HOUSING FINANCE AUTHORITY OF
MANATEE COUNTY, FLORIDA
435 12th Street West, Suite 117
Bradenton, Florida 34205
(877) 264-0334

MINUTES
December 12, 2017

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

Present: Richard M. Pierro, 1st Vice Chairman
Hugh D. Miller, 2nd Vice Chairman
Paul A. Sharff, 3rd Vice Chairman
Frank R. Dodson, III, Secretary/Treasurer
Angela A. Abbott, Attorney for the Authority
Susan Leigh, The Community Concepts Group (via telephone)
Sue Denihan, eHousing Plus
Denise Thomas, Manatee County
Byron Shinn, CPA, Shinn and Company, P.A.
Tim Gruters, Shinn and Company, P.A.

I. The 1st Vice Chairman, Richard M. Pierro, 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 Public Meeting.

II. Public Comments: The 1st Vice Chairman called for public comments. Hearing none, public comment was closed.

III. Presentation of Tim Gruters and Byron Shinn of Shinn Company, P.A.:

A. Presentation of Audited Financial Statements for the year ended September 30, 2017:

Mr. Shinn introduced Tim Gruters who has replaced Angie Oxley. Mr. Gruters stated that the audit was performed to Government Accounting Standards and an unmodified opinion was issued. The financial statements are materially correct. They tested internal controls and found no problems or issues. There is one uncorrected matter which is between de minimus and immaterial, related to payment of professional fees. Mr. Dodson explained that legal fees paid in October were actually accrued in August and September and should be reported in the fiscal year ended September 30, 2017. There has been a consistent reporting of the fees in this manner. Mr.

Gruters stated that this is a clean audit overall and the Authority is ahead of budget, but there is a loss. Mr. Shinn stated that the financials stand up under stress tests. The audit was completed early this year. Mr. Pierro stated that he appreciated the early completion of the audit and he is pleased with Shinn and Company.

Motion made by Hugh Miller, seconded by Frank Dodson and carried unanimously to accept the financial statements into the record. Motion made by Frank Dodson, seconded by Paul Sharff and carried unanimously to approve the signing of the Management Letter related to the Financial Statements.

B. Motion made by Hugh Miller, seconded by Frank Dodson and carried unanimously to approve Requisition No. 608 for payment of fees for preparation of the Audited Financial Statements for the year ended September 30, 2017.

[Mr. Gruters and Mr. Shinn left the meeting at 1:40 p.m.]

IV. Presentation of Denise Thomas, Redevelopment and Economic Opportunity, Manatee County:

Ms. Thomas indicated that Geri Lopez wanted to attend the meeting today, but is in a County Commission meeting. Ms. Thomas presented a memorandum prepared by Ms. Lopez regarding the accomplishments of her department during the past fiscal year and goals for fiscal year 2017-18. She stated that the Board of County Commissioners wants more collaboration and more housing programs. The Livable Manatee program has been created to allow Manatee County to pay county and school impact fees and utility fees of up to $500,000 per development. To qualify, a development may include up to 33% of affordable units in a single family development and up to 50% in multi-family developments. Manatee County actually pays, not waives, the impact fees. Mixed use projects are encouraged. The projects must be in unincorporated Manatee County, not within the city limits of Bradenton. A Land Use Restriction Agreement is required for at least 10 years. When single family homes are sold, they must sell to qualified buyers within the restricted time period. The impact fees are waived to the developer so that the sales price of the home should be reduced. The Board of County Commissioners is recognizing the economic impact to the community if employers are unable to attract employees due to a shortage of affordable housing. Therefore, the Board is trying to attract developers of affordable housing.

Mr. Miller asked about bonus density. Ms. Thomas responded that there is a recommendation that, depending on where an affordable project is located, qualified projects may receive up to two bump-ups, and certain other concessions. Ms.

Thomas stated that the Board and her department want to collaborate more with the Housing Finance Authority. Mr. Pierro stated that the HFA is always willing to listen to any suggestions from the County. Ms. Thomas indicated that Habitat for Humanity has acquired its site and is working with FHFC on a pre-development loan. Development is focused on the urban corridor to encourage affordable housing in these areas which run on three major arterials. Mr. Pierro stated that FLALHFA, which is supported by the HFA, has actively pursued obtaining more SHIP funds for the county. Both he and Ms. Abbott serve on the Board of Directors of FLALHFA.

Susan Leigh stated that one of the reasons that the HFA does not receive more applications from multi-family developers is the lack of matching funds from Manatee County. Also, location and economics are now a factor. Ms. Thomas stated that there is a commitment to provide matching funds included in her budget. She added that there is currently a sales price limit of $176,000, which may change with the development of another 3-year plan. Ms. Leigh stated that the new multi-family guidelines are in line with Florida Housing Finance Corporation's and the Authority is positioning itself for more bond issues. Ms. Thomas added that to receive county based incentives, only projects in the Southwest tip and in unincorporated areas will be considered. The County has surplus properties to develop as affordable housing. Mr. Pierro suggested that higher density affordable housing developments with gated parking and elevators would be more secure and more affordable for residents. Mr. Miller sees great financial benefits with higher density. Mr. Pierro commended Ms. Thomas for an excellent job and stated that the Authority is willing and ready to offer bond financing to appropriate projects. Ms. Thomas stated that there will be a work session in February or March on affordable housing. There will be an opportunity for the HFA to discuss challenges and provide input on where the county can now stimulate affordable housing. Ms. Thomas stated that developers approach Manatee County. There is currently a new project by Southport Development called Parrish Oaks that is going through Florida Housing Finance Corporation. Mr. Pierro pointed out that the advantages of going through the HFA for bond financing instead of Florida Housing Finance Corporation are that local input can be implemented and any fees received by the HFA will be recycled for the benefit of Manatee County residents. Ms. Thomas suggested that the HFA develop a brochure that she can give to developers which states that the Authority wants to do business with the developers. Ms. Leigh stated that she can put together a handout and that the multi-family application and guidelines are available online. Ms. Thomas stated that she would be happy to market the Authority to the developers who approach her. She reiterated that one of the reasons Geri Lopez was brought on board is to promote the development of affordable housing in Manatee County.
[Denise Thomas and Susan Leigh left the meeting.]

V. Motion made by Paul Sharff, seconded by Frank Dodson and carried unanimously to approve the Consent Agenda as follows:

A. Minutes of October 10, 2017 meeting
B. Meeting schedule for 2018
C. Records Management Compliance Statement for Fiscal Year 2016-2017
D Requisition No. 609 for membership and marketing package with Realtor Association of Sarasota and Manatee
E. Requisition No. 610 for website hosting and editing by Green Pony Press, Inc.
F. Requisition No. 611 for payment of annual dues to National Association of Local Housing Finance Agencies for 2018
G. Requisition No. 612 for fees and costs of Angela A. Abbott, P.A. for general services
H. Requisition No. 613 for fees and costs of Angela A. Abbott, P.A. in connection with the 2013-2017 Single Family Loan and MCC Program
I. Next Meeting: January 9, 2018 or February 13, 2018, at 1:30 p.m. at 417 12th Street West, 2nd Floor Conference Room, Bradenton, Florida

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

Mr. Dodson presented the General Fund Financial Reports for October and November, 2017. Mr. Dodson noted that, at the end of November, there is a net loss of $107,698. Motion made by Frank Dodson, seconded by Hugh Miller and carried unanimously to accept the Treasurer's report into the record.

VII. Status Report on Single Family Programs:

A. Status Report of Single Family Loan and Mortgage Credit Certificate Program: Ms. Abbott presented a summary indicating that 13 loans closed during October and November, 2017, including one grant loan. Sue Denihan stated that eHousing has increased its marketing efforts. In particular, it has been running Google ads and has received 727 clicks during November and early December. Three new realtors have gone through training on the program. Florida Housing Finance Corporation is running out of Hardest Hit Funds, so all local HFA's will see more activity in the coming months. She added that Manatee County is the number three county in the state with responses and questions to advertisements on the internet.

B. New Servicing Agreement with U. S. Bank. A summary of the changes to the Servicing Agreement was prepared by Ms. Abbott and included in the agenda package. Motion made by Paul Sharff, seconded by Frank Dodson and carried unanimously to approve the new Servicing Agreement with U. S. Bank.

C. Consideration of Freddie Mac DPA Program: Following discussion, motion made by Hugh Miller, seconded by Frank Dodson and carried unanimously to approve the execution of the Letter of Intent for Freddie Mac to offer additional grant money to borrowers on the following terms: 2% of additional DPA grant money to borrowers at or below 50% of AMI and 0.5% of additional DPA grant money to borrowers between 50% and 80% of AMI. The purpose of the program is to provide greater assistance to lower income borrowers. The motion also included execution of the Service Proposal Agreement with eHousing Plus in regard to the Freddie Mac DPA Program.

VIII. Discussion of updated Multi-family Guidelines and Application: Ms. Abbott explained that there are not many substantive changes. Most of the revisions are formatting related. Motion made by Paul Sharff, seconded by Frank Dodson and carried unanimously to approve the updated guidelines and application as presented.

IX. Other: Ms. Abbott reported that she researched the ownership of the real properties which secure the Authority's outstanding second mortgages in connection with the 1991 HAP, 2006 and 2007 Single Family Issues and the 2009 Loan Program. She discovered three loans on which the first mortgages were foreclosed, but the Authority was not named as a party, nor was it served. All of the first mortgages were foreclosed and the properties have been sold multiple times. It is extremely likely that if the Authority had been properly named in the foreclosure suits, the second mortgage would have been foreclosed. In each case, there were no surplus funds following the foreclosure sale. Ms. Abbott stated that it is not necessary for the Authority to take any action. The members discussed the futility of pursuing collection of these small loans.

X. The meeting adjourned at 2:38 p.m.

Respectfully submitted:

By:_____
Frank R. Dodson, III, Secretary/Treasurer