

HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA

MINUTES OF REGULAR MEETING

February 17, 2022

4:04 p.m.

On Thursday, February 17, 2022, at 4:04 p.m. in the offices of PHILIP L. BURNETT, P.A., 2449 First Street, Fort Myers, Florida, E. Walter Barletta, Chairman of the Housing Finance Authority of Lee County, Florida (the "Authority"), called the meeting to order.

Immediately thereafter, the Chairman called for a roll call of the members. Philip Burnett, Esq., counsel for the Authority, called the roll. E. Walter Barletta, Walter Ferguson, Virginia Yates and Kirk Frohme were present at the commencement of the meeting and Michael Villalobos arrived shortly thereafter. Also appearing by phone were Tim Wranovix with Raymond James and Associates, Inc. ("Raymond James"), the Authority's managing underwriter, Tim Nelson with Hilltop Securities, Inc. ("Hilltop Securities"), the Authority's Financial Advisor, Mark Mustian, Esquire and Alex Fischer, Esquire with Nabors, Giblin & Nickerson, P.A., the Authority's Bond Counsel, and Cameron Hill with RBC Capital Markets ("RBC"), a co-managing underwriter.

The Chairman then opened the floor for public comment. No members of the public were present at the meeting. Accordingly, no public comment was made. Thereafter, the Chairman closed the opportunity for public comment.

The Chairman next suggested that the Authority address the approval of the Authority's Minutes for its prior meeting. Thereafter, on motion duly made by Mr. Ferguson and seconded by Mr. Frohme, the members of the Authority unanimously approved the minutes of the Authority's November 18, 2021, regular meeting.

The Chairman then suggested that the members consider Item V on the Authority's Agenda, i.e., Election of Officers. The Chairman then recognized Mr. Frohme. Mr. Frohme made a motion for the election of the same officers as are presently in office, i.e., E. Walter Barletta, Chairman; Walter Ferguson, Vice Chairman; Kirk Frohme, Secretary; Virginia Yates, Treasurer; and Michael Villalobos, Assistant Secretary. Ms. Yates seconded Mr. Frohme's motion and the members of the Authority unanimously approved the election of the above officers.

The Chairman then suggested that the members consider Item VI on the Authority's Agenda, i.e., consider, discuss and vote on the issuance of Housing Finance Authority of Lee County, Florida, as Issuer of its Multi-Family Mortgage Revenue Bonds, Series 2022, in the aggregate principal amount of not to exceed of \$24,000,000 in connection with the proposed bond offering for financing the acquisition and rehabilitation of the 168-unit multifamily project known as Crossings at Cape Coral located at 1150 Hancock Creek South Boulevard, Cape Coral, FL

33909. The Chairman recognized Mr. Burnett. Mr. Burnett said that he and the other members of the Authority's Professional Staff had reviewed the Application filed by the Cape Coral Leased Housing Associates II, LLLP. He said that the members of the Professional Staff are of the opinion that the entity that controls the Owner/Applicant of the Project, i.e., Dominium, is a very experienced and qualified developer of affordable multifamily housing project. However, the foregoing notwithstanding, the members of the Professional Staff are of the opinion that the Application as filed does not contain the information and documentation required by the Authority's Multi-Family Bond Program Application Procedures and Program Guidelines. As a result, he said that the Professional Staff recommends that the Authority table consideration of the Application at this time and that the Authority instruct the Professional Staff to prepare a letter to the Applicant describing the apparent deficiencies in the Application and requesting that Applicant file an Amended Application responding to the various deficiencies. Mr. Wranovix and Mr. Nelson echoed Mr. Burnett's comments. Mr. Burnett next said that he had forgot to mention that during the Professional Staff's discussion concerning the Application Mr. Nelson had suggested that, if the duration of the outstanding bonds to be issued is of a relatively short term, that the Applicant should pay a 10-year capital administrative fee at closing. After a brief discussion, on motion duly made by Mr. Ferguson and seconded by Mr. Villalobos, the members of the Authority unanimously agreed to table the consideration of the Application and instructed the Authority's Professional Staff to prepare a letter to the Applicant describing the apparent deficiencies in the Application and requesting that Applicant file an Amended Application responding to the various deficiencies.

The Chairman next suggested that the Authority consider Item VII on its Agenda, i.e., consider, discuss and vote on the issuance of Housing Finance Authority of Lee County, Florida, as Issuer of its Multi-Family Mortgage Revenue Bonds, Series 2022, in the aggregate principal amount of not to exceed of \$25,150,000 in connection with the proposed bond offering for financing the acquisition and rehabilitation of the 229-unit multifamily project known as Vista Palms Apartments located at 10276 Stratford Creek Court, Lehigh Acres, FL 33936. The Chairman recognized Mr. Burnett. Mr. Burnett said that he and the other members of the Authority's Professional Staff had reviewed the Application filed by Vista Palms Apartments, LP ("Vista Palms") and that they have some issues with the Application itself. He then reminded the members of the Authority that the Lee County Board of County Commissioners ("Lee BOCC") had previously considered a request by the Authority for approval of the use of tax exempt volume cap allocation for the financing of the acquisition and rehabilitation of the same multifamily housing project by a previous applicant. He said, however, that after a Fort Myers News-Press Reporter's inquiry about some alleged problems with a multifamily project in South Florida and some questions about the proposed financing of the acquisition and rehabilitation of the project, which were developed by the same developer, i.e., Creative Choice Homes, Inc., the Lee BOCC tabled the Authority's request. The Professional Staff also advised the members of the Authority that the Florida Housing Finance Corporation ("FHFC") may have some open issues with the Vista Palms Project and that the proposed financing is contingent upon the FHFC subordinating a SAIL Loan and an ELI Loan to this proposed financing. He then said, as a result, the members of the Professional Staff recommended that the Authority defer any further consideration of this Application until all of the issues that the FHFC may have with the Project have been resolved and

it advises the Authority that it will subordinate the two above mentioned loans to the proposed financing. After a brief discussion, on motion duly made by Mr. Frohme and seconded by Mr. Villalobos, the members of the Authority unanimously agreed that any further consideration of this Application be deferred until the Authority receives communications from the FHFC that all of its issues, if any, have been resolved and that it will agree to subordinate the SAIL Loan and ELI Loan to the proposed financing. Further, the Professional Staff shall so advise the Applicant and the FHFC.

The Chairman next addressed the Authority's consideration of Item VIII on the Authority's Agenda, i.e., consider, discuss and vote on such agreements, resolutions, authorizations, funding, Interlocal Agreements, documents and related matters as are necessary for the Authority to proceed with or amend its Own a Home Opportunity Program ("OAHOP Program") with Raymond James & Associates, Inc. and such other actions as may be appropriate. The Chairman recognized Mr. Wranovix and asked him to bring the members of the Authority up to date as to how its OAHOP Program is going. Mr. Wranovix said that the Authority had a settlement today. He said that the OAHOP Program is still moving along and that a majority of the loans that are coming through are in the form of grants. Ms. Yates asked if the Authority needed to advance any money for the OAHOP Program. Mr. Wranovix said no, there is no need for additional funding at this time. The Chairman asked how the Authority's OAHOP Program will be affected if the Fed raises interest rates. Mr. Wranovix said that as interest rates rise, we will probably see a slowing down of the Program.

The Chairman next addressed the Authority's consideration of Item IX on the Authority's Agenda, i.e., consider, discuss and approve the proposed Engagement Letter with Hilltop Securities ("Hilltop"). The Chairman recognized Mr. Burnett. Mr. Burnett said that he had not had time to review the latest draft of a proposed Hilltop Engagement Letter given that he had just received it after noon yesterday, i.e., the day before this Authority meeting. He said that, as requested by Mr. Nelson, he had forwarded it to all of the members. However, he said that he didn't know if anyone had had an opportunity to review it. The Chairman then suggested that Hilltop submit any revised proposed Engagement Letter to the Authority at least a week prior to the Authority's next meeting so that the members and counsel will have a sufficient amount of time to review it prior to the meeting. He also suggested that the members review the latest draft of the proposed Engagement Letter and forward any comments that they might have to Mr. Burnett's office by March 1, 2022. After a brief discussion, on motion duly made by Mr. Frohme and seconded by Mr. Ferguson, the members of the Authority unanimously agreed to table consideration of the proposed Engagement Letter until the members and staff have an opportunity to review and comment on it. Further, that the members of the Authority provide any questions, comments or suggestions to Mr. Burnett by March 1, 2022, and that Hilltop provide a response and/or revised draft of a proposed Engagement Letter to Mr. Burnett at least a week prior to the Authority's next meeting.

The Chairman next addressed the Authority's consideration of Item X on the Authority's Agenda, i.e., consider and discuss bills and invoices submitted to the Authority for approval and payment. The Chairman then recognized Ms. Yates. Ms. Yates said that she would like for the

members of the Authority to approve the bills and invoices that were submitted in February for approval and payment and the payment made in January 2022 when the Authority did not have a meeting, all as set forth below and the moving of \$100,000 from the Authority's Savings Account to its Checking Account:

February 2022

Ck # 1713 CliftonLarsonAllen-Progress Billing Audit	\$ 5,250.00
Ck # 1714 FL ALHFA Conf Sponsor	\$ 5,000.00
Ck # 1715 MNMW Quarterly	\$ 4,181.00
Ck # 1716 Philip L. Burnett, P.A. Retainer/Fees/Admin	\$ 8,487.60
Ck # 1717 U.S. Bank-Inv 6408470	\$ 5,975.00

January 2022

Ck # 1712 Philip L. Burnett, P.A. Retainer/Fees/Admin	\$ 8,425.57
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Immediately thereafter, on motion duly made by Mr. Ferguson and seconded by Mr. Villalobos, the members of the Authority approved the payment of the Authority's bills and invoices for February of 2022, the payment made in January of 2022 and the transfer of \$100,000 from the Authority's Savings Account to its Checking Account.

Ms. Yates then said that she would like for the members of the Authority to approve the draft of the Authority's Financial Statements for its fiscal year end 9/30/21. She said that copies of said Financial Statements were previously provided to all of the members for their review and comment. After a brief discussion, on motion duly made by Mr. Frohme and seconded by Mr. Villalobos, the members of the Authority unanimously approved the Authority's Financial Statements for its fiscal year end 9/30/21. Ms. Yates then said that there might be a need to amend the Authority's Budget to revise how the Authority treats its Second Mortgage's. Mr. Burnett then reminded everyone that it is important for the Authority to approve the audit of the Authority's 9/30/21 Financial Statements by the end of March so that the Authority can be in compliance with its disclosure requirements on its outstanding Single Family Bond issues. Ms. Yates suggested that Chris Kessler, CPA, the CPA responsible for the audit of the Authority's financial statements, be invited to attend the Authority's next meeting when the Authority considers its audited financial statements for its fiscal year ended 9/30/21, either in person or by phone.

The Chairman next addressed Item XI on the Authority's Agenda, i.e., such other matters as may come before the meeting. The Chairman recognized Mr. Burnett. Mr. Burnett said that he and Mr. Mustian have been reviewing the Authority's available and projected use of its tax-exempt volume cap allocation ("Allocation") and both think that it is important to bring the members up to date on this issue and to get the Authority's input and direction on this issue. He said that he had forwarded each of the members a copy of a document titled Tax Exempt Volume Cap Allocation Summary, dated February 11, 2022, summarizing the available and projected use of the Authority's Allocation. Mr. Burnett then suggested that Mr. Mustian explain in more detail

the Authority's available and projected use of its Allocation. Mr. Mustian said that the Authority has three sources of available Allocation and five potential uses of Allocation to date and briefly summarized them as reflected below:

A. AVAILABLE ALLOCATION

1) Rollover of Cape Coral Preservation	\$ 17,396,000
2) Plan of Finance	\$ 50,000,000
3) Plan of Finance	\$ 50,000,000
Total	\$117,396,000

B. PROJECTED ALLOCATION

1) East Pointe	\$14,000,000
2) Crossings at Cape Coral	\$24,000,000
3) Vista Palms	\$25,120,000
4) FM Redevelopment	\$12,500,000
5) MCC Program	\$ _____

Mr. Mustian said that, with respect to the Authority's available Allocation, as indicated, \$17,396,000 of the Allocation is from the rollover of the Allocation from the proposed Cape Coral Preservation bond offering, which was made available as a result of their decision not to go forward with their proposed financing. He said that this Allocation is available for 3 years but can only be used for multifamily housing projects. Next, he said that the \$50,000,000 of Allocation that is available from the first Plan of Finance can only be carried over and used for multifamily housing projects. He said that the \$50,000,000 of Allocation that is available from the Authority's most recent Plan of Finance can be used for single family, multifamily housing or the Authority's Mortgage Credit Certificate Program.

Mr. Mustian next said that, at present, the Authority's first projected uses of its Allocation is \$14,000,000 for the East Pointe Place Phase II Project, which is expected to close sometime in March of 2022. The next, projected use of its Allocation is for \$24,000,000 for the Crossings at Cape Coral Project that was discussed by the Authority earlier in the meeting, which is expected to close later in the year. Mr. Mustian said that the \$25,150,000 of Allocation is for the proposed Vista Palms Apartments Project. He said that, given the issues discussed by the Authority earlier with respect to this Project it is difficult to project when or if the Authority will use the requested Allocation for this Project. Next, Mr. Mustian said that the \$12,500,000 projected use for the FM Redevelopment Project is based on their having indicated that they would be filing an application for bond financing, which has apparently not been filed to date and may be increased due to the increased cost of labor and materials. Mr. Mustian said that the even without considering the last prospective use of the Authority's Allocation, i.e., the Authority's Mortgage Credit Certificate Program, the Authority has a potential use of \$75,650,000 plus already applied for or to be applied

for. He said that, assuming that the Authority wants to or intends to keep offering Mortgage Credit Certificates (“MCC”), it will be necessary for the Authority to use a portion of its last Plan of Finance Allocation to be able to continue the MCC Program. He noted that the Authority’s existing MCC Program will expire at the end of this year. Mr. Mustian said that, accordingly, if the Authority wants to continue offering MCCs, it is important to determine how much of its Allocation it wants to reserve or use for its MCC Program while taking into consideration the requests for Allocation for the various applications for bond financing for multifamily projects.

The Chairman then recognized Mr. Burnett. Mr. Burnett said that he had asked Mr. Nelson with Hilltop and Ms. Paloma Miranda with eHousing to provide him with a breakdown of the number of MCC’s and the dollar amount of MCC’s that were issued each year since the Authority first started offering MCC’s under its MCC Programs. He said that both Mr. Nelson and Ms. Miranda had supplied the requested information and that he had forwarded copies of same to the members so that they and the Authority would have a frame of reference to work from when trying to determine the potential need for Allocation to be converted to MCCs so that the Authority can continue its MCC Program. He said that the Authority must use four dollars of Allocation for each dollar of MCC’s that it issues. Mr. Burnett said that Mr. Nelson had calculated the amount of Allocation that the Authority would have used to fund MCC’s over the life of the Authority’s MCC Programs. Mr. Nelson then briefly summarized prior usage of Allocation based on the volume of MCC’s issued and how the calculations were made. A brief discussion of the Authority’s MCC Program then took place. It was noted that the FHFC no longer offers MCCs in connection with its single family program. It was agreed that due to the potential demand for Allocation and possible time constraints, the issue of the Authority’s prospective use of Allocation be put on the Authority’s Agenda for its next meeting. It was also agreed that Mr. Wranovix and Mr. Nelson would reach out to eHousing to get their input as to the Authority’s next MCC Program and the amount of Allocation that the Authority might need to be able to continue its MCC Program.

The Chairman next asked how many of the members of the Authority were planning on attending the NALHFA Conference in New York in April. He indicated that he planned on attending the NALHFA Conference as did Mr. Burnett. Next, the Chairman then raised the issue of rescheduling the Regional meeting. The Chairman suggested that the Regional meeting be rescheduled for the second Thursday in April, i.e., the 14th or the second Thursday in May, i.e., the 14th, as he has conflicts with the third Thursday of both April and May. After a discussion, it was agreed that Mr. Wranovix’s office would reach out to people in the Region and other participating parties to see if either or the two dates work and advise the members at the Authority’s next meeting. The members agreed that the Authority’s next meeting will be held on March 17, 2022, at 4:00 P.M. at Mr. Burnett’s office.

The Chairman next recognized Mr. Ferguson and asked him what plans were in the works for the Authority’s and Region 8’s sponsorship of the Florida ALHFA Conference in July of 2022 in Sarasota. Mr. Ferguson said that he had been discussing the matter with Susan Leigh with Florida ALHFA and that some information on more definite plans should be coming out soon. The Chairman then stated that it was Mr. Ferguson’s mother’s birthday and that she is 101 years old. He also noted that it was Ms. Yates’ birthday.

The Chairman then asked if anyone had anything further to bring before the Authority. There being no further business to come before the Authority, on motion duly made by Mr. Frohme and seconded by Mr. Ferguson, the meeting was adjourned at 6:00 p.m.

Respectfully submitted,



E. Walter Barletta, Chairman



Kirk Frohme, Secretary

Approved at the 3-17-22,
Meeting of the Housing Finance
Authority of Lee County, Florida