

ORANGE COUNTY HOUSING FINANCE AUTHORITY

BOARD OF DIRECTORS

M. Siplin | M. McCall | V. Atkins-Bradley | S. Rizzo | C. Hunter

OFFICIAL MEETING MINUTES

Meeting: Board of Directors Meeting **Date:** Wednesday, November 7, 2018 **Time:** 8:30am
Location: Orange County Administration Center – Commissioners Chambers – 1st Fl., 201 S. Rosalind Ave., Orlando, FL.

Board Members

PRESENT

Mercedes McCall
Vice Chairman

Vernice Atkins-Bradley
Board Member

Sascha Rizzo
Board Member

Curtis Hunter
Board Member

Board Members

ABSENT

Marshall Siplin
Chairman

OCHFA Staff

PRESENT

W.D. Morris
Executive Director

Kayode Adetayo
Chief Financial Officer

Frantz Dutes
Director, Program Operations

Olympia Roman
Staff

Rosalind Natal
Staff

Kelly Cambre
Staff

Birva Parikh
Staff

Tevern David
Staff

OCHFA Professionals

PRESENT

Warren Bloom
General Counsel, Greenberg Traurig

Mike Watkins
General Counsel, Greenberg Traurig

Bruce Giles-Klein
Bond Counsel, Greenberg Traurig

Sylvia S. Penneys
Bond Counsel, Greenberg Traurig

David Jones
Financial Advisor – CSG Advisors

Donald Peterson
Managing Underwriter – RBC Capital Markets

James Audette
Corporate Trustee Services – USBank

BCC Staff

PRESENT

Lila McHenry
Assistant County Attny

Fiscal Business Svcs

MEETING OPENED

There being a quorum, Madam Vice Chairman, Mercedes McCall called the meeting to order at 8:30 a.m.

PUBLIC COMMENT(S)

No comment(s).

ACKNOWLEDGMENT OF LOCAL AND OUT-OF-STATE VISTING GUESTS

Vice Chairman McCall acknowledged the students from the University of Central Florida and Executive Staff from the Finance Authority of New Orleans, Damon Burns, CEO; Bianka Brown, VP Finance and Stacey Weaver, Staff.

CONSENT AGENDA

ACTION TAKEN

There being no discussion, the Board approved Consent Agenda items.

MOTION / SECOND: V. Atkins-Bradley/ C. Hunter AYE BY VOICE VOTE: All Present NAY BY VOICE VOTE: _____ ABSTAINED: _____

A. GENERAL ADMINISTRATION

1. Adoption of the October 3, 2018, Board of Directors Meeting minutes.

B. EXECUTIVE DIRECTOR'S OFFICE

C. FINANCIAL MANAGEMENT

1. Acknowledgement Summary of OCHFA's Operating Fund Investments. Acknowledgement of the consolidated balance sheet for the Operating Fund; acknowledgement of combined statement of rev(s)/ exp(s)/ changes in retained earnings; acknowledgement of FY 2019, operating fund comparison of budget vs. actual; acknowledgement of FY 2019, operating fund comparison of actual revenues & expenses; acknowledgement summary of OCHFA's operating fund investments.

D. PROGRAM OPERATIONS

1. Acknowledgement of the Current Status of the Single-Family HRB Program.
2. Acknowledgement of the Multi-Family Audit Period September – October 2018.

DISCUSSION AGENDA**A. EXECUTIVE DIRECTOR****CONSIDER APPROVAL OF BOND RESOLUTION AND ASSOCIATED DOCUMENTS, TERMS AND FINANCING OF MULTI-FAMILY TAX-EXEMPT BONDS, FOR LAKE WESTON POINT APARTMENTS; NOT-TO-EXCEED \$22MM – REGION 14.**

W.D. Morris, Executive Director, addressed the Board regarding its consideration of the proposed Bond Resolution of Multi-Family Tax-Exempt Bonds for the proposed Lake Weston Point Apartments, not-to-exceed \$22MM. He provided the Board with a brief history of the proposed development from its first developer Picerne Development to the current developer Dominion Development. He then stated that the proposed development is an acquisition and rehabilitation, consisting of 240-units of multi-family affordable housing; and that the applicant is Orlando Leased Housing Associates X, LLLP, a Florida Limited Partnership, an affiliate of Dominion Development I LLC. He also stated that the proposed developments set-aside would be 15% at 35% Area Median Income (AMI) and 85% at 60% Area Median Income (AMI).

Mr. Morris reviewed that financial structure of the proposed development, involves a Fannie Mae, Delegated Underwriting and Servicing loan (Fannie DUS Loan), provided via Citibank (as the DUS Lender) in the amount of \$18.840MM, in exchange for the assignment of a mortgage loan in the same principal amount issued by OCHFA on the date of closing. He then stated that the Debt Service Coverage (DSC) Ratio is a 1.122; and that the Real Estate Credit Underwriting Report prepared by Seltzer Management (Credit Underwriter) recommends approval of a \$22MM bond issue; and that the total development cost at permanent financing is \$42,090,020. Mr. Morris asked Warren Bloom, General Counsel to address board members concerns regarding the the Authority's Subordinate Debt Financing Policy – DSC Ratio of 1.20.

After brief discussion, Board Member Sascha Rizzo stated his concern with keeping with the Authority's set policies and expressed his appreciation and thanks to staff for their creative input into this structure; as well as stating his support of this structure by modifying the action requested, as related to current Subordinate Debt Financing Policy, to reflect consideration of credit enhancement deals and other factors which may apply to subordinate debt structures.

Vice Chairman McCall expressed her concern regarding keeping with the Authority's set policies and procedures, adopted by the board. She concurred with Mr. Rizzo by stating that because the structure is a different type of deal, involving credit enhancements, which allows the Board to make an exception to the current policy, and that such exceptions should be addressed for future deals. She further stated that without the credit enhancements, the Authority needs to continue to comply with its current policies. She then asked Board Rizzo to frame a motion the action requested and modification of the Authority's existing Subordinate Debt Financing Policy – DSC Ratio. Mr. Rizzo made a friendly motion to approve the existing action with modification of the Authority's existing Subordinate Debt Financing Policy – DSC Ratio to include consideration of credit enhancement factors, which are deal/structure specific, along with any other deal/structure specific factors, which would further the Authority's Mission Goals and Objectives. Motioned was seconded by Board Member V. Atkins-Bradley.

RESOLUTION NO. 2018-05

RESOLUTION OF THE ORANGE COUNTY HOUSING FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING \$22,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS ORANGE COUNTY HOUSING FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS, 2018 SERIES [TO BE DESIGNATED] (LAKE WESTON POINT APARTMENTS) (THE "SENIOR BONDS") AND ITS ORANGE COUNTY HOUSING FINANCE AUTHORITY SUBORDINATE MULTIFAMILY HOUSING REVENUE BOND, 2018 SERIES [TO BE DESIGNATED] (LAKE WESTON POINT APARTMENTS) (THE "SUBORDINATE BOND"); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE OF THE SENIOR BONDS TO DOUGHERTY AND COMPANY LLC (IN SUCH CAPACITY, THE "UNDERWRITER"), AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING THE DATE, INTEREST RATE, INTEREST PAYMENT DATES AND MATURITY SCHEDULE AND OTHER TERMS OF THE SENIOR BONDS; PROVIDING FOR THE PRIVATE

PLACEMENT OF THE SUBORDINATE BOND THROUGH DOUGHERTY AND COMPANY LLC (IN SUCH CAPACITY, THE "PLACEMENT AGENT"), AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING THE DATE, INTEREST RATE, INTEREST PAYMENT DATES AND MATURITY AND OTHER TERMS OF THE SUBORDINATE BOND; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF TRUST INDENTURES WITH RESPECT TO THE SENIOR BONDS AND SUBORDINATE BOND, FINANCING AGREEMENTS WITH RESPECT TO THE SENIOR BONDS AND SUBORDINATE BOND, A LOAN AGREEMENT WITH RESPECT TO THE SENIOR BONDS, A MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING WITH RESPECT TO THE SENIOR BONDS AND A SUBORDINATE MORTGAGE, SECURITY AGREEMENT, FIXTURE FINANCING STATEMENT AND ASSIGNMENT OF LEASES AND RENTS WITH RESPECT TO THE SUBORDINATE BOND, AN ASSIGNMENT OF MORTGAGE WITH RESPECT TO EACH SERIES OF BONDS, A SUBORDINATION AGREEMENT WITH RESPECT TO THE SUBORDINATE BOND, ENDORSEMENT OF A BOND MORTGAGE NOTE WITH RESPECT TO THE SENIOR BONDS; A SUBORDINATE BOND MORTGAGE NOTE WITH RESPECT TO THE SUBORDINATE BOND; A LAND USE RESTRICTION AGREEMENT, AN ARBITRAGE REBATE AGREEMENT, A COMPLIANCE MONITORING AGREEMENT, A GUARANTY OF COMPLETION, A GUARANTY OF RECOURSE OBLIGATIONS, AN OPERATING DEFICIT GUARANTY, AN ENVIRONMENTAL INDEMNITY, AND ALL EXHIBITS THERETO; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS AND APPROVING THE FORM OF THE PURCHASE CONTRACT AND EXECUTION THEREOF RELATING TO THE NEGOTIATED SALE OF THE SENIOR BONDS TO THE UNDERWRITER AND THE FORM OF THE PLACEMENT AGENT AGREEMENT AND EXECUTION THEREOF RELATING TO THE PRIVATE SALE OF THE SUBORDINATE BOND TO THE SELLER OF THE PROJECT; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SENIOR BONDS AND AUTHORIZING THE PREPARATION, DISTRIBUTION AND EXECUTION OF A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF THE SENIOR BONDS; AUTHORIZING THE APPOINTMENT OF A TRUSTEE WITH RESPECT TO EACH SERIES OF BONDS AND A REBATE ANALYST; AUTHORIZING THE CHAIRMAN OR VICE CHAIRMAN OR ANY AUTHORITY MEMBER TO TAKE ANY OTHER ACTIONS NECESSARY TO ISSUE THE BONDS AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

ACTION TAKEN

There being no further discussion, the Board approved Bond Resolution (2018-05), Underwriting Report, Terms and financing in an amount not-to-exceed \$22MM for the Multi-Family Development Lake Weston Point Apartments; and authorization for the Chairman, Board Member and Executive Director to execute all associated documents subject to General Counsel's review; and modification of the Authority's existing Subordinate Debt Financing Policy, to include consideration of Credit Enhancement factors, which are deal specific, along with any other deal specific factors, which would further the Authority's Mission Goals and Objectives.

MOTION / SECOND: S. Rizzo/ V. Atkins-Bradley AYE BY VOICE VOTE: All Present NAY BY VOICE VOTE: _____ ABSTAINED: _____

CONSIDER APPROVAL OF THE AUTHORITY'S DRAFT SHORT-FORM SAIL APPLICATION, ASSOCIATED WITH LOCAL HOUSING FINANCE AUTHORITY BONDS.

Mr. Morris addressed the Board regarding its consideration of the Authority's draft Short-form SAIL Application, associated with local Housing Finance Authority bonds. He stated that the Florida Housing Finance Corporation (FHFC) is the administering agency of the State Apartment Incentive Loan (SAIL) Program, which provides funding via a statewide competitive process, in conjunction with Tax-Exempt Bond financing for the Corporation-issued Multi-Family Mortgage Revenue Bonds and for Local Housing Finance Agencies; using 4% non-competitive housing credits. He then stated that this Short-Form Application allows developers to utilize the Authority's local process to apply for 2018 SAIL funding; which in-turn, a) allows a developer to compete at the State with limited capital outlay at the local level; b) the processes at the local level does not involve all the costs associated with the Authority's existing Open-Cycle Process, to include the required 10-basis points application fee; and c) requires only a \$500.00, non-refundable application fee; and that should a developer be successful at the State level and is awarded SAIL funding, they would be required to utilize the Authority's existing Open-Cycle Application process.

Board Member Atkins-Bradley briefly commented on her support of this item.

ACTION TAKEN

There being no further discussion, the Board approved the Authority's Short-Form SAIL Application and Associated Letter.

MOTION / SECOND: V. Atkins-Bradley/ S. Rizzo AYE BY VOICE VOTE: All Present NAY BY VOICE VOTE: _____ ABSTAINED: _____

OTHER BUSINESS

ADJOURNMENT

There being no further business, Madame Vice Chairman Mercedes McCall, adjourned the meeting at 8:54 a.m.

ATTEST:

W.D. MORRIS
EXECUTIVE DIRECTOR

MERCEDES McCALL
VICE CHAIRMAN – ACTING CHAIR

END OF MINUTES PREPARED BY OLYMPIA ROMAN