

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

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Bradenton, Florida 34205
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MINUTES

April 9, 2019

The Housing Finance Authority of Manatee County convened on the 9th day of April, 2019, at the hour of 1:30 p.m. in the second floor conference room of 417 12th Street West, Bradenton, Florida.

Present: Hugh D. Miller, Chairman
Paul A. Sharff, 1st Vice Chairman
Jay Heagerty, Jr., 2nd Vice Chairman
Richard M. Pierro, 3rd Vice Chairman
Frank R. Dodson, III, Secretary/Treasurer
Angela A. Abbott, Attorney for the Authority
Susan Leigh, The Community Concepts Group
Tim Wranovix, Raymond James & Associates
Cameron Hill, RBC Capital Markets
Tim Gruters, Carr, Riggs & Ingram, LLC

- I. The Chairman 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 Chairman called for public comments. Hearing none, public comment was closed.
- III. Presentation of Tim Gruters, CPA, of Carr, Riggs & Ingram, LLC:
 - A. Presentation of Audited Financial Statements for the year ended September 30, 2018: Tim Gruters stated that the financial statements are being presented later this year because of the additional oversight by Carr, Riggs & Ingram, following the transition from Shinn & Company. It should be a shorter process in the future. This is an unmodified opinion. The biggest change is the inclusion of single family bonds as liabilities in the Financial Statements of the Authority. Under GASB, single family bonds are not considered conduit debt because there is no third party borrower, and even though the Authority is not legally responsible for the debt, GASB requires all outstanding Single Family bond balances be listed in the financial statements as a liability. There was a prior period adjustment to the Authority's fiscal 2017 financials which added about \$1 million in bonds in the Authority's statements, which results in a corresponding reduction of net position.

Hugh D. Miller
Chairman

Paul A. Sharff
1st Vice Chairman

James J. Heagerty, Jr.
2nd Vice Chairman

Richard M. Pierro
3rd Vice Chairman

Frank R. Dodson, III
Secretary/Treasurer

Angela A. Abbott
Attorney/Administrator

Otherwise, the Authority is in good shape. There was a \$66,000 increase in net position for this fiscal year. Motion made by Rich Pierro, seconded by Frank Dodson and carried unanimously to accept the financial statements into the record, as presented. [Tim Gruters left the meeting.]

- B. Motion made by Jay Heagerty, seconded by Frank Dodson and carried unanimously to approve Requisition No. 669 for payment of fees for preparation of Audited Financial Statements for the year ended September 30, 2018

IV. Bond Counsel Selection - Discussion regarding responses to Request for Proposals

Mr. Dodson opened discussion stating he served on the Authority when Steve Sanford worked with Mudge Rose and also when the Authority followed Steve to Greenberg Traurig. During the time the Authority was an active issuer, he was very impressed with Steve's work and considered him the strength of the then existing Authority professional team. In his opinion, Steve serves as the Authority's bond counsel and not Greenberg Traurig. He also considers Steve a friend which not only made this process personally difficult but also made him question whether he could come to an unbiased conclusion after review of the responses to the RFP's. Based on his concern, he contacted Ms. Abbott for advice. She suggest that he carefully review each proposal and rank them based on his review taking friendship and personal feelings out of the process even though that would be extremely difficult. Based on that advice, he reviewed each proposal using the criteria of the qualifications of counsel assigned to the Authority's account, pricing, compatibility with current professionals and participation in FLALHFA. To his surprise, Greenberg Traurig ranked third and Nabors Giblin & Nickerson ("Nabors") ranked first over Bryant Miller Olive ("BMO") based only on pricing. In all other respects, Nabors and BMO were equally qualified based on the criteria he used. Next, he contacted the Financial Advisors to get their opinion on Nabors and BMO and the pricing differences. The FA's agreed that each firm is equally qualified and the pricing difference is based on Nabors being a smaller firm with less overhead. The FA's pointed out Nabors is a smaller firm and based on the Authority's current structure Nabors would be the better choice in their opinion. Consequently, based on his careful review of each proposal and discussions with Mark, Susan and Angela, he recommends hiring Nabors as the Authority's bond counsel. After lengthy discussion regarding the value of relationships, importance of pricing, involvement in FLAHFA, transition issues and compatibility with the Authority's current professional team, the Authority members agreed that Nabors was the best choice. Motion made by Paul Sharff, seconded by Frank Dodson and carried unanimously to select Nabors Giblin & Nickerson, with Mark Mustian as lead counsel, as the Authority's bond counsel. Jay Heagerty asked Ms. Abbott to prepare a letter thanking Steve Sanford for his many years of service.

V. Motion made by Rich Pierro, seconded by Jay Heagerty and carried unanimously to approve the Consent Agenda as follows:

- A. Minutes of February 12, 2019 meeting
- B. Requisition No. 670 for website hosting and editing by Hendrickson Ink
- C. Requisition No. 671 for fees and costs of Angela A. Abbott, P.A. for general services
- D. Requisition No. 672 for fees and costs of Angela A. Abbott, P.A. in connection with the Single Family Programs
- E. Bank of New York Mellon Incumbency Certificate
- F. Next Meeting: May 14, 2019, or June 11, 2019, 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 January and February, 2019. He stated that the single family bonds liabilities will be added to his report beginning in March, using fiscal 2018 year end balances which he will not update until the end of fiscal 2019. Tim Gruters has blessed the new report format that includes the bonds liabilities which will help speed up completion of the fiscal 2019 report. The income and expenses are on track and as of February 28, 2019, there is a \$170,000 positive net position. Mr. Miller thanked him for his tremendous efforts this year in the preparation of the Financial Statements. Dr. Dodson stated that he understands the process following a merger. There was a great deal of extra work this year due to GASB requirements which are now agreed to by the Authority which will hopefully require less time next year.

VII. Status Report of Single Family Programs:

A. Loan and Mortgage Credit Certificate Program:

- 1. Status Report: Ms. Abbott presented a memorandum on the status of the program and indicated that there were two loans closed during the months of February and March, 2019, and two foreclosures were dismissed. She indicated that the MCC program is progressing and will be available again in June.

B. Motion made by Frank Dodson, seconded by Rich Pierro, and carried unanimously to approve Resolution 2019-02 entitled:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA (THE "AUTHORITY") AMENDING THE DOWN PAYMENT AND CLOSING COST ASSISTANCE PROGRAM (THE "DPA PROGRAM") FOR USE IN CONNECTION WITH THE LIVABLE MANATEE INCENTIVE PROGRAM; AMENDING THE PARAMETERS OF THE DPA PROGRAM; AUTHORIZING THE PROPER OFFICERS AND ADMINISTRATOR TO DO ALL THINGS NECESSARY IN CONNECTION

WITH THE DPA PROGRAM; PROVIDING CERTAIN OTHER FINDINGS AND DETAILS WITH RESPECT TO THE MATTERS ADDRESSED IN THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

C. Request of Amerifirst for waiver of Manatee office requirement:

The Authority received a letter from Amerifirst Home Mortgage requesting a waiver of the requirement for it to have an office in Manatee County for participation in the Loan/MCC Program. Amerifirst has offices throughout Florida, including St. Petersburg. It serves Manatee County now. Mr. Miller stated that allowing this lender to participate in the program will not take business away from other lenders. Motion made by Jay Heagerty, seconded by Rich Pierro and carried unanimously approve the requested waiver.

VIII. Multifamily Programs: Discussion regarding application of Dominion (Palmetto Senior Project):

Susan Leigh presented a memorandum of the financial advisors' analysis of the Palmetto Senior Project application. The Developer indicates that it wants to close in September, 2019. She suggested that the TEFRA hearing should be held and application for allocation should be made prior to June 30, 2019. The bond amount is \$26,000,000. Until all information is provided by the developer, the credit underwriting will not begin. Ms. Abbott explained that Region 7, which includes Manatee County has volume cap of \$64 million. There has been an application submitted from another area and after the MCC allocation, there will be approximately \$36 million in remaining volume cap for this project. The Mayor of the City of Palmetto issued a letter of support for this project. Ms. Leigh is skeptical that the closing will occur in September. Ms. Abbott suggested that the TEFRA hearing be held and the inducement resolution be presented for approval at a meeting in May to allow time to obtain County Commission approval in time to apply for allocation. Following the inducement, the developer must pay the Commitment Fee prior to approaching the County. Motion made by Paul Sharff, seconded by Rich Pierro and carried unanimously to approve the recommendations of the financial advisors (number 8 of the memorandum) and Ms. Abbott.

IX. Other:

A. Consideration of Extension of Financial Advisor agreement. Following discussion, motion made by Rich Pierro, seconded by Jay Heagerty and carried unanimously to approve the revised Third Addendum to the Agreement for the Provision of Financial Advisory Services with The Hendrickson Company and The Community Concepts Group, Inc. The engagement will be open ended, but terminable by either party with notice.

- B. Motion made by Jay Heagerty, seconded by Paul Sharff and carried unanimously to approve a Saturday night stay at the NALHFA Conference in Denver.

- C. Ms. Abbott stated that a loan was closed by HomeBridge that could not be pooled because the homebuyer did not complete the homebuyer education course prior to closing. She indicated that the Authority could require that HomeBridge buy back the second mortgage, or reimburse the Authority for its lost profit on the loan (\$2,520.27). Following discussion regarding the longstanding relationship with HomeBridge as the most active lender in the Loan Program, motion made by Jay Heagerty, seconded by Paul Sharff and carried unanimously to write a warning to HomeBridge, and to keep the second mortgage.

X. The meeting adjourned at 2:30 p.m.

Respectfully submitted:

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