

# HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

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Bradenton, Florida 34205  
(877) 264-0334

## MINUTES April 11, 2017

The Housing Finance Authority of Manatee County convened on the 11<sup>th</sup> day of April, 2017, at the hour of 1:38 p.m. in the second floor conference room of 417 12<sup>th</sup> Street West, Bradenton, Florida.

Present: James J. Heagerty, Jr., Chairman  
Hugh D. Miller, 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.  
Susan J. Leigh, The Community Concepts Group  
Sue Denihan, eHousing Plus  
Cameron Hill, RBC Capital Markets

- I. The Chairman, James J. Heagerty, Jr., called the meeting to order at 1:38 p.m., determined the presence of a quorum and acknowledged proof of publication of the Notice of Public Meeting.
- II. Public Comments: The Chairman called for public comments. Hearing none, public comment was closed.
- III. Motion made by Hugh Miller, seconded by Frank Dodson and carried unanimously to approve the Consent Agenda as follows:
  - A. Minutes of January 10, 2017 meeting
  - B. Requisition No. 581 for fees and costs of Angela A. Abbott, P.A. for general services
  - C. Requisition No. 582 for fees and costs of Angela A. Abbott, P.A. in connection with the 2013 Single Family Loan and MCC Program
  - D. DAP Requisition No. 67 for fees and costs of Angela A. Abbott, P.A. for in connection with administration of 2009-2012 Single Family DAP Program
  - E. Requisition No. 583 for website hosting and editing by Green Pony Press, Inc.
  - F. Next Meeting: May 9, 2017 or June 13, 2017, at 1:30 p.m. at 417 12<sup>th</sup> Street West, 2<sup>nd</sup> Floor Conference Room, Bradenton, Florida

The Authority discussed that if a May meeting is needed, it may be rescheduled to May 16, 2017, instead of May 9, 2017.

James J. Heagerty, Jr.  
Chairman

Richard M. Pierro  
1<sup>st</sup> Vice Chairman

Hugh D. Miller  
2<sup>nd</sup> Vice Chairman

Paul A. Sharff  
3<sup>rd</sup> Vice Chairman

Frank R. Dodson, III  
Secretary/Treasurer

Angela A. Abbott  
Attorney/Administrator

IV. Report of Treasurer, Frank R. Dodson, III:

Mr. Dodson presented the General Fund Financial Reports for December, 2016, January and February, 2017. Mr. Dodson pointed out that the multifamily reserve of \$25,000 in connection with the River Trace and Manatee Ponds inducement resolution is counted as income in the reports. Therefore, until these funds are disbursed under the terms of the resolution, the \$25,000 reported as income is overstated. Although, the report indicates that the Authority is losing funds, that is actually a positive sign that the Authority is fulfilling its public purpose. Mr. Heagerty asked when multifamily fees are due. Mr. Dodson responded with the due dates, and indicated that the Water's Edge fee due in March has been paid. Motion made by Hugh Miller, seconded by Frank Dodson and carried unanimously to accept the Treasurer's report into the record, as presented.

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

Susan Leigh stated that the Authority's professionals have been working with the developer, who originally wanted to close this issue in December, 2016. The credit underwriting report has been delayed due to a lack of information being provided by the developer. Since the general contractor contract was not entered into until March, the physical needs assessment could not begin. Included in the Authority's agenda package is a letter from Dominion, the developer, requesting certain waivers. Ms. Leigh stated that the Financial Advisors are recommending approval of the request for a change to the set aside period from 50 years to 30 years, with 100% of the units at 60% of AMI instead of 30% of AMI as stated in the application. The reason for the recommendation is that this is a rehabilitation and Florida Housing Finance Corporation only requires 30 years on bond issues without SAIL loans. The developer had indicated that it was considering going to Florida Housing Finance Corporation for financing or proceeding with conventional financing. Ms. Leigh stated that it is important that the agreed upon upgrades to the project occur or be reserved immediately following this financing since there will never be more funds available to do so. Ms. Leigh does not believe that these projects will ever be market rate. In order to evaluate the developer's request on energy-star related and other improvements, the credit underwriting report needs to be completed. The waiver of certain set aside units from 30% AMI to 60% AMI is recommended because this is not an HFA requirement. Mr. Dodson questioned the efficiency of energy-star rated roofing and appliances. In his experience, energy-star rated roofs do not save money on power bills. Mr. Heagerty questioned the "on-site voter registration" requirement. Ms. Leigh stated that it is one of the services in the guidelines that the developer may choose to provide. The members discussed the possible elimination of this service to avoid political involvement. Mr. Dodson stated that the guidelines mirror FHFC's guidelines. Ms. Leigh indicated that this is the first deal the Authority has received since adopting its new guidelines and she will be revising the guidelines after this issue closes.

Following discussion, motion made by Hugh Miller, seconded by Frank Dodson and carried unanimously to accept the Financial Advisors' recommendations to approve the developer's request for a set aside period of 30 years with 100% of units at 60% of AMI and to evaluate the developer's request on energy-star rated appliances, roofing and fixtures upon receipt of the credit underwriting report. Ms. Leigh indicated that the physical needs assessment will give a unit by unit assessment of its condition.

VI. Status Report on Single Family Programs:

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

Ms. Abbott presented a report indicating that 11 loans have closed since the Authority's last meeting. There were 8 loans closed in March and there are currently 4 loans pending. Mr. Heagerty inquired about the rate to which Mr. Wranovix replied that the rate is at 4.25%. The rate was increased to cover the penalty assessed by US Bank to accept the loans with low FICO scores. The rate increase has not effected production. Currently, Florida Housing Finance Corporation's rate is 4.875% on its conventional product and 4.75% on its FHA product.

B. Consideration of amendment of documents and Resolution No. 17-01:

Ms. Abbott stated that the Resolution approves the new short form Lender Agreement, First Amendment to the GNMA Purchase Agreement with Raymond James and the First Amendment to the GNMA Custody Agreement with U.S. Bank to permit conventional loans. The documents were prepared by Greenberg Traurig. It is hoped that the short form Lender Agreement will attract additional lenders. Motion made by Hugh Miller, seconded by Frank Dodson and carried unanimously approve Resolution No. 17-01 entitled:

A RESOLUTION AUTHORIZING AND APPROVING A NEW FORM OF LENDER AGREEMENT AND AMENDMENTS TO THE GNMA PURCHASE AGREEMENT AND THE CUSTODY AGREEMENT, IN EACH CASE RELATING TO THE AUTHORITY'S SINGLE FAMILY LOAN PROGRAM AND MORTGAGE CREDIT CERTIFICATE PROGRAM.

C. Approval of Requisition No.584 for fees of Greenberg Traurig in connection with MCC program:

Ms. Abbott stated that the original quote from Greenberg Traurig for the preparation of the Universal Origination Agreement was \$4,500. Since the approval of the fees in November, 2016, the scope of work changed to the creation of a short form lender agreement. Mr. Gehrig has billed his additional time at the contracted hourly rate of \$250. Mr. Dodson stated that the short form agreement will be much more attractive to lenders. The Authority is likely to recover the fee differential with the first few loans. Tim Wranovix indicated that he worked closely with Mr. Gehrig and is aware of the additional time involved. Motion made by Frank Dodson, seconded by Hugh Miller and carried unanimously to approve Requisition No. 584 as presented.

D. Discussion regarding program parameters and down payment assistance:

Mr. Wranovix indicated that lenders will need to execute the new lender agreement and the conventional product will be available within the following two to three weeks. EHousing Plus will train lenders, but most of them are already trained for conventional loans. Sue Denihan stated that she met this morning with Fairway Funding Group. One of its active loan officers, Sue Klinowski, was formerly with Real Estate Mortgage Network. Fairway Funding Group will be coming on board as a new lender in Manatee County. Also, Homestead Funding has recently joined the program. Mr. Wranovix stated that iMortgage is interested in participating in Manatee County with a grant DPA program similar to the one offered by the Lee County HFA. He believes that loan production would increase greatly with the grant product. The Lee County HFA had approximately \$7.5 million in production under its grant program in March, 2017. The rate differential with the grant product is about 0.6125% higher. The advantage of the grant structure is that the HFA does not have to fund the DPA with its own funds since it is funded with the higher mortgage rate. Mr. Wranovix stated that this is an additional option to borrowers and the DPA loan program is still available with the lower mortgage rate. The DPA is 5% of the loan amount under the grant product. The advantage is the cash flow to the Authority. The only disadvantage is the OIG issue. OIG is questioning whether housing finance authorities should premium fund DPA. HUD has consistently responded the HFA's can, but lenders cannot. Mr. Dodson stated that he is most concerned about how many borrowers can be helped, as opposed to how much profit the HFA may make. In addition, he stated he sees no downside if this new option attracts new lenders since we now have only one active lender. Ms. Abbott suggested that there may be additional bond counsel fees if new documents have to be drafted for the grant program. Mr. Wranovix stated that the grant option can be handled in the guidelines without changes to the program documents. Sue Denihan thinks this is a good program that works well with the lenders they serve that offer the program and that it will be an easy transition for the Authority because lenders are already doing this in Lee County. Mr. Wranovix stated that the grant program is a little easier administratively for

the lender. Mr. Wranovix stated that he will present a write up on this grant option at the Authority's next meeting. The only other negative with the grant program may be that the SRP value paid by U.S. Bank will drop over time with a higher rate loan. The Lee County program is currently at 5% on the grant loans and 4.375% on DPA second mortgage loans.

VII. Discussion regarding FLALHFA Conference sponsorship and approval of Requisition No. 585:

Ms. Abbott presented a letter from FLALHFA requesting conference sponsorship. The Authority previously sponsored at the host level when the conference was held in St. Petersburg. Mr. Dodson stated that the budget allows for a host level sponsorship, but since the conference is moving to Jacksonville, he suggested sponsorship at the gold level. Following discussion, motion made by Frank Dodson, seconded by Hugh Miller and carried unanimously to approve gold level conference sponsorship of \$2,500, and to approve Requisition No. 585.

VIII. The meeting adjourned at 2:28 p.m.

Respectfully submitted:

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