

HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA

MINUTES OF REGULAR MEETING

September 16, 2021

4:04 p.m.

On Thursday, September 16, 2021, 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, Virginia Yates and Kirk Frohme were present at the meeting. Walter Ferguson and Michael Villalobos appeared by phone. Also appearing by phone were Tim Wranovix with Raymond James and Associates, Inc. ("Raymond James"), the Authority's managing underwriter, Tim Nelson and Mica Owens 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, Denise Rodriguez with RBC Capital Markets ("RBC"), a co-managing underwriter, and Scott Schuhle with U.S. Bank Trust National Association ("U.S. Bank"), the Trustee on the majority of the Authority's bond offerings.

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. Frohme and seconded by Ms. Yates, the members of the Authority unanimously approved the minutes of the Authority's August 19, 2021, regular meeting.

The Chairman next suggested that the Authority consider Item V 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 2021/2022, in the aggregate principal amount of not to exceed of \$12,500,000 in connection with the application filed by Fort Myers Redevelopment, LLC ("FM Redevelopment") for its acquisition, construction, and equipping of a 92 unit residential rental Project located at 3611/3621 Cleveland Avenue, Fort Myers, Florida, and for the Authority's issuance of a letter to the Florida Housing Finance Corporation ("FHFC") for FM Redevelopment's use, if necessary, in meeting the requirements for its application to the FHFC for financing. The Chairman recognized Mr. Burnett. Mr. Burnett said that FM Redevelopment filed a Short Form Application (the "Application") with the Authority for bond financing. He said that the Authority's Professional Staff had reviewed the Application and, with the exception of an issue dealing with its proposed Closing Date for the purchase of the

subject real property, there did not appear to be any issues with the proposed Project. He said that the Authority's Professional Staff had written a letter to FM Redevelopment regarding the issue and that they had promptly responded saying that they intended to and were able to close the purchase of the subject property in accordance with the terms of their Contract for Purchase and Sale. Based upon said representation, the Authority's Professional Staff recommends that the members of the Authority approve the Application and issue the letter requested by FM Redevelopment. Mr. Burnett said that, in anticipation of the Authority's consideration and approval of the Application and the request for a letter to the FHFC, he had prepared a letter for the Chairman's signature. After a brief discussion, on motion duly made by Mr. Frohme and seconded by Ms. Yates, the members of the Authority unanimously approved the Application and authorized the Authority's issuance of the requested letter to the FHFC.

The Chairman next suggested that the Authority consider Item VI on its 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 a \$5 million settlement just took place in the OAHOP Program. However, he said that production in the OAHOP Program is slowing down, with approximately \$7 million of production last month versus approximately \$9 million for the prior month. Mr. Wranovix said that there is plenty of money in the Authority's Custody Account with U.S. Bank to fund any Second Mortgage Loans and, accordingly, that there is no need to transfer any funds to the Authority's Custody Account at the present time.

The Chairman next suggested that the Authority consider Item VII on its Agenda, i.e., consider, discuss and vote on the duration of affordability set aside periods in conjunction with the Authority's possible issuance of bonds and other financial instruments in connection with proposed multifamily projects, including the possible amendment of the Authority's Application Procedures and Multifamily Guidelines if necessary to reflect same. The Chairman recognized Mr. Burnett. Mr. Burnett said that this matter was placed on the Agenda for the members to consider because the developer of East Pointe Phase Two had asked him what the term of the affordability set aside period was for the multifamily projects that it provides tax-exempt financing for. The affordability set aside period is the length of time that a multifamily project must set aside a given number of units in the project for affordable housing, i.e., below market rents. He said that the developer had requested a 35 year affordability set aside. Mr. Burnett said that he reviewed the Authority's Application Procedures and Multifamily Guidelines ("Authority's Guidelines") and he was unable to locate a provision dealing with the affordability set aside in the Authority's Guidelines. He said that he then reviewed the Short Form Application that the developer previously filed with the Authority and found that it provided for a 65 year affordability set aside. He said that he then advised the developer that, in that they had suggested a 65 year affordability set aside for the Project, he would have to say that it was 65 years. He said, however, that if the developer wanted to formally request a shorter affordability set aside, they could do so but the Authority would have to approve it. Mr. Burnett then said that he reviewed the Authority's Short

Form Application and noted that it provides for a 50 year affordability set aside. Accordingly, based on the above and his feeling that the Authority would probably want to make the affordability set aside as long as possible, he felt that the Authority should address this matter and that the Authority's Guidelines and its Short Form Application are consistent. He then asked Mr. Mustian to advise the members of what the Internal Revenue Services' position is on affordability set asides. Mr. Mustian said that the IRS' position on affordability set aside is the longer of the term of the bonds or 15 years but they have no issue with it being a longer period. The Chairman asked what other HFA's and the FHFC's affordability set aside periods are? Mr. Wranovix said that most of the HFA's try to make the affordability set aside as long as possible, usually approximately 50 years but subject to negotiation, which is the same as the term of the FHFC's affordability set aside period. Thereafter, on motion duly made by Ms. Yates and seconded by Mr. Frohme, the members of the Authority unanimously agreed to establish a uniform affordability set aside policy of 50 years for both its Short Form Application and its regular or Long Form Application, subject to the Authority' right to potentially adjust the duration of the affordability set aside term, if requested and appropriate.

The Chairman next suggested that the Authority consider Item VIII on its Agenda, i.e., consider, discuss and vote on the investment options of the Authority's surplus funds to be proposed by Hilltop Securities. The Chairman recognized Mr. Nelson and Ms. Owens. Mr. Nelson briefly summarized the Authority's current Investment Policy, which controls what types of investments that the Authority can make with its surplus funds. Mr. Nelson said that the Authority presently invests about 50% of its funds in its OAHOP Single Family Program and about 50% in Certificates of Deposit and various approved governmental investment pools. Mr. Nelson said that Hilltop Securities doesn't recommend any radical changes. However, he said that they suggest possibly: (a) investing some of the Authority's surplus funds in various additional different investment pools for diversification purposes, and (b) investing some of the Authority's surplus funds in some of the Authority's mortgage backed securities in its Single Family Programs ("MBS"). He noted that, if the Authority decides to invest some of its surplus funds in its Single Family Program MBS, it would necessitate a change in the Authority's Investment Policy. Ms. Yates asked what other types of governmental pools that Hilltop Securities is suggesting and whether or not it would require some form of Investment Officer and/or training or both. She said that Mr. Frohme had volunteered to be the person responsible for handling the Authority's investment of its surplus funds. Mr. Owens said that there are a variety of different governmental pools that could be invested in, mentioning the Florida Star. Further, she said that she was not exactly sure what type of Investment Officer or training would be required but that it would be probably be set forth in the Florida Statutes. A discussion then took place as to whether it would be an Investment Officer or an Investment Advisor. It was agreed that in whatever type of position that would be established, the person would bring his suggestions before the Authority to determine what investments would ultimately be made. Thereafter, on motion duly made by Ms. Yates and seconded by Mr. Frohme, the members of the Authority accepted the oral presentation of Hilltop Securities to explore the diversification of its investment in various additional governmental pools and to take the steps necessary to amend its Investment Policy to allow the Authority to invest its surplus funds in different qualified assets, including appointing an Investment Officer or Investment Advisor and whatever other things that the Authority is required

to do to enable it to invest its surplus funds as discussed.

The Chairman next addressed the Authority's consideration of Item IX on the Authority's Agenda, i.e., consider and discuss the Authority's Financial Statements for the period ending 6/30/21 ("Financial Statements"). The Chairman recognized Ms. Yates. Ms. Yates said that she had asked Mr. Burnett's Office to distribute a draft of the foregoing Financial Statements to the members and that Markham Norton Mosteller Wright & Co. had responded to certain questions that were raised by Mr. Frohme but that there hadn't been any other questions concerning the Financial Statements. Ms. Yates concluded her comments by asking that the members of the Authority approve the proposed Financial Statements. Immediately thereafter on motion duly made by Mr. Ferguson and seconded by Mr. Frohme, the Authority's Financial Statements were approved.

The Chairman next addressed the Authority's consideration of Item X on the Authority's Agenda, i.e., discuss the current status of any Interlocal Agreements between the Authority and other housing finance authorities and counties. The Chairman recognized Mr. Burnett. Mr. Burnett said that his office and Mr. Mustian's Office had checked into the status of the Authority's various Interlocal Agreements and prepared an Interlocal Agreement List that lists all of the housing finance authorities and counties that the Authority has an Interlocal Agreement with, when they were entered into and when they expire/terminate. Mr. Burnett said that the Authority has Interlocal Agreements for its Single Family Programs with the Broward County HFA, Charlotte County, Collier County HFA, Desoto County, Palm Beach County HFA, Sarasota County, St. Johns County HFA and Volusia County HFA. He said that the Authority has Interlocal Agreements for multifamily housing with Charlotte County and Sarasota County.

The Chairman said that the reason that he had requested that this matter be addressed is to make sure that all of the Authority's Interlocal Agreements are up to date and to be able to address the Authority's and the Counties and HFA's cooperation in the past on amicably dealing with any potential conflicts on volume cap allocation requests that might come up in the near future. He said that he had been advised that the Collier County HFA might be seeking an aggregate amount of \$75,000,000 of volume cap allocation from the FHFC in the upcoming November Pool. Mr. Mustian confirmed that such was the case. The Chairman said that, as a result, he wants to seek to maintain the close working relationship that all of the Counties and HFA's in Region 8 had in the past to avoid any potential conflicts. Thereafter, in a brief discussion concerning potential requests for currently requested tax-exempt volume cap allocation, it was noted that the Authority has \$50,000,000 of tax-exempt volume cap allocation set aside in its Plan of Finance and presently \$18,500,000 for the Crossings Cape Coral Preservation, Ltd. ("Crossings Cape Coral"). Further, requests to the Authority for volume cap allocation authorization to issue tax exempt bonds presently are: \$18,500,000 for Crossings Cape Coral (which may or may not go forward), \$14,000,000 for East Pointe Phase Two, \$11,000,000 for The Verandas of Punta Gorda III, and \$12,500,000 for Fort Myers Redevelopment. The Chairman concluded his remarks on this matter by suggesting that the Collier County HFA be encouraged to attend the next proposed Regional Meeting.

The Chairman next addressed the Authority's consideration of Item XI 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 the only requests for payment that were received are set forth below and that any other bills or invoices that the Authority receives in September, if any, will be paid in the Authority's next fiscal year ending 9/30/22. She then asked that the members of the Authority approve and authorize the payment of the bills and invoices that were submitted to the Authority in August for payment, which are set forth below:

September 2021

Ck # 1699 Philip L. Burnett, P.A. - Attorney's Fees/McCleary	\$ 1,500.00
Ck # 1700 Markham Norton Mosteller Wright & Co. - Accounting	\$ 4,100.00
Ck # 1701 Nabors, Giblin & Nickerson, P.A. - Retainer/Fees	\$ 1,250.00
Ck # 1702 Papyrus Documents – Office Expenses	\$ 83.97
Ck # 1703 Philip L. Burnett, P.A. - Retainer/Fees/Admin	\$ 9,280.21

Immediately thereafter, on motion duly made by Mr. Frohme and seconded by Mr. Villalobos, the members of the Authority approved the payment of the Authority's bills and invoices for September of 2021. The Chairman then recognized Mr. Burnett. Mr. Burnett then briefly gave the members a summary of his firm's efforts on behalf of the Authority in the McCleary litigation and the fees paid to his firm.

The Chairman next addressed the Authority's consideration of Item XII on the Authority's Agenda, i.e., Update on any highlights of interest from the Florida ALHFA Virtual Educational Conference ("Conference"). The Chairman recognized Mr. Burnett. He said that he had attended all of the Conference sessions and that the most interesting Session that he had attended was one dealing with Multifamily Housing. Further, the most informative part of it was a discussion of limited amount of real property available for affordable housing in most of the larger counties around the state and how the various HFA's are trying to extend the set aside periods for affordability of housing. Mr. Burnett said that, as per usual, the Session on ethics was very informative and a good refresher.

The Chairman then addressed Item XIII on the Authority's Agenda, i.e., the issue of a potential Regional Meeting in October of 2021 or January-February of 2022. After a brief discussion, it was agreed that Mr. Wranovix and his office would check with the various interested parties to see when the most of them are available and then try to reserve space for that date at the Hilton Gardens Inn on Summerlin Road in Fort Myers, Florida.

The Chairman next addressed Item XIV on the Authority's Agenda, i.e., consider and discuss the current status of all Engagement Letters between the Authority and its Professional Staff and any costs associated therewith, including possible consideration of the proposed Engagement Letter with Hilltop Securities. The Chairman then asked what the status was of engagement letters between the Authority and its Professional Staff. The Chairman then

recognized Mr. Burnett. Mr. Burnett said that he could address the present status of any engagement letters between the Authority and its Professional Staff. He said that, to make a long story short, the Authority has Engagement Letters with CliftonLarsonAllen, its Auditor, and with Markham Norton Mosteller Wright & Co., its accounting and bookkeeping firm. Mr. Burnett said that his firm has never had an engagement letter with the Authority. Next, he said that Nabors, Giblin & Nickerson, P.A., the Authority's Bond Counsel, had entered into an engagement letter years ago but that it had since long expired plus their services have expanded substantially since the Authority's original engagement letter with them. Mr. Burnett then said that the Authority previously had an engagement letter with First Southwest Company ("FSW"), the Authority's previous Financial Advisor, who was acquired by Hilltop Securities. He said that the Authority and Hilltop Securities have been somewhat operating under the terms of the original engagement letter that the Authority had with FSW but that it had expired years ago. Further, he said that the services rendered to or on behalf of the Authority by Hilltop Securities have also expanded. Mr. Burnett said that Hilltop Securities had submitted a proposed Engagement Letter for the Authority's consideration, which he said that he had forwarded a copy of to each of the members for their review. The Chairman then recognized Mr. Nelson. Mr. Nelson said that his firm, particularly its Compliance Department and Legal Department, had been pressing him to get an updated engagement letter with the Authority. Mr. Nelson then briefly outlined the terms of Hilltop Securities' proposed Engagement Letter. Thereafter, there was a brief discussion of Hilltop Securities' proposed engagement letter. Thereafter, it was agreed that the proposed Engagement Letter should be considered further and, accordingly, that it should be put on the Authority's Agenda for its next meeting. Last, Mr. Mustian said that he would submit a new engagement letter to the Authority for its consideration.

The Chairman next addressed Item XV on the Authority's Agenda, i.e., such other matters as may come before the meeting. The Chairman addressed Mr. Wranovix. Mr. Wranovix said that he wanted to inform those members of the Authority that we unaware that Patt Denihan had recently passed away. The Chairman expressed the condolences of the members and said that the Authority had proposed to honor Ms. Denihan at the Florida ALHFA Educational Conference in Sarasota but, because of the Covid 19 Pandemic, it had been put off for two years. He then asked if the members were still on board with having some type of tribute for Ms. Denihan. The members all agreed that they were. Ms. Yates suggested, and it was agreed, that she get a card and send it to Sue Denihan and family on behalf of the Authority.

The Chairman then addressed Mr. Burnett. Mr. Burnett said that he wanted to advise the members that East Pointe Phase Two had submitted its \$35,000 Good Faith Deposit and that the Lee County Board of County Commissioners were to take up the Authority's request for their approval of the Authority's TEFRA Hearing and approval of the issuance of its \$9,500,000 bond offering at their Board of County Commissioners meeting on September 21, 2021.

The Chairman then raised the issue of the need for an Authority meeting in October. After a brief discussion, the members agreed that the Authority's next meeting should be set for October 28, 2021, at 4:00 P.M. at Mr. Burnett's office.

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 Ms. Yates and seconded by Mr. Frohme, the meeting was adjourned at 6:12 p.m.

Respectfully submitted,



E. Walter Barletta, Chairman



Kirk Frohme, Secretary

Approved at the 10-28-21,
Meeting of the Housing Finance
Authority of Lee County, Florida