

# HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

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Bradenton, Florida 34205  
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## MINUTES January 10, 2017

The Housing Finance Authority of Manatee County convened on the 10<sup>th</sup> day of January, 2017, at the hour of 1:30 p.m. in the second floor conference room of 417 12<sup>th</sup> Street West, Bradenton, Florida.

Present: James J. Heagerty, Jr., 1<sup>st</sup> Vice Chairman  
Richard M. Pierro, 2<sup>nd</sup> Vice Chairman  
Frank R. Dodson, III, Secretary/Treasurer  
Angela A. Abbott, Attorney for the Authority  
Tim Wranovix, Raymond James & Associates, Inc.  
Frank Fiorentino, Shinn & Co.  
Byron Shinn, Shinn & Co.  
Denise Thomas, Manatee County

- I. The First Vice Chairman, James J. Heagerty, Jr. , called the meeting to order at 1:30 p.m., determined the presence of a quorum and acknowledged proof of publication of the Notice of Meeting.
- II. Public Comments: The Chairman called for public comments. Hearing none, public comment was closed.
- III. Presentation of Shinn & Co., P.A.:
  - A. Presentation of Audited Financial Statements for the year ended September 30, 2016.

Byron Shinn stated that the Authority is operating well within its policies. Frank Fiorentino presented the financial statements for the fiscal year ended September 30, 2016. He stated that drafts of the financial statements were submitted to Frank Dodson, Angela Abbott and the Financial Advisors for review prior to finalization. The final draft of the financial statements was distributed to the Authority members last week. Mr. Fiorentino thanked Ms. Abbott and Mr. Dodson for aiding in this new transition to the new personnel with Shinn & Co. Mr. Shinn stated that Neil Unruh is now with the Sheriff's Department as the CFO, but that it is a positive change to have new personnel reviewing and preparing the Authority's financial statements.

Mr. Fiorentino stated that the financial statements are the responsibility of management. The auditor's job is to gather information sufficient to express an opinion on the financial statements. The audit was conducted in accordance with governmental accounting standards. This is an unmodified, clean opinion with no internal control issues that need to be reported. The compliance report states that the Authority is operating in compliance with its investment policy, and that there are good internal controls. There are no recommendations for improvement. The SAS 114 letter is also being issued with the Financial Statements. There are no differences in the Authority's representation letter, or the SAS 114 letter as compared to last year. The SAS 114 letter states that there are no difficulties and no disagreements with management, and there are no corrected or uncorrected misstatements to the financial statements. Mr. Pierro stated that this is an excellent report and he thanked Shinn & Company and Mr. Dodson for all of his efforts as Treasurer. Mr. Dodson stated that the change from Neil Unruh to Frank Fiorentino has been a learning experience and has improved the final report. Motion made by Frank Dodson, seconded by Rich Pierro and carried unanimously to accept the report into the record and to authorize the execution of the Authority representation letter by Mr. Heagerty.

- B. Motion made by Rich Pierro, seconded by Frank Dodson and carried unanimously to approve Requisition No. 574, as presented.

[Frank Fiorentino and Byron Shinn left the meeting].

- IV. Motion made by Rich Pierro, seconded by Frank Dodson and carried unanimously to approve the Consent Agenda as follows:

- A. Minutes of November 17, 2017 meeting
- B. Requisition No. 575 for fees and costs of Angela A. Abbott, P.A. for general services
- C. Requisition No. 576 for fees and costs of Angela A. Abbott, P.A. in connection with the 2013 Single Family Loan and MCC Program
- D. Requisition No. 577 for website hosting and editing by Green Pony Press, Inc.
- E. Next Meeting: February 14, 2017 or March 14, 2017, at 1:30 p.m. at 417 12<sup>th</sup> Street West, 2<sup>nd</sup> Floor Conference Room, Bradenton, Florida

- V. Report of Treasurer, Frank R. Dodson, III:

Mr. Dodson presented the General Fund Financial Report for November, 2016. Mr. Dodson noted that there was a GNMA Settlement that resulted in approximately \$26,000 of income. The River Trace multifamily application generated a payment of \$30,500, of which \$5,500 was paid to the Financial Advisors as the feasibility analysis fee. During the month of December, an additional \$25,000 was deposited to the custody account, which will be reserved for professional fees at closing. Upon

inquiry from Rich Pierro, Mr. Dodson explained that deposits to the DPA funding trust come first from the Authority's general custody account, then from the GNMA purchase trust and then from the issuer reserve restricted trust account, only after excess funds are utilized from the other two accounts. However, funds transferred from the restricted account must be reserved, carefully accounted for and used only for loans, and any amount not used for loans must be returned to that restricted account. The change in net position is down \$7,556 as of November 30, 2016. Motion made by Rich Pierro, seconded by Jay Heagerty and carried unanimously to accept the Treasurer Report into the record.

VI. Multifamily Programs: Status report of River Trace and Manatee Ponds application:

Ms. Abbott pointed out that the agenda package contains a written status report prepared by the financial advisors. She indicated that after the last Authority meeting, the Board of County Commissioners approved the TEFRA hearing. However, Commission Smith voted against the item. Rich Pierro questioned why the Commissioner, who is pro affordable housing, would vote against a project in his district when this is exactly what he is requesting the Authority to do. Ms. Thomas stated that she believes that education is needed, and she feels that the Board of County Commissioners does not understand expiring projects and the value of tax credits. Mr. Pierro stated that this financing will add an additional 50 years of affordability to this project. Ms. Abbott stated that Commissioner Smith expressed concerns about displacement of current residents. Ms. Thomas stated that she does not think that the Commissioner quite understood that by having the project acquired and rehabilitated, it would keep it affordable for a longer period. Ms. Abbott noted that Assistant County Attorney Bill Clague did an excellent job in explaining the multi-family financing process to the Board. Ms. Thomas emphasized the need for education of the Board, and the best use of limited resources. Manatee County has not fared well recently in competition for funds to this area. Mr. Pierro suggested that Ms. Thomas contact Mark Hendrickson and Susan Leigh for advice on how better to compete for funds. Ms. Abbott complimented Ms. Thomas and Ms. Lopez on their presentation regarding affordable housing to the Board at the meeting of December 13, 2016. She noted that while one of the commissioners did not support this project, there were many other commissioners who did. Ms. Thomas agreed and indicated that the commissioner may have this Authority confused with the Housing Authority. Mr. Pierro stated that the Authority members are unpaid volunteers who work hard to provide affordable housing to the County. Ms. Thomas stated that she believes the other commissioners and staff are supportive of the Authority and understand its function. She is aware that the commissioners want us to all work together more closely.

Jay Heagerty asked about the status of the Habitat project. Ms. Thomas indicated that she would have a report at the Authority's next meeting. Ms. Thomas asked how projects come to the Authority. Ms. Abbott stated that most developers are aware of the Authority and its financing options, so the developers approach the Authority. Ms. Thomas indicated that she could refer additional developers to the Authority.

Frank Dodson asked Ms. Thomas about the process of designating a project as “affordable” so that it receives the density bonus. Ms. Thomas responded that 25% of the units must be set aside for very low, low and moderate income residents. If any incentives are awarded, then a LURA is entered. Mr. Pierro commented on how high rents are in the area. Ms. Thomas stated that the County is encouraging mixed income projects because it helps the project thrive.

Mr. Pierro questioned the timing of the River Tract and Manatee Ponds financing. Ms. Abbott stated the credit underwriting is underway. There may be a delay due to the general contractor contract. The project received carry forward allocation prior to the end of 2016. Therefore, 2017 allocation is still fully available in the region.

VII. Status Report on Single Family Programs:

A. Status Report of Single Family Loan and Mortgage Credit Certificate Program:

Ms. Abbott stated that during the months of November and December eleven loans were closed. The mortgage interest rate was raised from 3.875% to 4.0% in mid- December, 2016. The FHFC is well above this rate at 4.5% or more. Tim Wranovix stated that the document changes in the program to allow conventional loans will be presented at the next Authority meeting. This will also allow the Authority access to the Federal Home Loan Bank down payment assistance program, and may result in additional lenders. The FHLB program is limited to its bank members. Ms. Thomas asked about the lender participation in the program. She is very concerned that Homebridge has chosen to restrict down payment assistance to either the Authority’s DPA or the County’s, but will not allow borrowers to utilize both. Ms. Thomas suggested that the Authority will want to promote its program at the May lender training session. Sue Denihan participated last year and will likely participate again this year. Mr. Wranovix stated that Iberia Bank joined the program but has only made one loan. He also emphasized the importance of marketing the program to realtors. The Lee County HFA has seen a spike in originations recently due to eHousing’s marketing efforts with the area board of realtors..

B. Status Report Regarding Proposed Collapse of Single Family 2006 Sub Series One Issue:

Tim Wranovix stated that the bonds were paid off on December 19, 2016, and that proceeds of approximately \$14,000 will be wired to the Authority’s account today. Mr. Dodson commented that the Authority’s restricted trust received high yield securities as a result of this transaction.

VIII. Election of Officers:

Mr. Heagerty passed the gavel to Ms. Abbott. Motion made by Frank Dodson, seconded by Jay Heagerty and carried unanimously to approve the following slate of officers for 2017:

James J. Heagerty, Jr., as Chairman  
Rich Pierro, as First Vice Chairman  
Hugh Miller, as Second Vice Chairman  
Paul Sharff, as Third Vice Chairman  
Frank Dodson, as Secretary/Treasurer

IX. The meeting adjourned at 2:22 p.m. and reconvened at 2:25 p.m.

Following discussion, motion made by Frank Dodson, seconded by Rich Pierro and carried unanimously to authorize members of the Authority to attend the NALHFA Conference in San Francisco and to authorize reimbursement of hotel expenses for the nights of Wednesday, April 26, through Saturday, April 29, during the conference due to the distance.

X. The meeting adjourned at 2:29 p.m.

Respectfully submitted:

By: \_\_\_\_\_  
Frank R. Dodson, III, Secretary/Treasurer