

# **HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA**

## **MINUTES OF REGULAR MEETING**

**April 19, 2018**

**4:47 p.m.**

On Thursday, April 19, 2018, at 4:47 p.m. in the offices of PHILIP L. BURNETT, P.A., 2449 First Street, Fort Myers, Florida, E. Walter Barletta, Chairman of the Housing Finance Authority of Lee County, Florida (the "Authority"), called the meeting to order.

Immediately thereafter, the Chairman called for a roll call of the members. Philip Burnett, Esq., counsel for the Authority, called the roll. E. Walter Barletta, Virginia Yates and Walter Ferguson were present at the meeting and Michael Villalobos appeared by phone. Thomas Birch was not present as he had an excused absence. Also appearing by phone were Tim Wranovix and Donald Peterson with Raymond James and Associates, Inc. ("Raymond James"), the Authority's managing underwriter, Tim Nelson with Hilltop Securities, Inc. ("Hilltop Securities"), the Authority's Financial Advisor, Mark Mustian, Esquire with Nabors, Giblin & Nickerson, P.A. ("Nabors Giblin"), the Authority's Bond Counsel, Cameron Hill and Helen Feinberg with RBC Capital Markets ("RBC"), a co-managing underwriter, Sue Denihan and Paloma Miranda with Housing and Development Services, Inc. d/b/a eHousingPlus ("eHousing") and David Brandt, Executive Director of the Palm Beach County Housing Finance Authority ("Palm Beach HFA").

The Chairman then opened the floor for public comment. There were no members of the public present. There was no public comment made. Thereafter, the Chairman closed the opportunity for public comment.

The Chairman next suggested that the Authority address the approval of the Authority's Minutes for its prior meeting. Thereafter, on motion duly made by Mr. Ferguson and seconded by Ms. Yates, the members of the Authority unanimously approved the minutes of the Authority's February 15, 2018, meeting. The Chairman then suggested that the Authority address the approval of the Minutes of the Public Hearing on April 16, 2018, i.e., the Tax Equity Fiscal Responsibility Act Hearing, on the Authority's proposed issuance of its single family housing revenue bonds in the amount of \$80,000,000 or in the alternative mortgage credit certificates in the amount of \$20,000,000. The Chairman recognized Mr. Burnett. Mr. Burnett said that his office had conducted the above mentioned Public Hearing on April 16, 2018, and that no members of the public had appeared. Thereafter, on motion duly made by Ms. Yates and seconded by Mr. Ferguson, the members of the Authority unanimously approved the minutes of the April 16, 2018, Public Hearing.

The Chairman then suggested that the Authority address Item V on the Authority's Agenda, i.e., consider, discuss and vote on the issuance of Housing Finance Authority of Lee County, Florida,

as Issuer of its Multi-Family Mortgage Revenue Bonds, Series 2018, in the aggregate principal amount of not to exceed of \$6,000,000 in connection with the application of Venetian Walk Partners II, LLLP's 52 Unit Project also known as Venetian Walk II Apartments located at Grove Street N, approximately 500 feet NE of the intersection of Grove Street N and Calle de Toro; Grove Street N, approximately 300 feet NE of the intersection of Grove Street N and Calle de Toro, Venice, Sarasota County, FL, 4.028 acres, more or less and to enter into an Inducement Resolution with said entity. The proceeds of such bonds may be used to finance the acquisition, construction, and equipping of said Project. The Chairman then recognized Mr. Burnett. Mr. Burnett said that the Authority had received a request from the Office of Housing & Community Development of the City of Sarasota & Sarasota County Government, Sarasota County, Florida ("Sarasota County"), on April 12, 2018, requesting that the Authority conduct such meetings as are necessary to issue the bonds described above. Mr. Burnett then said that he and the members of the Authority's Professional Staff had had an opportunity to review the amended Application that was filed by Venetian Walk Partners II, LLLP ("Applicant") and that they recommend that the members of the Authority approve the Amended Application and that the Authority execute an Inducement Resolution and Memorandum of Agreement for the Authority to authorize the Authority to proceed with the financing of the proposed Project. Mr. Burnett also said that he had recently been contacted by Sarasota County with respect to the \$1,500 Application Fee that the Applicant had apparently incorrectly paid to the Authority wherein he was informed that, pursuant to the Interlocal Agreement with Sarasota County, Sarasota County is entitled to receive all of the Application Fee for any multifamily projects that the Authority issues bonds for in Sarasota County. He said that he and Mr. Mustian had reviewed the Authority's Interlocal Agreement with Sarasota County and that they agree that Sarasota County is entitled to the full \$1,500 Application Fee. Accordingly, he said that he recommends that the Authority remit the \$1,500 Application Fee to Sarasota County. Immediately thereafter, on motion duly made by Mr. Ferguson and seconded by Ms. Yates, the members of the Authority unanimously approved the payment of \$1,500 to Sarasota County for the Application Fee. The Chairman then asked Mr. Wranovix, Mr. Nelson and Mr. Mustian if either of them had any issues with respect to the Application or Project that they wanted to bring to the Authority's attention. They all said no. Thereafter, on motion duly made by Ms. Yates and seconded by Mr. Ferguson, the members of the Authority unanimously approved the proposed Project and the Inducement Resolution and Memorandum of Agreement and authorized the Chairman and the Secretary to execute them on behalf of the Authority.

The Chairman then suggested that the Authority address Item VI on the Authority's Agenda, i.e., consider, discuss and vote on such agreements, resolutions, authorizations, funding, Interlocal Agreements, documents and related matters as are necessary for the Authority to proceed with or amend, adjust or modify its Own a Home Opportunity Program (the "Program") with Raymond James, and such other actions as may be appropriate. The Chairman recognized Mr. Wranovix. Mr. Wranovix said that the Program was moving along nicely and that it should be improving as we get into the summer. He asked Ms. Denihan how things were going with realtors and the real estate market. Ms. Denihan said the Program is very popular and it is getting a lot of support from realtors and that we have a lot of lenders in the Program but that the realtors have been telling her that there is low inventory of affordable houses, which makes it a tough market for homebuyers. Mr. Wranovix said that he had a couple of matters concerning the Program that he

wanted to present to the Authority. First, he said that Freddie Mac is making changes to its additional funding in the Program. More specifically, he said that they are making their funding a fixed amount instead of a percentage, i.e., for borrowers with 80% of AMI and below, the funding will be fixed at \$1,500 and that for borrowers with an AMI of less than 50%, the funding will be fixed at \$2,500. Next, he said that he would like for the Authority to approve the use of up to \$300,000.00 of funds in the Authority's Custody Account with U.S. Bank and, if necessary, additional funds earned from the Program that are subsequently deposited into said account to fund the payment of down payment assistance for Second Mortgages in the Program. After a brief discussion, on motion duly made by Ms. Yates and seconded by Mr. Ferguson authorize the use of up to \$300,000 of funds in the Authority's Custody Account with U.S. Bank, or if necessary subsequently deposited into said Account to fund the payment of down payment assistance for Second Mortgages in the Program. The next item that Mr. Wranovix said that he wanted to bring before the Authority is a proposed change as to how the funding of the down payment assistance will take place in the Program going forward. He said that all of the details haven't been worked out yet but that the proposed changes will provide for the lender to initially fund the second mortgages when they fund the first mortgages. Then U.S. Bank will purchase the second mortgages and reimburse the lender when it purchases the first mortgages. U.S. Bank will then request reimbursement from the Authority for its funding of the second mortgages. After a brief discussion, on motion duly made by Mr. Ferguson and seconded by Ms. Yates, the members unanimously approved the proposed changes in the Program and authorized Mr. Burnett to work out the details with all of the necessary parties. Mr. Wranovix said that the last thing that he wanted to bring before the Authority on its Program has to deal with a matter involving Center State Bank, which the Authority had discussed at its last meeting and that the Authority had authorized the Chairman to work with the Professional Staff to see if they could come to an amicable resolution. He said that Center State Bank had made a loan in Palm Beach County through the Authority's Program which was originally a governmental loan but was changed to a conventional loan just before the closing of the loan. He said that when Center State Bank closed the loan they advanced \$10,000 for a grant but that when they went to sell the loan to U.S. Bank and get reimbursed for the funds advanced for the grant, U.S. Bank advised them that they could not purchase the loan and, accordingly, the funds advanced for the grant would also not be reimbursed to Center State Bank. He said that he, Mr. Brandt and Mr. Burnett had discussed the matter and come to a possible resolution of the matter and that Mr. Brandt had presented the matter to the Palm Beach HFA. Mr. Wranovix and Mr. Brandt said that the Palm Beach HFA had agreed to kick in up to an aggregate amount of \$10,000 from fees generated out of loans made by Center State Bank for a period of twelve months. They said, however, that the Palm Beach HFA had requested the aggregate amount of \$10,000 include any fees earned by the Authority that were generated from loans made by Center State Bank in other parts of the State. They concluded by saying that they did not believe that fees generated by the Broward County, St. Johns County and Volusia County Housing Finance Authorities from loans made by Center State Bank would not be included in any proposed payback to Center State Bank. Thereafter, on motion duly made by Mr. Ferguson and seconded by Mr. Villalobos, the members of the Authority unanimously agreed that it would participate with the Palm Beach HFA in contributing any fees generated in the Program by loans made by Center State Bank for twelve months up to an aggregate amount including fees generated by loans made in Palm Beach County up to a maximum amount of \$10,000 exclusive of any fees generated by the Broward County, St. Johns County and Volusia County Housing Finance

Authorities. Mr. Wranovix said that he would suggest this possible resolution of the issue to Center State Bank and report back to the Authority.

The Chairman next suggested that the Authority consider Item VII on its Agenda, i.e., consider, discuss and vote on the approval of a draft of the Authority's Audit and its Financial Statements for its fiscal year ending 9/30/17. The Chairman recognized Ms. Yates. Ms. Yates said that things really went smoothly this year with respect to the audit and the preparation of the Authority's Financial Statements for its fiscal year ended 9/30/18, as evidenced by the fact that there were no findings of any issues. Immediately thereafter, on motion duly made by Mr. Villalobos and seconded by Mr. Ferguson, the members of the Authority unanimously approved the draft of the Authority's Audit and its Financial Statements for its fiscal year ending 9/30/17 and authorized the Chairman, Treasurer and Mr. Burnett to take all actions and execute any documents necessary to allow the Authority's Audit and Financial Statements to be issued and/or filed where appropriate.

The Chairman next suggested that the Authority consider Item VIII on its Agenda, i.e., consider, discuss and vote on an amendment to the Authority's 9/30/18 Budget to reflect increased income as a result of the Issuer's Fee for the Seven Palms Apartment Project, and such other amendments as are appropriate. The Chairman recognized Ms. Yates. Ms. Yates then commenced her discussion as to the possible amendment of the Authority's 9/30/18 Budget. After a brief discussion, it was agreed that this matter should be tabled until the Authority's next meeting, at which time the Authority will also consider its proposed Budget for its fiscal year ending 9/30/19 and that Mr. Burnett's office would email a copy of the Authority's 9/30/18 Budget with space for the proposed 9/30/19 Budget.

The Chairman next suggested that the Authority consider Item IX on its Agenda, i.e., consider and discuss the bills and invoices submitted to the Authority for approval and payment for March and April. The Chairman then recognized Ms. Yates. Ms. Yates said that the following bills and invoices were submitted for approval and payment:

March Billings:

#1540 P. L. Burnett, P.A. March Retainer/Fees/Admin	\$ 9,133.38
#1541 NALHFA Annual Dues	\$ 1,710.00
#1542 Markham, Norton, Mosteller, Wright & Company	\$ 4,195.50
#1543 Florida ALHFA Sponsorship	\$ 2,500.00

On motion duly made by Mr. Villalobos and seconded by Mr. Ferguson, the members of the Authority unanimously approved the payment of the above referenced items.

April Billings:

#1544 Hilltop Securities	\$ 3,750.00
#1545 CliftonLarsonAllen—Audit Fees	\$22,000.00
#1546 P. L. Burnett, P.A. April Retainer/Fees/Admin	\$ 9,251.62

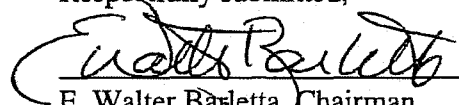
#1547 Markham, Norton, Mosteller, Wright & Company                      \$ 1,712.50  
#1548 County of Sarasota—Reimbursement of Application Fee            \$ 1,500.00

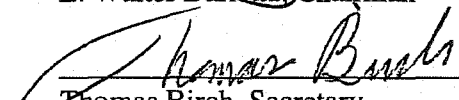
On motion duly made by Mr. Ferguson and seconded by Mr. Villalobos, the members of the Authority unanimously approved the payment of the above referenced items.

The Chairman next suggested that the Authority consider Item X on its Agenda, i.e., such other matters as may come before the meeting. The first matter to come up was the Authority's May meeting. It was agreed that, due to the need to hold a meeting early in May to approve the Minutes of the Tax Equity Fiscal Responsibility Act ("TEFRA") Hearing so that the proposed bond offering for the Venetian Walk II Project can proceed timely, the May meeting of the Authority would be held on May 3, 2018 at 4:45 p.m. at Mr. Burnett's Office and that he would send out the appropriate notice. It was also agreed that various matters would be placed on the Agenda for said meeting, i.e., (1) the proposed Budget amendments and Budget for the Authority's fiscal year ending 9/30/19, (2) the approval of the Minutes of the TEFRA Hearing on the proposed Venetian Walk II Project, (3) the proposed resolution of the Center State Bank matter, and (4) issues relating to the proposed Price Boulevard Multifamily Project in North Port, Florida, including possibly remitting the Application Fee to Sarasota County. Mr. Wranovix then asked how many of the members were planning on attending the NALHFA Conference in New Orleans. None of the members said that they would be able to attend the Conference. However, Mr. Burnett said that he planned on attending. Mr. Burnett then reminded the members that the Florida ALHFA Conference at the Vinoy Hotel in St. Petersburg is scheduled for July 13<sup>th</sup> thru July 16<sup>th</sup>. He also suggested that those members planning on attending should make their reservations relatively soon, particularly their hotel reservations as the hotel is filling up pretty fast.

The Chairman then asked if anyone had anything further to bring before the Authority. There being no further business to come before the Authority, on motion duly made by Mr. Ferguson and seconded by Ms. Yates, the meeting was adjourned at 5:41 p.m.

Respectfully submitted,

  
E. Walter Barletta, Chairman

  
Thomas Birch, Secretary

Approved at the 5/8/18,  
Meeting of the Housing Finance  
Authority of Lee County, Florida