market rate units within a project.

Broward County will use one dollar (\$1) per gross square foot (gross floor area) of the residential dwelling unit as a default guideline in the review of in-lieu methodologies for all additional market rate units within a project; however, a local government may officially approve, as part of their affordable housing report and strategy, a different standard and program utilizing professionally accepted methodologies, policies and best available data and analysis.

Gross Square Footage (Gross Floor Area): The sum (in square feet) of the area of each floor level, measured from principal outside faces of exterior walls, including, but not limited to, basements, corridors, hallways, utility areas, elevators, storage rooms, stair cases, and mezzanines, but not including architectural projections. Included are areas that have floor surfaces with clear standing head room (6 feet, 6 inches minimum) regardless of their use. This definition includes areas which are not enclosed, but roofed; however, it does not include unroofed areas.

5.4 COUNTY STAFF GUIDELINES: DETERMINATIONS OF APPLICATION CONSISTENCY WITH POLICY 2.16.2

- (A) The local government shall provide an estimate of the existing supply of affordable housing within the local government's boundaries in comparison to the estimated affordable housing supply that is needed to achieve and/or maintain a sufficient supply.
- (B) The local government must demonstrate how its chosen affordable housing strategy will satisfactorily achieve and/or maintain a sufficient supply consistent with the local government's planning horizon.
- (C) The study, report, or information submitted by the local governing body addressing Article 5.3 must utilize the methodology described in the report entitled *"Recommended Methodology for Supply and Demand Analysis for Broward County's Affordable Housing Market,"* prepared by Meridian Appraisal Group, dated June 9, 2015.
- (D) At a minimum, if a deficit of affordable housing is projected or assumed, Broward County will use 15% of additional project housing units as a default guideline for an affordable housing standard within proposed residential development subject to Policy 2.16.2; however, a local government may officially approve, as part of their affordable housing report and strategy, a different standard and program utilizing professionally accepted methodologies, policies and best available data and analysis.
- (E) A study, report, or information submitted by the local government which has been determined by the County to be in compliance with Policy 2.16.2 shall be valid for the consideration of subsequent land use plan amendments for a period of 18 months from the date the study, report or analysis was submitted to Broward County for review.

5.5 REVIEW PROCEDURES FOR LAND USE PLAN AMENDMENTS SUBJECT TO POLICY 2.16.2

- (A) After an application for a Broward County land use plan amendment has been received by the Broward County Planning Council, the Planning Council staff shall determine if the application is subject to Policy 2.16.2.
- (B) If a land use plan amendment application is subject to Policy 2.16.2, Planning Council staff shall forward the application to the Broward County Environmental Protection and Growth Management Department and request comments in a timeframe consistent with the Planning Council's standard land use plan amendment review schedule.
- (C) If Broward County staff issues a determination that a land use plan amendment application is not in compliance with Policy 2.16.2, Broward County staff shall specify in writing the reasons for such determination.
- (D) Determinations issued by Broward County staff regarding Policy 2.16.2 shall be forwarded to the Planning Council staff and shall be made a part of the land use plan amendment report.