

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

435 12th Street West, Suite 117
Bradenton, Florida 34205
(877) 264-0334

MINUTES

October 8, 2019

The Housing Finance Authority of Manatee County convened on the 8th day of October, 2019, at the hour of 1:31 p.m. in the second floor conference room of 417 12th Street West, Bradenton, Florida.

Present: Hugh Miller, Chairman
Jay Heagerty, Jr., 2nd Vice Chairman
Rich 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
Sue Denihan, eHousing Plus
Denise Thomas, Manatee County, Florida

- I. The Chairman opened the public hearing regarding the proposed issuance of not to exceed \$31,000,000, Multifamily Housing Revenue Bonds, Series 2019 (Palmetto Senior Apartments Project) at 1:31 p.m., and asked for public comment. Hearing none, the public hearing was closed at 1:32 p.m.
- II. The Chairman called the meeting to order at 1:32 p.m., determined the presence of a quorum and acknowledged proof of publication of the Notice of Public Meeting.
- III. Public Comments: The Chairman called for public comments. Hearing none, public comment was closed.
- IV. Motion made by Rich Pierro, seconded by Jay Heagerty and carried unanimously to approve the Consent Agenda as follows:
 - A. Minutes of August 13, 2019 meeting
 - B. Requisition No. 695 for website hosting and editing by Hendrickson Ink
 - C. Requisition No. 696 for costs of Angela A. Abbott, P.A. for general services
 - D. Requisition No. 697 for payment of annual Special District fee to Florida Department of Economic Opportunity for FY 2019-2020
 - E. Public Depositor Annual Report for period ended September 30, 2019

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

- F. Report to the Board of County Commissioners of Manatee County, Florida for the 2018-2019 Fiscal Year
 - G. Approval of attendance by the members, attorney/administrator and financial advisor at all educational conferences of FLALHFA, NALHFA and other professional organizations during the calendar year 2020, and authorization to incur reimbursable expenses related thereto
 - H. Next Meeting: November 12, 2019 or December 10, 2019, at 1:30 p.m. at 417 12th Street West, 2nd Floor Conference Room, Bradenton, Florida
- V. Report of Treasurer, Frank R. Dodson, III:
- A. Presentation of General Fund Financial Reports for July, August and September, 2019:

Mr. Dodson indicated that the discussion of the final audited financial statements, as filed, for the fiscal year ended September 30, 2018, at the August meeting, do not include an acceptance of the report into the record. Motion made by Frank Dodson, seconded by Rich Pierro and carried unanimously to accept the audited financial statements, as filed, into the record.

Mr. Dodson presented the General Fund Financial Reports for July, August and September, 2019. Mr. Dodson has been working with Tim Gruters in connection with the preparation of the financial statements for the fiscal year ended September 30, 2019. He has been sending Mr. Gruters notes to the financials. The first note concerned the budget amendments in regard to the RJ income. The second note related to the fact that the Authority made \$310,000 in DPA loans this year, which have been fully reserved. The third note impacts the Authority's financials. There was \$428,209 in retired bonds under the Single Family 1985 and 2007 A & B bond programs, which is recorded as "income" since the bonds are recorded as "liabilities". Reflecting the bond repayments as income has the effect of inflating the Authority's income beyond what was actually received. Finally, the commitment fee paid by Dominion in connection with the Palmetto Senior bond issue is not a fee that inures to the benefit of the Authority. It is a payment that will secure the payment of professional fees if the issue does not close. As such, it is recorded as a debit to cash and a credit to liabilities. This was reviewed and signed off on by the auditors' reviewers. If the bond issue closes, the payment will be applied to cost of issuance or refunded to the developer. Mr. Dodson also mentioned that Dominion paid an additional application fee for the increased bond amount requested of \$8,500. The expenses for the year were \$420,000, and the change in net position was a positive \$664,331. The cash position is \$853,000 and the balance with SBA is \$8,261. Motion made

by Rich Pierro, seconded by Jay Heagerty and carried unanimously to accept the general fund financial reports into the record.

- B. Mr. Dodson recommended that the budgets for fiscal years 2018-2019 and 2019-2020 be amended to reclassify the income from the RJ Program from “investment income” to a separate income line item to conform with the audited financial statements. Motion made by Frank Dodson, seconded by Jay Heagerty, and carried unanimously to approve the amended budget for fiscal year 2018-2019, and adopt Resolution No. 19-06 entitled:

RESOLUTION AMENDING THE 2018-2019 BUDGET FOR THE
HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

- C. Motion made by Frank Dodson, seconded by Jay Heagerty and carried unanimously to approve the amended budget for fiscal year 2019-2020, and adopt Resolution No. 19-07 entitled:

RESOLUTION AMENDING THE 2019-2020 BUDGET FOR THE
HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

VI. Status Report of Single Family Programs:

- A. Loan and Mortgage Credit Certificate Program:

Status Report: Ms. Abbott presented a memorandum on the status of the program and indicated that there was one loan that closed during the months of August and September, 2019, and two loans paid off. One loan is currently pending. Mr. Wranovix stated that loan originations have been slow everywhere. He added that FNMA and Freddie Mac are making changes which may be scaring off lenders. Ms. Denihan stated that there is a lack of available affordable housing, high consumer debt and this is a slow time of year for home sales.

- B. Status report on Livable Manatee DPA Program - Request for amendment to program:

Denise Thomas submitted a request to modify the terms of the Livable Manatee DPA program to increase the second mortgage amount from \$10,000 to \$25,000, and to delete the requirement for leveraging with SHIP and HOME funds. The reason for the request is that lenders and their underwriters are not allowing three tiers of financing. All SHIP funds have been exhausted. The local Housing Assistance Plan has been amended to increase the maximum purchase prices due to the lack of affordable land in Manatee County. Now, the very low income purchase price is \$160,000, the low is \$176,000 and moderate is \$192,000. There has also been an increase in the DPA maximums. The very low income is now \$40,000, low income

is \$35,000 and moderate remains at \$25,000. Construction costs are increasing, which means sales prices are higher. There is not enough product at lower levels. Ms. Thomas stated that there is a very low default rate on the lower income loans in connection with the SHIP program, due to its affordability. In many cases, PMI is eliminated. Ms. Leigh stated that most HFA's are providing \$7,500 in DPA, except for Hillsborough which is \$10,000 to \$15,000 because it uses SHIP funds. Mr. Heagerty and Ms. Leigh expressed concerns about setting a precedent for higher level second mortgages in the future. Ms. Thomas mentioned that there are developers interested in building multifamily projects in connection with Livable Manatee. She also stated that the County is exploring land trusts as a means of preserving parcels for future affordable housing development. Mr. Pierro expressed his appreciation for all that Ms. Thomas has accomplished with limited funds. Following discussion regarding the desire to utilize the funds for their intended purpose, motion made by Frank Dodson, seconded by Jay Heagerty and carried unanimously to amend the Livable Manatee DPA Program to increase the second mortgage amount from \$10,000 to \$25,000, and to delete the requirement for leveraging with SHIP and HOME funds for the balance of the \$60,000 funds in the Program.

VII. Multi-family Programs: Discussion regarding status of application of Dominion (Palmetto Senior Project):

Susan Leigh presented a memo regarding the current status of the application. She has spoken with the underwriter, First Housing, and indicated that they are waiting for the appraisal and bids and plans. Ms. Leigh expects that the closing will occur after the first of the year. At this time, the developer is indicating that the project will need an additional allocation of \$5,000,000 for increased construction costs. The plans were taken from a project in Georgia, and the construction costs in Florida are greater. Following discussion, motion made by Frank Dodson, seconded by Rich Pierro, and carried unanimously to approve Resolution No. 2019-08 entitled:

A RESOLUTION AMENDING AND RESTATING A RESOLUTION ENTITLED: "RESOLUTION REGARDING THE OFFICIAL ACTION OF THE HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$26,000,000 IN INITIAL PRINCIPAL AMOUNT OF ITS MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2019 (PALMETTO SENIOR APARTMENTS PROJECT) FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, EQUIPPING, AND DEVELOPING A MULTIFAMILY RESIDENTIAL HOUSING FACILITY FOR PERSONS OR FAMILIES OF LOW, MIDDLE OR MODERATE INCOME; FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BY AND BETWEEN THE AUTHORITY AND PALMETTO LEASED HOUSING ASSOCIATES I, LLLP; AND PROVIDING AN EFFECTIVE DATE."

Ms. Leigh stated that an email was sent to the members from bond counsel regarding the fee structure on this issue and how it will be paid. This matter will be discussed at a future meeting.

VIII. Other: Ms. Abbott announced that, at its meeting this morning, the Board of County Commissioners reappointed Mr. Miller for an additional four year term and approved the public hearing for the \$50,000,000 allocation request. She also stated that a mini-application from Blue Sky was recently received and circulated to the members. The project is in unincorporated Manatee County and is currently named "Cedar Cove". Ms. Thomas stated this would be an excellent project for the Authority to finance, if possible.

IX. The meeting adjourned at 2:21 p.m.

Respectfully submitted:

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