

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

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Bradenton, Florida 34205
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MINUTES

October 13, 2020

The Housing Finance Authority of Manatee County convened on the 13th day of October, 2020, at the hour of 1:30 p.m. by telephone conference.

Present by telephone:

- Paul Sharff, Chairman
- Jay Heagerty, Jr., 1st Vice Chairman
- Rich Pierro, 2nd Vice Chairman
- Hugh Miller, 3rd Vice Chairman
- Frank R. Dodson, III, Secretary/Treasurer
- Angela A. Abbott, Attorney for the Authority
- Susan Leigh, The Community Concepts Group
- Mark Hendrickson, The Hendrickson Company
- Alex Fisher, Nabors, Giblin & Nickerson, P.A.
- Tim Wranovix, Raymond James & Associates
- Don Peterson, Raymond James & Associates
- Misty Dalke, Raymond James & Associates
- Pastor James Sykes, Ward Temple A. M. E. Church
- Glen Gibellina
- Tim Polk, Urban Planning Solutions
- Vernon Crogan

- I. The Chairman called the meeting to order at 1:31 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 video and 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. Public Comments: The Chairman called for public comments. Hearing none, public comment was closed.
- III. Motion made by Rich Pierro, seconded by Frank Dodson and carried unanimously to approve the Consent Agenda as follows:
 - A. Minutes of August 11, 2020 meeting
 - B. Requisition No. 731 for website hosting and editing by Hendrickson Ink
 - C. Requisition No. 732 for costs of Angela A. Abbott, P.A. for general services
 - D. Requisition No. 733 for payment of annual dues to Florida Association of Local Housing Finance Authorities for fiscal year 2020-2021

Paul A. Sharff
Chairman

James J. Heagerty, Jr.
1st Vice Chairman

Richard M. Pierro
2nd Vice Chairman

Hugh D. Miller
3rd Vice Chairman

Frank R. Dodson, III
Secretary/Treasurer

Angela A. Abbott
Attorney/Administrator

- E. Requisition No. 734 for payment of annual Special District fee to Florida Department of Economic Opportunity for FY 2020-2021
- F. Public Depositor Annual Report for period ended September 30, 2020
- G. Report to the Board of County Commissioners of Manatee County, Florida for the 2019-2020 Fiscal Year
- H. 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 2021, and authorization to incur reimbursable expenses related thereto
- I. Amended Engagement Letters with The Hendrickson Company and The Community Concepts Group
- J. Next Meeting: November 10, 2020, or December 8, 2020, at 1:30 p.m. at 417 12th Street West, 2nd Floor Conference Room, Bradenton, Florida or by conference call

Jay Heagerty asked about the changes to the engagement letters with The Hendrickson Company and The Community Concepts Group. Mr. Hendrickson stated that the purpose of the amended letters is to add the required language from the MSRB and the SEC which is updated annually, but there have been no changes to the business points. Mr. Heagerty asked that the changes be highlighted in the future.

Ms. Abbott noted that there was a change in the Report to the Board of County Commissioners to add a description of the Reef at Riviera issue. The amended Report was circulated to the members prior to the meeting.

IV. Report of Treasurer, Frank R. Dodson, III: Presentation of General Fund Financial Reports for July, August and September, 2020:

Mr. Dodson presented the General Fund Financial Reports for July, August and September, 2020. He focused on the September report, which is the fiscal year end report he will forward to the auditors after the meeting. He indicated that an additional note was added stating that the \$199,500 in DAP funding is fully reserved. Total revenues were \$44,000 over budget and total expenses were \$341,000 under budget. The change in net position was \$354,220 for the year. He pointed out the “accounts payable” for website maintenance and legal expenses. Since these are immaterial expenses, he has treated them as carry forward expenses in prior years. However, the auditor requested that they be treated as accounts payable beginning with this fiscal year. Under GAAP, there are certain thresholds of materiality which could trigger restatements in last year’s financial statements in two instances. The first instance is covered in the first note in which a grant loan which was deposited to the HFA GNMA custody account as profit. However, the DPA grant should have been netted from the sale proceeds leaving a profit to the Authority of \$378.65, not \$6,446.69. Therefore, income was overstated in September, 2019 by \$6,068. The funds were returned to U.S. Bank in February, 2020, when the error was discovered.

The second instance involves the note regarding the 1985 single family bond issue. The Authority has always reported the 1985 A single family bond issue as a liability, but he discovered recently that there is also a 1985 B series with a liability of an additional \$18,987, which was not reported as a liability in last year's financials. Appropriate adjustments will be made in accordance with GAAP, which will likely include at least a restatement of the liabilities for the prior fiscal year.

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

V. Status Report of Single Family Programs:

A. Status Report on Loan and Mortgage Credit Certificate Program:

Ms. Abbott presented a memorandum on the status of the program and indicated that four loans closed during the months of August and September, 2020, and one loan paid off. There is one loan currently pending. Synovous Bank has been the most active lender for the past six months.

B. Status report on Livable Manatee DPA Program:

Ms. Abbott presented a memorandum indicating that five loans (\$59,500 total) have closed and one reservation is pending (\$24,000) leaving \$16,500 unused.

VI. Multi-family Programs:

A. Discussion regarding status of Gorman & Company application.

Ms. Leigh stated that the developer, Gorman & Company, had been planning to apply for bonds through the Authority. Gorman will be applying to FHFC for a SAIL loan in late November. At this time, Gorman has decided to also apply to FHFC for bonds.

B. Discussion regarding Telesis/ Bradenton Village.

Ms. Leigh stated that Bradenton Village is an existing project with tax credits that are expiring. A developer from Washington DC, Telesis, is interested in acquiring and rehabilitating the project with bonds through the HFA. The application is likely to be submitted in early 2021 and is likely close in late 2021. Mr. Wranovix stated that he has also spoken with the developer over the past year. Mark Hedrickson added that this is an old HOPE 6 and tax credit issue from 2003 or 2004. After 15 to 17 years, it is time to recapitalize

and rehab the project. The issue will not need a SAIL loan. Tim Polk stated that he is familiar with the project, which is located at 13th Avenue and 1st Street.

VII. Other: Request of Ward Temple A. M. E. Church:

Mark Hendrickson stated that the Authority received a request from Ward Temple A. M. E. Church for assistance in funding the replacement of windows, doors and HVAC systems for five duplexes (10 units) it owns. He stated that the Authority needs to determine:

1. Whether it has an interest in developing a new program regarding small scale rehabilitation of multifamily housing with either grants or loans. This is a policy issue for the Board to decide.
2. If the Authority decides to pursue a new program of this nature, then the financial advisors strongly recommend that the Authority structure the program with set parameters and issue a Request for Proposals or Notice of Funding Availability to give anyone with an interest in the program an opportunity to respond. This is to protect the Authority from receiving a series of unsolicited requests and criticism for arbitrarily funding one project over another.

Mr. Hendrickson stated that the financial advisors have not performed an analysis of the Ward Temple request because it is not appropriate until the Board makes a policy decision that it wants to consider such proposals and then develop a structure to evaluate them.

Mr. Sharff asked the Authority members for their thoughts on this matter:

- Mr. Pierro stated that Ward Temple is a wonderful project and cause, but the Authority is not currently set up for this type of program. He is not in favor of moving forward at this time.
- Mr. Dodson stated that he is in favor of expanding the Authority's programs, but he is opposed to making a decision today. He suggested that the Ward Temple request is appropriate for SHIP funding.
- Mr. Miller stated that there is no structure in place and that it would be quite an undertaking for the Authority to develop and administer a new program. He would support the Authority acting as a conduit for funding, but not acting in an underwriting capacity. The creation and administration of a program will take a great deal of resources.
- Mr. Heagerty stated that he thinks it is a wonderful idea but it is beyond the capabilities of the Authority, particularly from an administrative standpoint. He does not think that this is what the Authority was set up to do.

Pastor James Sykes, with Ward Temple A.M.E. Church, thanked the Authority for considering this request. The church developed duplexes on property adjacent to the church which is located in the middle of downtown. His goal was to create a small quality affordable community. Glen Gibellinna stated that he is on the Affordable Housing Boards of the city and county, and is also a general and roofing contractor. Other resources of funding they have approached have been exhausted or are not available to nonprofits. He volunteered to verify that the work is properly done. Tim Polk stated that he is the former director of the city planning department. Affordable workforce housing is greatly needed in Bradenton. He feels that organizations like the HFA need to go beyond what they are currently doing to assist with this need. Mr. Sharff asked whether Mr. Polk would be willing to prepare a written proposal for the Authority to consider. He emphasized that the Authority needs to be able to recirculate its funds, as opposed to providing grants. Ms. Abbott suggested that the Authority vote on whether it wants to consider creating a new program and if so, the financial advisor and she would develop the parameters with input from others.

Motion by Frank Dodson, seconded by Rich Pierro and carried, with Mr. Miller and Mr. Heagerty voting in opposition, to have the financial advisors and the attorney prepare a memo describing options to create a new program. Mr. Pierro would like to know what other HFA's without staffs are doing. Mr. Hendrickson stated that they will research what similar HFA's are doing in Florida. He feels it is important to have independent third party inspections, and that the funding be a loan not a grant. He stressed that the Authority does not have unlimited funds. It does not receive renewable funding such as SHIP funds. Ms. Leigh suggested that the most practical approach is to present examples of what other HFA's are doing at the next meeting for the Board's consideration, rather than developing a program at this time. Mr. Dodson agreed and indicated that it may take several months to develop a program. He also agreed that there must be an RFP process to make the selection. Pastor Sykes again thanked the Authority for its consideration and invited the members to visit the site.

VIII. Motion made by Rich Pierro, seconded by Jay Heagerty and carried unanimously to adjourn the meeting at 2:28 p.m.

Respectfully submitted:

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