

ORANGE COUNTY HOUSING FINANCE AUTHORITY

BOARD OF DIRECTORS

M. SIPLIN | M. McCALL | C. CUEVAS | V. ATKINS-BRADLEY | S. RIZZO

OFFICIAL MEETING MINUTES

Meeting: Board of Directors Meeting **Date:** Wednesday, May 3, 2017 **Time:** 8:30am
Location: Orange County Administration Center – Commissioners Chambers – 1st Fl., 201 S. Rosalind Ave., Orlando, FL.

Board Members

PRESENT

Marshall Siplin
Chairman

Mercedes McCall
Vice Chairman

Clemente Cuevas
Board Member

Vernice Atkins-Bradley
Board Member

Sascha Rizzo
Board Member

OCHFA Staff

PRESENT

W.D. Morris
Executive Director

Jim Singh
Deputy Exec. Director/ CFO

Frantz Dutes
Director Single-Family

Olympia Roman
Staff/ Recording

Kelly Cambre
Staff

Birva Parikh
Staff

Elliott Andrews
Staff

Rosalind Natal
Staff

OCHFA Professionals

PRESENT

Warren Bloom
General Counsel, Greenberg Traurig

Sylvia S. Penneys
Bond Counsel, Greenberg Traurig

David Jones
Financial Advisor, CSG Advisors, Inc

Helen Feinberg
Managing Underwriter, RBC Capital Markets

Tim Wranovix
Co-Managing Underwriter, Raymond James

Sue Denhihan
eHousing Plus

BCC Staff

PRESENT

Lila McHenry
Assistant District Attorney

MEETING OPENED

There being a quorum, Madam Chairman, Marshall Siplin called the meeting to order at 8:30 a.m.

PUBLIC COMMENT(S)

No comment(s).

CONSENT AGENDA

Chairman Siplin asked that the April 5, 2017, board meeting minutes be amended to reflect Board Member Mercedes McCall's attendance via telephone.

ACTION TAKEN

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

MOTION / SECOND: C. Cuevas/ M. McCall AYE BY VOICE VOTE: All Present Members RECUSED/ ABSTAINED: 0

A. GENERAL ADMINISTRATION

1. Adoption of April 5, 2017 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 fiscal year 2017, operating fund comparison of budget vs. actual; acknowledgement of fiscal year 2017, 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 March – April 2017.

DISCUSSION AGENDA

A. EXECUTIVE DIRECTOR

CONSIDER APPROVAL OF BOND RESOLUTION AND ASSOCIATED DOCUMENTS, TERMS AND FINANCING OF MULTI-FAMILY TAX-EXEMPT BONDS, SERIES-A VISTA PINES APARTMENTS, NOT TO EXCEED \$22MM.

Mr. Morris addressed the Board regarding consideration of Bond Resolution 2017-02 and associated documents of Multi-Family Tax-Exempt Bonds SERIES-A, for Vista Pines Apartments, in an amount not-to-exceed \$22MM. He stated that the Authority received the proposed Vista Pines Apartments, a 238-unit community, in October 2016; and that it was submitted by Vista Pines Partners, LTD, whose developer is Atlantic Housing Partners. He then stated that community would offer one to four bedroom units, with rents from \$658 - \$1,018 per month. He also stated that the financial structure reflects \$22MM of Tax-exempt Bonds; a Total Development Cost estimated at \$42,564,121 to include Tax-Exempt Bonds; Tax Credit Equity; Deferred GCE fee; Deferred Developer fee; Developer Equity; and that the proposed structure would be a private placement with the bonds purchased in part by BankUnited (Bank-U) and Fairview Bond Holdings (Fairview-BH), LLC, owned by Mike Sciarrino, Principal of Atlantic Housing Partners, LLC; with the Investment Banker, Raymond James and the Bank of New York, as the Trustee. Mr. Morris concluded by stating that the board package included the Real Estate and Credit Underwriting Report prepared by First Housing Development Corporation (FHDC); and that the associated documents had been reviewed by Staff, Financial Advisor, Bond Counsel and General Counsel.

Mr. Morris announced that Scott Culp, Atlantic Housing, requested to address the Board regarding Vista Pines Apartments. Mr. Culp approached the Board, and spoke of Atlantic Housing Partners (Developer) relationship and history with the Authority regarding its affordable housing partnership. He shared Atlantic Housing Partners concern regarding the possible pending tax reform and its impact on the Vista Pines Apartments project. He then asked the Board to consider postponing the closing of Vista Pines Apartments project and to schedule a workshop to discuss a reduction in **the Authority's fees**. He then concluded by stating that an easy solution for Atlantic Housing Partners would be to withdraw the project and develop market rate housing, due to its great demand.

Board Member Rizzo asked Mr. Culp for clarification regarding his request to delay the closing for a board workshop regarding the **Authority's fees**. Mr. Culp stated that he did not believe that the board and staff were prepared to address a reduction of fees was justified. Mr. Morris stated that since December 2016, the market had not changed and that the instabilities are still there, due to the proposed tax code revisions, fiscal and monetary policies. He then asked Mr. Culp, if over the next couple of weeks he anticipates a lot of changes to occur that would provide more information to make decisions on; and further stated that the Vista Pines Apartments transaction credit underwriting report demonstrated that the structure works; and if it did not, the staff would not have presented to the Board. Mr. Culp stated that he agreed that there would not be any change in the next few weeks that would affect the credit underwriting report. He then stated that the underwriting report was done very well and has addressed all of the issues; and the Atlantic Housing Partners was asking for the delay of the project closing, for an opportunity for OCHFA staff to look at the numbers and say is this an opportunity where the Authority could consider reducing its fees; and that is the purpose of the delay (nothing in the credit underwriters report is going to change, other than the potential amount of cash the developer brings to the table and the debt service coverage, along with the risk for the Tranche-2 bond holder could be strengthened.

Madam Chairman Siplin asked Mr. Culp if closing on this transaction was conditional on the having the workshop and the results of it, regarding the reduction of Authority fees. Mr. Culp stated that Atlantic Housing Partners is committed to moving forward with the projects closing, but would like an opportunity to have a board workshop to evaluate additional opportunities for fee reductions. Madam Vice Chairman McCall asked who would host the workshop. Mr. Morris stated that staff and professionals would prepare the information and invite the developer. Board members shared concerns regarding Atlantic Housings Partners last minute request through an extensive discussion.

Chairman Siplin concluded the discussion by stating that the board and staff consider having a workshop in the future, and that the Vista Pines Apartments project closing, continue as scheduled for May 9, 2017. Board Member Mercedes McCall and made a motion to accept the action as stated; seconded by Ms. Atkins-Bradley; motion carried Aye by voice vote of Ms. Siplin, Ms. Mcall and Ms. Atkins-Bradley; and Nay by voice vote of Mr. Rizzo and Mr. Cuevas.

RESOLUTION NO. 2017-02

RESOLUTION OF THE ORANGE COUNTY HOUSING FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF ITS ORANGE COUNTY HOUSING FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS, 2017 SERIES A (VISTA PINES APARTMENTS) (THE "BONDS") IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$22,000,000; ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS; APPROVING IN CONNECTION WITH A PORTION OF THE BONDS, THE FORM OF AND AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT; APPROVING IN CONNECTION WITH THE BONDS THE FORMS OF AND AUTHORIZING THE EXECUTION OF A TRUST INDENTURE, A FINANCING AGREEMENT, A FUNDING AND LOAN AGREEMENT, A FIRST MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT, AN ASSIGNMENT OF MORTGAGE, AN ENDORSEMENT OF A NOTE, A LAND USE RESTRICTION AGREEMENT, AN ARBITRAGE REBATE AGREEMENT, A GUARANTY OF RECOURSE OBLIGATIONS, AN ENVIRONMENTAL INDEMNITY, AND ALL EXHIBITS THERETO; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A PRIVATE PLACEMENT MEMORANDUM FOR THE BONDS IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A TRUSTEE WITH RESPECT TO THE 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, the Board approved Bond Resolution 2017-02, Terms and financing in an amount not-to-exceed \$22MM for the proposed Multi-Family Development Vista Pines Apartments; and authorization for the Chairman, Board Member and Executive Director to execute all associated documents subject to General Counsel's review.

MOTION / SECOND: V. Atkins-Bradley/ Mc.Mcall AYE BY VOICE VOTE: 3 NAY BY VOICE VOTE: 2 ABSTAINED: 0

PRESENTATION OF THE SINGLE-FAMILY TURNKEY PROGRAM WITH FREDDIE MAC HFA ADVANTAGE CONVENTIONAL LOAN PRODUCT.

Chairman Siplin addressed the Board regarding Raymond James presentation of the Single-Family Turnkey Program. Tim Wranovix, Vice President, Raymond James made a brief presentation of its Turnkey Program as **related to Freddie Mac's HFA Advantage Conventional (HFA-ACM) Single-Family Mortgage product.** He stated the HFA-ACM provides an opportunity to expand affordable homeownership for first-time homebuyers, repeat homebuyers and borrowers seeking no cash-out refinances; **and opportunities to expand the Authority's lenders base.** Mr. Morris stated that no action was required at this time; however, staff anticipates bringing this item to the Board for action either in June or August 2017.

NO ACTION TAKEN

Information only.

OTHER BUSINESS

ADJOURNMENT

There being no further business, Madam Chairman Siplin, adjourned the meeting at 9:26 a.m.

ATTEST:

W.D. MORRIS
EXECUTIVE DIRECTOR

MARSHALL SIPLIN
CHAIRMAN