

HOUSING FINANCE AUTHORITY OF HILLSBOROUGH COUNTY

Minutes of December 11, 2017 Board Meeting

The meetings were held in the Training Room, 21st Floor, County Center, 601 E. Kennedy Blvd, Tampa, FL 33602.

I. Attendees

Chair Debra Koehler called the HFA Board Meeting to order at 9:30 a.m. Members of the audience and the Board introduced themselves, and the Pledge of Allegiance was recited.

Also in attendance were Vice-Chairman David Hollis, Secretary Mercedes DiMaio, and Board Members, Harry Hedges and Mike Kelley. Board member Frank DeBose arrived as noted.

Also present were Mary Helen Farris (County Attorney's Office), Mark Hendrickson (HFA Financial Advisor), Helen Feinberg and Debbie Berner (HFA Investment Banker—RBC Capital Markets), Misty Taylor (HFA Bond Counsel—Bryant Miller Olive), Sue Denihan (HFA Single Family Administrator—eHousing), Cheryl Howell (Hillsborough County), Shawn Wilson, Scott MacDonald, Geoff Harlan and M. J. Kopakin (Blue Sky Communities), Rodrigo Paredes (Housing Trust Group), Todd Fabbri (Richman Group of Florida), Sharon Perdue (CDC of Tampa), Bob Colvard (Roundstone Development), Leonard Burke (Tampa Housing Authority) and Victor DiMaio (DiMaio and Associates).

II. Minutes

Mr. Hollis moved, with a second by Mr. Hedges, that the Board **approve the minutes of the November 9, 2017 meeting**. The motion passed 5-0.

III. Public Comment

There were no public comments.

[Mr. Debose arrived.]

IV. Local Government Area of Opportunity Funding

Chair Koehler announced that without objection, the Board would take up the selection of a development for Local Government Area of Opportunity Funding, before other items on the agenda.

Mr. Hendrickson presented reminded the applicants of the provision in the NOFA that prohibits contact by applicants or their agents or representatives with members of the HFA Board and Board of County Commissioners related to this selection process—and that the prohibition remained in effect until the process was complete (meaning FHFC form signed and application submitted to FHFC).

Mr. Hendrickson presented an analysis of the six applications, including information on all threshold items and on all project selection criteria. He noted that Chair Koehler and he had visited all six sites. The Board discussed the analysis and the applications. After discussion, Mr. Kelley moved, with a second by Mr. Hollis, that the **Board select the City Edge application for Local Government Area of Opportunity Funding, and the Willows application as a “back-up” to receive the smaller local government**

contribution. After discussion, Mr. Kelley and Mr. Hollis **amended their motion to add the La Costa application as a second “back-up” development.** The motion, as amended, passed 6-0.

V. Federal Legislative Update

Mr. Hendrickson presented an update on the federal legislative situation, noting that the House version of the proposed tax bill would eliminate all private activity bonds—including housing bonds and mortgage credit certificates. He stated that if that version of the bill became law, no tax-exempt bonds or MCC’s could be issued after December 31, 2017. Mr. Hendrickson stated that the Senate version of the bill did not eliminate PAB’s—but that until the legislation was resolved, it was prudent to close as many bond issues as possible before the end of 2017. He stated that The Tempo (additional bonds) and Bethune Residences I were both on tract to close before the end of 2017—with HFA Board action needed later in this meeting and at a subsequent special meeting.

VI. HFA Monthly Financial Statements

Mr. Hendrickson noted that the Tampa Housing Authority had paid all legal fees of the HFA related to the Tempo litigation. He presented the November 2017 Financial Statements. Mr. DeBose moved, with a second by Mr. Hedges, that the Board **approve the November 2017 Financial Statement.** The motion passed 6-0.

Mr. Hendrickson presented a request from the HFA’s accountant for an increased fee. He noted that their fee had not been increased since November 2009. The Board discussed the proposed fee and noted the excellent and timely work of the CPA—and the low cost of their service compared to the accounting work performed for other HFA’s. Mr. Hollis moved, with a second by Mr. DeBose, that the Board **approve a the monthly fee for Steuer and Company, CPA of \$400 per month.** After discussion, Mr. Hollis and Mr. DeBose **amended their motion to \$450 per month.** The motion, as amended, passed 6-0.

Mr. Hendrickson noted that the draft audit had been completed and distributed to Board members, and that the auditor would present the final audit at the January HFA meeting.

VII. Investments

Mr. Hendrickson updated the Board on the implementation of their direction to close various low yield money market and certificate of deposit accounts, and to move the funds to the US Bank Custody account. He noted that HFA Custody accounts were all trust accounts, which require collateralization

The Board **asked Mr. Hendrickson to research the exact nature of the collateralization for the Custodial Accounts.**

VIII. Bond Allocation

Ms. Taylor updated the Board on \$200 million of carryforward bond allocation. After discussion, Mr. Hollis moved, with a second by Mr. DeBose, that the Board **authorize bond counsel to file for \$100 million each of single family and multi-family carryforward bond allocation.** The motion passed 6-0.

IX. Professional Services Contracts

Mr. Hendrickson and Ms. Farris updated the Board on existing professional services contracts. After discussion, Mr. Hollis moved, with a second by Mr. DeBose, that the Board **approve one-year extensions (through December 31, 2018) for the contracts for bond counsel with Bryant Miller Olive and for investment banker with RBC Capital Markets**. The motion passed 6-0.

Ms. Farris presented the proposed modified and extended contract with Mark Hendrickson, which would now treat Mr. Hendrickson as a contract Executive Director. Mr. Hendrickson noted that under federal regulations, he would continue to be considered an Independent Registered Municipal Advisor, and that all previous disclosures were still in place. Ms. Koehler noted that the contract could be terminated by either party with 30-days' notice, and that the fee for 2018 and 2019 would be at the levels set by the existing contract—with the Board and Mr. Hendrickson to negotiate a fee for 2020 and thereafter at that time. After discussion, Mr. DeBose moved, with a second by Mr. Hollis, that the Board **approve the modified and extended contract with Mr. Hendrickson**. The motion passed 6-0.

X. Single Family Report: DPA, MCC's, Old Issues and 2012 Program

Mr. Hendrickson, Ms. Denihan, and Ms. Berner reported on the status of the program.

Ms. Taylor explained that \$100 million of single family bond allocation was expiring in 2018, and would need to be converted to MCC's. After discussion, Mr. DeBose moved, with a second by Mr. Hollis, that the Board **adopt a resolution drafted by bond counsel authorizing the exchange of \$100 million of bond allocation for \$25 million of MCC authority, and other items**. The motion passed 6-0.

Mr. Hendrickson and Ms. Denihan explained that FHFC was reducing its DPA to a \$7,500 loan effective when their HHF funds were fully used. After discussion, Mr. Hedges moved, with a second by Mr. Hollis, that the Board **direct eHousing to reduce the amount of HFA funded DPA to \$10,000, effective January 1, 2018, and to delegate to the Chair the authority to further reduce the DPA amount if needed**. The motion passed 6-0.

Chair Koehler directed the Board to a copy of an email related to the HFA and the impact of HHF DPA funds. Ms. Berner and Ms. Denihan explained that when FHFC utilized all of their HHF funds, that the \$8 million of HHF allocated for use in conjunction with local HFA first mortgages would likely be used very rapidly—causing a massive increase in the volume of first-mortgages in the HFA's program. Mr. Hendrickson noted that this would result in significant profit for the HFA, as the current profit on these loans was 3.39%. He estimated that the \$8 million of HHF DPA would result in approximately \$80 million of first mortgages, which would be spread among the limited number of local HFA's which had access to the funds (Orange, Pinellas, Brevard, Jacksonville, and Hillsborough). After discussion, Mr. Kelley moved, with a second by Mr. Hollis, that the Board **increase the limit on unhedged loans in the HHF Program to \$5 million, and delegate to the Chair the ability to increase to a higher level if necessary**. The motion passed 6-0.

XI. New Multi-Family Financings & Local Government Area of Opportunity Funding

Ms. Farris and Mr. Hendrickson stated that the public records request from the Tampa Housing Authority had been completed. Mr. Hendrickson stated that the legal fees related to the Tempo litigation had been paid by THA.

Ms. Taylor explained the proposed financing of additional bonds for The Tempo. After discussion Mr. DeBose moved, with a second by Mr. Kelley, that the Board **approve the Inducement Resolution prepared by bond counsel for The Tempo**. The motion passed 5-0, with Mr. Hollis abstaining. Mr. Kelley moved, with a second by Mr. DeBose, that the Board **approve the resolution prepared by bond counsel approving the sale of \$13 million of bonds for The Tempo and other items**. The motion passed 5-0, with Mr. Hollis abstaining. Mr. DeBose moved, with a second by Mr. Hedges, that the Board **grant approval for the Chair to execute document amendments to allow full draw of existing bonds for The Tempo by December 31, 2017**. The motion passed 5-0, with Mr. Hollis abstaining.

Mr. Hendrickson stated that the Bethune Residences I transaction would need to close before the end of 2017 if the federal tax legislation was not resolved in a favorable manner. Ms. Koehler stated that the Board **would hold a special meeting on December 21 to consider approval of a bond sale for Bethune Residences I**.

Mr. Hendrickson asked the Board to return to the Local Government Area of Opportunity Funding issue, so that the motion could include all items required. After discussion, Mr. Kelley moved, with a second by Mr. Hedges, that the Board

- **Select City Edge to receive Local Government Area of Opportunity Funding.**
- **Recommend that County fund The Willows and La Costa as back-up deals**
- **For City Edge, establish a 1.5% interest rate, with a 30-year amortization and a balloon at the end of the 15th year**
- **Authorize the Chair to sign a loan commitment letter for City Edge**
- **Request the appropriate County official to sign the FHFC form required to verify the local government contribution for City Edge at the Local Government Area of Opportunity Funding level.**
- **Loan to be evidenced by Promissory Note and Mortgage, with anticipated second mortgage position (subject to all loan documents and due diligence necessary to evidence and complete the transaction). Loan documents to include a Land Use Restriction Agreement with all Applicant commitments (HFA programs, length of set-aside, income restrictions, and others).**
- **Loan commitment expiration date of December 31, 2018.**

XII. Multi-Family Loans & Development Occupancy

Mr. Hendrickson reported on the status of various loans and the continued high occupancy (98.0%) of HFA financed units.

XIII. Other Multi-Family Programs

Mr. Hendrickson reported on the Homeless Up and Out, Youth Aging Out of Foster Care, and Catholic Charities programs.

XIV. SEE, FHFC, & County Reports

Mr. Hedges and Mr. Hendrickson reported on the SEE effort and various budget and legislative items for the 2018 legislative session.

Mr. Hendrickson updated the Board on the FHFC SAIL selection process, noting that both applications from Hillsborough County had failed threshold.

Ms. Howell stated that the County was committing an additional \$300,000 of funds to the DPA Program, and that a contract amendment would be presented to the HFA this week.

XV. Annual Election of Officers

Mr. Hedges moved, with a second by Mr. DeBose, that the Board **elect, for one-year terms for calendar year 2018**

Chairman- Mike Kelley

Vice-Chairman- David Hollis

Secretary- Ed Busansky

With all other members designated as Assistant Secretaries.

The motion passed 6-0.

XVI. 2018 HFA Meeting Calendar

Mr. Hendrickson explained that FHFC had only set meeting dates through March. Ms. Koehler asked that the Board delay approving a full 2018 meeting calendar until all FHFC meeting dates were known. After discussion, Mr. Kelley moved, with a second by Mr. DeBose, that the Board **set meeting dates of December 21, 2017, January 19 and February 23, 2018**. The motion passed 6-0.

XVII. Adjournment

On a motion by Mr. Hedges, seconded by Mr. DeBose, the Board voted 6-0 to adjourn the meeting (11:10 AM).