

# HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

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

## MINUTES

April 14, 2020

The Housing Finance Authority of Manatee County convened on the 14<sup>th</sup> day of April, 2020, at the hour of 1:30 p.m. by telephone conference.

Present by telephone: Paul Sharff, Chairman  
Jay Heagerty, Jr., 1<sup>st</sup> Vice Chairman  
Rich Pierro, 2<sup>nd</sup> Vice Chairman  
Frank R. Dodson, III, Secretary/Treasurer  
Angela A. Abbott, Attorney for the Authority  
Mark Mustian, Nabors, Giblin & Nickerson, P.A.  
Susan Leigh, The Community Concepts Group  
Mark Hendrickson, The Hendrickson Company  
Tim Wranovix, Raymond James & Associates  
Helen Feinberg, RBC Capital Markets  
Sue Denihan, Denihan & Associates  
Denise Thomas, Manatee County  
Devon Quist, Dominionium  
Owen Metz, Dominionium

- 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 Virtual Public Meeting. Ms. Abbott conducted a roll call of all those present on the telephone. The Chairman requested that each member identify himself when making motions and he announced that all voting by the members would be taken by roll call.
- II. Motion made by Rich Pierro, seconded by Jay Heagerty and carried unanimously to approve the Virtual Meeting Guidelines and Procedures.
- III. Public Comments: The Chairman called for public comments. Hearing none, public comment was closed.
- IV. Motion made by Jay Heagerty, seconded by Rich Pierro and carried unanimously to approve the Consent Agenda as follows:
  - A. Minutes of February 11, 2020 meeting
  - B. Requisition No. 717 for website hosting and editing by Hendrickson Ink
  - C. Requisition No. 718 for costs of Angela A. Abbott, P.A. for general services
  - D. Next Meeting: May 12, 2020, or June 9, 2020, at 1:30 p.m. at 417 12<sup>th</sup> Street West, 2<sup>nd</sup> Floor Conference Room, Bradenton, Florida or by conference call.

Paul A. Sharff  
Chairman

James J. Heagerty, Jr.  
1<sup>st</sup> Vice Chairman

Richard M. Pierro  
2<sup>nd</sup> Vice Chairman

Hugh D. Miller  
3<sup>rd</sup> Vice Chairman

Frank R. Dodson, III  
Secretary/Treasurer

Angela A. Abbott  
Attorney/Administrator

V. Report of Treasurer, Frank R. Dodson, III: Presentation of General Fund Financial Reports for January and February, 2020:

Mr. Dodson presented the General Fund Financial Reports for January and February, 2020. He noted that during the first two months of the second quarter of the fiscal year all Authority fees have been paid as agreed and other revenues, other than the TBA program, are within budgeted range. Further, there are no overages in expenses and the annual increase in net position is approximately \$85,482 as of February 29, 2020.

Motion made by Frank Dodson, seconded by Rich Pierro and carried unanimously to accept the general fund financial report into the record.

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 three loans closed during the months of February and March, 2020, six loans paid off and one foreclosure was dismissed. Two loans are currently pending.

B. Status report on Livable Manatee DPA Program: Ms. Thomas reported that there are two loans pending leaving an available balance of \$36,000. She stated that she is still receiving calls for down payment assistance even in this slower environment. Her department is looking for unencumbered funding sources for mortgage assistance and rental assistance for those who have lost their jobs due to COVID-19. Mr. Hendrickson added that the Sadowski Coalition has been working with the Florida Housing Coalition and Florida Housing Finance Corporation to institute a system to waive statutes and rules pertaining to the SHIP program, so that counties that generally have the requirement to use 65% of SHIP funds for homeownership may receive waivers to use those funds for rental assistance. He reminded everyone that SHIP will receive full funding this year.

C. Motion made by Frank Dodson, seconded by Jay Heagerty, and carried unanimously to approve the First Supplemental Trust Indenture for Homeowner Revenue Bonds, Series 2007.

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

A. Consideration of recommendations of Financial Advisors:

Mr. Hendrickson and Ms. Leigh presented their memorandum summarizing the status of the financing and making certain recommendations. Mr. Hendrickson stated that the credit underwriting report has been completed and the issue is ready to close. The issues related to the personal guaranties and the Authority annual administrative fee (the "Authority Fee") have been worked out with the developer. Initially, the Authority had approved a corporate guarantee and an evergreen escrow of the Authority Fee but the developer preferred to provide the corporate guaranties and pay one half of the Authority Fee up front at a high discount rate and the balance semi-annually in advance. After negotiation, the developer has agreed, and the financial advisors recommend, that the corporate guaranties already approved remain unchanged but payment of the Authority Fee will be approved to be paid as follows: the net present value of 10 basis points, discounted at a rate of 2.75%, equaling \$371,755.00, will be paid up front at closing and held in escrow by the Fiscal Agent and paid to the Authority when the loan converts from construction to permanent, with the remaining 10 basis points being paid semi-annually in advance. If the loan fails to convert from construction to permanent, the escrow deposit will be returned to the developer less the difference in the 10 basis point Authority Fee paid by the developer from closing to construction loan payoff and the legally allowed Authority Fee of 12.5 basis points to be collected from the developer from closing to construction loan payoff. Mr. Heagerty asked about the timing of the release of the Authority Fee from escrow. Mr. Mustian explained that the Authority Fee is limited by tax law during the construction period because Truist Bank, the construction lender, is related to the tax credit provider. The trigger for the release of the Authority Fee from escrow is loan conversion when Freddie Mac takes out Truist Bank. Mr. Heagerty asked about the conditions of the Freddie Mac take out. Mr. Metz stated that the Freddie Mac take out requires completion of construction, and a certain percentage of units being leased. Mr. Heagerty stated that he understood the escrowed Authority Fee would be released at completion of construction and issuance of a certificate of occupancy. Further, in his opinion, the lease up requirement will take more than six months, causing a substantial delay in the Authority's receipt of the Authority Fee, which was not his understanding. Mr. Dodson reminded that members that Mr. Mustian had previously advised the Authority that it could not collect its full fee during construction by law. Therefore, under the proposed Authority Fee payment agreement, the Authority will still receive the maximum fee allowed under the law upon non-conversion. He questioned whether all deals with this structure limit the Authority fee during construction and require lease up prior to conversion. Mr. Hendrickson

responded that any issue where the construction lender and the tax credit provider are related would limit the fee to 12.5 basis points until the loan is converted to permanent. Mr. Dodson asked whether the discounted amount of the fee is based upon the \$31,000,000 issue size. Mr. Hendrickson responded that it is based upon the initial \$31,000,000 during the construction period and adjusted upon conversion as the bonds pay down for an 18 year period. Mr. Dodson asked whether the 18 year period begins at conversion, to which Mr. Hendrickson responded that it begins at closing. Mr. Dodson emphasized that the present value calculation is figured based on collecting 10 basis points of Authority Fee during construction, in addition to the 10 basis points of Authority Fee being paid by the developer during construction, which is beneficial to the Authority upon conversion, which he believes will occur. In addition, the basic calculation of the discounted Authority Fee is fixed from closing through the 18 year period and will not change even though the receipt of the Authority Fee is delayed. Mr. Hendrickson added that if the fee was not paid up front in escrow, the Authority would still be limited to 12.5 basis points during construction. Mr. Heagerty stated he was okay with the delay.

Motion made by Rich Pierro, seconded by Frank Dodson and carried unanimously to approve the following recommendations of the Financial Advisors:

1. Revised Authority Fee structure and estimated costs of issuance;
2. Selection of First Housing as compliance monitor and US Bank as Fiscal Agent; and,
3. Selection of Raymond James and RBC Capital Markets as Placement Agent.

- B. Motion by Frank Dodson, seconded by Jay Heagerty, and carried unanimously to approve Resolution No. 2020-01 entitled:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING \$31,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS MULTIFAMILY HOUSING REVENUE NOTE, SERIES 2020 (REEF AT RIVIERA APARTMENTS); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING THE DATE, INTEREST RATES, INTEREST PAYMENT DATES AND MATURITY SCHEDULE AND OTHER TERMS OF SUCH NOTE; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A PROJECT LOAN AGREEMENT, A FUNDING LOAN AGREEMENT, A LAND USE RESTRICTION AGREEMENT AND RELATED LOAN DOCUMENTS;

AUTHORIZING THE NEGOTIATED ISSUANCE AND DELIVERY OF THE NOTE; AUTHORIZING THE APPOINTMENT OF A FISCAL AGENT FOR THE NOTE; AUTHORIZING THE CHAIR OR ANY VICE CHAIR TO TAKE ANY OTHER ACTIONS NECESSARY TO ISSUE THE NOTE AND EXECUTE OTHER DOCUMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

Owen Metz thanked everyone for their efforts to bring this project to closing.

- VIII. Motion made by Jay Heagerty, seconded by Rich Pierro and carried unanimously to adjourn the meeting at 1:59 p.m.

Respectfully submitted:

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