

Clearwater, Florida, July 1, 2015

The Housing Finance Authority (HFA) Board of Pinellas County (as created by the Code of Ordinances of Pinellas County, Section 2-386) met in regular session in the County Commission Assembly Room, Fifth Floor, 315 Court Street, Clearwater, Florida, at 3:02 P.M. on this date with the following members present:

Rodney S. Fischer, Chairman
Tasker Beal, Jr., Vice-Chairman
Norris E. Counts, Secretary/Treasurer
Robyn Fiel, Assistant Secretary

Not Present

Casey Cane, Assistant Secretary

Also Present

Kathryn Driver, Executive Director, HFA
Sheri Harris, HFA Staff
Karmen Lemberg, HFA Staff
Michael T. Cronin, Attorney, Johnson, Pope, Bokor, Ruppel & Burns, PA
Anthony M. Jones, Executive Director, Bright Community Trust
Tom Shelly, Bright Community Trust
Frank Wells, Bright Community Trust
Debbie Berner, RBC Capital Markets
David Jones, CSG Advisors
Monique Spotts, Bryant Miller Olive, PA
Tim Wranovix, Raymond James
Other Interested Individuals
Michael P. Schmidt, Board Reporter, Deputy Clerk

AGENDA

1. CALL TO ORDER
2. PUBLIC COMMENTS
3. APPROVAL OF MINUTES
 - A. March 4, 2015 Meeting Minutes

4. TREASURER'S REPORTS
 - A. General Fund
 1. April 2015
 - B. Trust Fund
 1. April 2015
5. COMMUNICATIONS TO THE AUTHORITY
 - A. University of South Florida
 - B. Tampa Bay CDC Usage Report – \$100,000 Loan
 - C. State Board of Administration
 - D. Bright Community Trust
6. REPORTS BY STAFF
 - A. HFA Operations Update – Kathryn Driver
 - B. Multi-Family Update – Kathryn Driver
 1. Occupancy Report
 - C. Single Family Update – Karmen Lemberg
7. NEW BUSINESS
 - A. Pinellas County Affordable Housing Land Assembly Fund
 1. Resolution
(Action Item – Kathryn Driver)
 - B. Budget Amendment
 1. Memo
 2. Resolution
(Action Item – Kathryn Driver)
 - C. Boca Ciega Townhomes
 1. Credit Underwriting Report
 2. Resolution
 - a. Draft Trust Indenture
 - b. Draft Loan Agreement
 - c. Draft Compliance Monitoring Agreement
 - d. Draft Land Use Restriction Agreement
 - e. Draft Fee Guaranty and Environmental Indemnity Agreement
 - f. Draft Preliminary Official Statement
 - g. Draft Bond Purchase Agreement
(Action Item – Kathryn Driver)
 - D. Bright Community Trust Grant Request
(Action Item – Kathryn Driver and Mike Cronin)
8. ADJOURNMENT

Upcoming Events

Next Meeting – August 5, 2015, BCC Chamber, 315 Court Street, Fifth Floor
Florida Association of Local Housing Finance Authorities Educational Conference
July 8–11, 2015 – Vinoy, St. Petersburg

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CALL TO ORDER

Chairman Fischer called the meeting to order at 3:02 P.M. and, at his request, those in attendance introduced themselves. A sign-in sheet has been filed and made a part of the record.

PUBLIC COMMENTS – NONE

MINUTES OF HFA MEETING OF MARCH 4, 2015 – APPROVED

Upon presentation by Chairman Fischer of the minutes of the HFA meeting of March 4, 2014, Mr. Counts moved, seconded by Mr. Beal and carried, that the minutes be approved as submitted.

TREASURER'S REPORTS – APPROVED

Financial Report – General Fund – April 2015

Mr. Counts presented the HFA General Fund financial statement for the month of April 2015, copies of which have been filed and made a part of the record; whereupon, he reviewed the April Cash Roll Report and moved, seconded by Ms. Fiel and carried, that the reports be approved.

Financial Report – Housing Trust Fund – April 2015

Mr. Counts presented the HFA Housing Trust Fund financial statement for the month of April 2015, copies of which have been filed and made a part of the record; whereupon, he reviewed the April Cash Roll Report and moved, seconded by Mr. Beal and carried, that the reports be approved.

COMMUNICATIONS TO THE AUTHORITY

University of South Florida

Ms. Driver briefly discussed the Community Real Estate Development Program (CRED), a program coordinated through the Florida Institute of Government at the University of South Florida, and reported that the members' packets include a letter from the University expressing appreciation for the Authority's ongoing financial support.

Tampa Bay Community Development Corporation Report – \$100,000 Loan

Ms. Driver reviewed the Tampa Bay Community Development Corporation document titled *Revolving Loan Usage Report*, which has been included in the members' packets and made a part of the record, and related that it includes information regarding how the funds are being utilized.

State Board of Administration

Ms. Driver provided background information regarding two letters received from the State Board of Administration, which have been filed and made a part of the record. She indicated that the HFA had been a participant in the Local Government Surplus Funds Trust Fund (LGIP) in November 2007; that interest earnings for LGIP participants had been frozen for that month; that those earnings are now being released; that the HFA Housing Trust Fund and HFA General Fund are slated to receive approximately \$3,700 and \$6,500, respectively; and that the funds are expected be distributed in July and received prior to the next Board meeting.

Bright Community Trust

Ms. Driver related that a report titled *Bright Community Trust Update – June and July 2015*, has been included as part of the agenda materials; that there have been no changes or updates since the May meeting; and that Bright Trust representatives are in attendance and available to answer questions.

REPORTS BY STAFF

HFA Operations Update

Ms. Driver welcomed Mr. Beal back to the Board following an extended absence, and reported that Mr. Cane is not present today because he is taking his wife home from the hospital following the recent birth of their daughter; whereupon, she provided an update on recent, ongoing, and upcoming activities, as follows:

- Everything went smoothly regarding the Single Family Bond Issue; another bond issue could take place during late 2015 or early 2016.
- An amended Community Housing Program Interlocal Agreement was approved at the May 19, 2015 County Commission meeting.

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- Discussed a *Tampa Bay Times* article regarding how the HFA and Pinellas County are working together to deal with the issue of vacant and foreclosed homes in the Lealman community; her office is thinking of strategies to acquire, rehabilitate, and market those properties.
- Staff finalized the Request for Applications for the Affordable Housing Land Assembly Fund and held a productive meeting with various stakeholders; the two accounting firms presently working for the HFA continue to discuss issues relating to the upcoming transition from KBLD to Barbara Clark & Company, which is expected to occur in the next month or two.
- The Florida Association of Local Housing Finance Authorities (FLALHFA) 2015 Annual Educational Conference will be held next week at the Vinoy in St. Petersburg; she provided information regarding various panels that will take place during the conference.
- She has been invited to present information regarding affordable housing programs at the July 14 Largo City Commission meeting.

Multi-Family Program Update

Ms. Driver indicated that the updated occupancy figures are included in the agenda packet; whereupon, she related that the Boca Ciega Apartments credit underwriting process is progressing quickly via bi-weekly conference call updates by Raymond James; and that settlement is slated to take place in mid-August.

Ms. Driver reported that staff and Community Development and Planning are currently working on the rules, policies, and procedures regarding the Affordable Housing Land Assembly Fund, and briefly discussed how the first tranche, or portion, of funds will be used to expand affordable multi-family rental properties and increase workforce housing.

Ms. Driver related that she and a developer have been discussing the prospect of the Pinellas County HFA issuing multi-family bonds for a new construction project to be located in Sumter County; that the developer intends to submit an application to her office because Sumter County is unable to issue the bonds; that she has discussed the matter with Managing Assistant County Attorney Don S. Crowell; that an interlocal agreement and a resolution will need to be in place with Sumter County before the HFA can proceed; and that the developer's application will likely come before the Authority at the August meeting.

Ms. Driver reported that her office is partnering with Pinellas County and the City of Clearwater on a new construction project just north of Downtown Clearwater; and that the project will be comprised of 76 rental units set aside for households having annual incomes at or below 60 percent of the area median income.

Single Family Program Update

Ms. Lemberg provided an update regarding the Single Family Program, relating that the single family bond issue closed in May and was very successful; that about \$5.5 million of mortgage securities were rolled into the 2016 program; that there is approximately \$11 million in the pipeline for the next bond issue; and that her office is slated to purchase another pool of securities in July, which will be held at Federal Home Loan Bank.

Ms. Lemberg reported that the HFA has lowered the down payment assistance amount to \$7,500, which is consistent with other programs in the area; that there have been two rate increases over the last two months; and that the current rate is 4.5 percent for a 30-year fixed-rate mortgage; whereupon, she related that staff is presently evaluating a new Freddie Mac program; that the program entails a conventional loan at 97 percent loan-to-value and includes private mortgage insurance at a greatly reduced rate; that David Jones is helping to evaluate the program; and that she will provide further information at the next meeting regarding the feasibility of the program.

Ms. Lemberg indicated that staff participated in the Home Ownership for People Everywhere (HOPE) Expo on June 6; that the HFA sponsors the program on a yearly basis; and that record numbers of people attended the event.

Ms. Lemberg related that she and Jane Muhrlin hosted the June radio show; that Marquaz McGhee, Bright Community Trust, was the featured guest; that discussion focused on various aspects of the Community Land Trust; and that the program can be viewed via a link from the HFA website; whereupon, she indicated that the July radio show will feature Pinellas County Communications Department Public Information Specialist Kevin Baxter; that the topic will be hurricane preparedness; and that the program will air tomorrow at 10:05 A.M. on WXR 1590 and also be posted on YouTube.

NEW BUSINESS

Pinellas County Affordable Housing Land Assembly Fund

RESOLUTION NO. 2015-06 ADOPTED APPROVING AND RATIFYING AN INTERLOCAL AGREEMENT WITH PINELLAS COUNTY, FLORIDA RELATING TO THE ESTABLISHMENT OF AN AFFORDABLE HOUSING LAND ASSEMBLY FUND, ADMINISTRATION OF THE COMMUNITY HOUSING PROGRAM, DELEGATION OF DUTIES AND RESPONSIBILITIES; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY AND ADVISABLE IN CONNECTION WITH THE FOREGOING; AND PROVIDING AN EFFECTIVE DATE

Ms. Driver provided background information regarding the item, summarized various points brought forward earlier in the meeting, and discussed how HFA staff and Pinellas County have been working together on the Affordable Housing Land Assembly Fund. She discussed how the first tranche will be used, relating that the dollars will help to further the development of multi-family rental properties; and that the Request for Applications will be put out to bid by the beginning of August; whereupon, she stated that the proposed resolution will ratify the interlocal agreement executed last month by the Authority members and subsequently executed by the Board of County Commissioners.

Ms. Driver referred to Page 2, Section 4, of the resolution, which reads: In order to implement and administer the provisions of Resolution No. 15-41, adopted by the Board for the establishment of the Affordable Housing Land Assembly Fund, the Executive Director of the Authority is hereby authorized and empowered to commit or expend up to \$100,000 relating to the acquisition of land for affordable housing fulfilling the objectives of the Affordable Housing Land Assembly Fund and the Program provided that such expenditure of funds are reimbursable by Pinellas County or one of its departments; whereupon, she explained why she, as the Executive Director, needs the authority to spend up to \$100,000 without Board approval.

During discussion and in response to queries by the members, Ms. Driver briefly discussed how the dollars would be utilized for the acquisition of land and how her office would be reimbursed by the County, and Mr. Counts provided input; whereupon, Mr. Beal moved, seconded by Ms. Fiel and carried, that Resolution No. 2015-06 be adopted.

Budget Amendment

RESOLUTION NO. 2015-07 ADOPTED APPROVING AN AMENDED BUDGET; AND PROVIDING AN EFFECTIVE DATE

Ms. Driver provided background information regarding the item, briefly discussed the General Fund Fiscal Year 2015 Budget Amendment, and referring to a chart titled *HFA of Pinellas County FY15 Operating Budget – Amended*, presented information regarding various revenues and expenditures.

In response to queries by the members, Ms. Driver related that she has spoken with Mr. Counts, the auditors, and both accounting firms regarding the budget amendment, and provided information regarding the State Housing Initiatives Partnership (SHIP) Program Parity Release and how distributions from the redemption of bonds are reflected in the budget.

Ms. Driver recommended that the HFA approve a budget increase of \$3,383,940 to reflect revenues received and an additional \$2,717,819 to reflect expenditures incurred, noting that the dollar amounts had not been budgeted during the current fiscal year; whereupon, Mr. Counts moved, seconded by Mr. Beal and carried, that Resolution No. 2015-07 be adopted.

Boca Ciega Townhomes

RESOLUTION NO. 2015-08 ADOPTED AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$9,900,000 IN PRINCIPAL AMOUNT OF HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2015 (BOCA CIEGA TOWNHOMES); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, LOAN AGREEMENT, LAND USE RESTRICTION AGREEMENT, A COMPLIANCE MONITORING AGREEMENT AND A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT RELATING TO THE BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING ITS DISTRIBUTION IN CONNECTION WITH THE SALE OF THE BONDS AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE BONDS BY AND AMONG THE AUTHORITY, THE BORROWER AND RAYMOND JAMES & ASSOCIATES INC.; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF AND PROVISION OF SECURITY FOR THE BONDS; APPOINTING A TRUSTEE WITH RESPECT TO THE BONDS AND A COMPLIANCE AGENT WITH RESPECT TO THE PROJECT; PROVIDING THAT SUCH BONDS SHALL BE ISSUED IN CERTIFICATED FORM; AUTHORIZING THE AWARD OF THE BONDS TO RAYMOND JAMES & ASSOCIATES, INC.; AND PROVIDING AN EFFECTIVE DATE

Ms. Driver provided background information regarding the item, relating that the members' packets include a copy of all bond documents and the resolution. She referred to a document titled *HFA of Pinellas County, Boca Ciega Townhomes, Multifamily Housing Revenue Bond Program Credit Underwriting Report* and discussed issues and concerns, including special conditions, that need to be addressed prior to closing, relating that they are relatively minor and should be easily resolved; whereupon, in response to queries by the members, she indicated that Marc Menowitz, one of the three principals, has agreed to be included on the financial guaranty to the HFA; and that the bond issue will likely close in mid-August.

During further discussion and in response to queries by Chairman Fischer, Attorney Cronin confirmed that the resolution would be subject to resolving the conditions outlined in the Credit Underwriting Report; whereupon, Mr. Counts moved, seconded by Ms. Fiel and carried, that Resolution No. 2015-08 be adopted based on the clarification by Attorney Cronin.

Bright Community Trust Grant Request

Ms. Driver discussed the partnership between the Housing Finance Authority and Bright Community Trust, relating that Chairman Fischer had requested that the HFA and Bright Trust meet and attempt to resolve their differences; and that discussion centered on communication concerns, compliance issues, and extensive delays; whereupon, she discussed the mission of the HFA and her commitment to operate under the highest degree of transparency and accountability.

Attorney Cronin summarized his understanding with respect to how the parties left the meeting, indicating that:

- Parties agreed to retain a third-party construction draw consultant for single family oversight.
- Current Specific Performance Agreement to be terminated/replaced by a new agreement that will more accurately reflect the current structure and will distinguish Bright Community Trust as a sub-recipient of Neighborhood Stabilization Program funds versus its role as a developer.
- Parties will continue to work on the amended Land Trust Agreement.

Attorney Cronin related that the parties could not reach consensus regarding the terms of the final Land Trust Agreement or what restrictions would be appropriate between the parties; whereupon, he provided highlights regarding a series of emails and telephone calls he had on Tuesday with County representatives, indicating that:

- Pinellas County is not requesting a change to the 51 percent Bright Community Trust beneficial interest versus the HFA 49 percent beneficial interest that was approved by the previous amendment.

- Pinellas County would like the HFA to approve sales assignments, liens/encumbrances, or mortgages on the land within the Land Trust; discussion took place regarding the placement of a reverter clause in the agreement.
- Mr. Cane would be invited as an observer to Bright Community Trust Board Executive Committee Meetings, including telephone participation; more open and direct communication would take place between respective staffs.
- Bright Community Trust provided a summary of its projections for the remainder of the current year and the next two years, which shows a continuing decline in the amount and percentage of HFA financial support.

Attorney Cronin indicated that uncomfortable interpersonal relationships between the two staffs have made working together more difficult; that unprofessional comments made on social media following the meeting have done nothing to help the situation; and that while Bright Trust is a valuable tool in the toolbox, it is not the only tool, and the HFA has many tools at its disposal to meet its objectives; whereupon, he related that Mr. Cane had attended Monday's meeting; that he was actively involved and able to offer a fresh perspective on the situation; and that knowing he would be unable to attend today's HFA meeting, has provided a letter regarding his observations, a copy of which has been filed and made a part of the record.

Attorney Cronin read the letter aloud and responded to queries by Mr. Counts as to the funding that Mr. Cane is recommending. Following discussion, Attorney Cronin related that Bright Trust is a valuable partner; that it currently needs the support of the HFA; that any issues can likely be resolved; and that while the letter submitted by Mr. Cane is a written opinion, it is not an actual motion; whereupon, he stated that now would be an appropriate time to hear from Bright Trust staff, and Chairman Fischer, with input by Mr. Counts, clarified that there is presently no motion on the floor.

Anthony Jones indicated that he was not aware of the social media posting until now; and that he is unable to respond to the points brought forward by Attorney Cronin as it is his first time hearing them. Mr. Shelly stated that he attended the meeting; that he considered the discussion to be positive; and that placing a reverter clause in the document to address HFA concerns seems reasonable to him; whereupon, Chairman Fischer stated that the issue before the Authority is whether Bright Trust should continue to be funded and, if so, at what amount, and discussion ensued.

Mr. Jones requested that the original contract be honored, and indicated that Bright Trust budgeting is based on the original agreement; and that the organization is currently drawing down its reserves due to inadequate funding. He discussed the lack of an agreement allowing Bright Trust to encumber/mortgage land within the Land Trust, indicating that by allowing borrowing against those properties, it would provide funding for new construction lending; whereupon, Attorney Cronin stated that he does not want to see Bright Trust in a cash-constrained position.

Thereupon, expressing reluctance, Mr. Counts moved, seconded by Ms. Fiel, that the proposal outlined by Mr. Cane be accepted.

In response to comments and queries by Chairman Fischer, Ms. Driver related that she could make the first \$17,000 quarterly disbursement as early as tomorrow; and that discussion regarding the amount of the next payment could take place at the August meeting; whereupon, Attorney Cronin indicated that the original resolution provides for a \$50,000 quarterly payment; that those advances are subject to the discretion of the Authority; and that, in his opinion, the full \$50,000 should be disbursed, and discussion ensued.

Attorney Cronin restated Mr. Cane's recommendation, indicating that it would be to unconditionally fund Bright Trust at \$17,000 a quarter, with a remaining discretionary amount paid out based on circumstances and needs as they arise; whereupon, Chairman Fischer opined that \$17,000 may not be adequate funding for Bright Trust to remain in operation at the present time, and Mr. Counts indicated that although he made the motion to approve Mr. Cane's proposal, he is loathe to provide further funding to Bright Trust.

Ms. Fiel related that upon further consideration of the matter, she would deem it prudent to provide more funding to Bright Trust now, with the expectation of providing less funding in the future; whereupon, she withdrew her second. Chairman Fischer indicated that a motion remains on the table, and hearing no response to his request for a second, stated that the motion dies for lack of a second.

Ms. Fiel moved, seconded by Mr. Beal, that one \$50,000 disbursement be made to Bright Community Trust; and that future funding be contingent upon resolving outstanding issues. Following brief discussion, Chairman Fischer confirmed that contingent upon the item passing, Bright Community Trust would have until the October meeting to resolve any outstanding issues prior to the next funding request; whereupon, upon call for the vote, the motion carried 3 to 1, with Mr. Counts casting the dissenting vote.

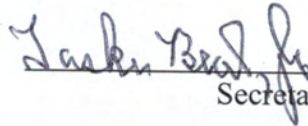
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OTHER BUSINESS

Chairman Fischer reminded the members that the FLALHFA 2015 Annual Educational Conference will be held next week at the Vinoy in St. Petersburg; and that the next HFA meeting will take place on Wednesday, August 5, 2015.

ADJOURNMENT

The meeting was adjourned at 3:41 P.M.



Secretary/Treasurer