

# **HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA**

## **MINUTES OF REGULAR MEETING**

**September 21, 2023**

**4:00 p.m.**

On Thursday, September 21, 2023, at 4:00 p.m. in the offices of The Nunez Law Firm, 3610 Broadway, 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 Michael Villalobos were present at the meeting and Walter Ferguson appeared by phone. Kirk Frohme had an excused absence. Also appearing by phone were Tim Wranovix with Raymond James and Associates, Inc. ("Raymond James"), the Authority's managing underwriter, Mark Mustian, Esquire and Alex Fisher, Esquire with Nabors, Giblin & Nickerson, P.A., the Authority's Bond Counsel, Scott Schuhle with U.S. Bank Trust National Association ("U.S. Bank"), the Trustee on the majority of the Authority's bond offerings, Clarie Merritt with Hilltop Securities, Inc. ("Hilltop Securities"), the Authority's Financial Advisor, Sheryl Krocek, with Housing and Development Services, Inc. d/b/a eHousingPlus ("eHousing") and Kathryn Driver, Executive Director of the Pinellas County HFA, 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 Ms. Yates and seconded by Mr. Villalobos, the members of the Authority unanimously approved the minutes of the Authority's August 17, 2023, regular meeting.

The Chairman then suggested that the members consider Item V 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 2024, in the aggregate principal amount of not to exceed of \$23,000,000 of tax-exempt bonds and \$3,000,000 of taxable bonds in connection with the proposed bond offering for financing the acquisition, construction and equipping of the 108-unit multifamily project known as Amaryllis Park Place III located at 21<sup>st</sup> Street, approximately 500 feet southeast of the Intersection of 21st Street and Palmadelia Avenue, Sarasota, FL. 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 Amaryllis Park Place III, LLC and that they have numerous issues with respect to the

Application, a couple of which the Professional Staff feels that the members of the Authority should address. Mr. Burnett briefly described the issues that the Professional Staff has with the Application. He then said that the issues that the Professional Staff have with the Application that the members of the Authority should address are: (1) Market study; (2) Financial Statements; (3) MAI Appraisal; (4) Legal Description of Property; and (5) Names and addresses of property owners within 500 feet of the Subject Property, etc. After a brief discussion of the Application and the above-mentioned issues, the members of the Authority agreed that the Applicant should be allowed to file the Market Study on or before the commencement of the preparation of the bond documents and that the MAI Appraisal will need to be filed prior to the Authority's request for Volume Cap for the Project. Further, the members agreed that the Applicant should properly provide the information and documentation required by the Authority's Application. Mr. Burnett said that he would draft a letter to the Applicant setting forth the members comments with respect to the Application and the Authority's position with respect to the matters brought before the Authority.

The Chairman next 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 2024, in the aggregate principal amount of not to exceed of \$23,000,000 of tax-exempt bonds in connection with the proposed bond offering for financing the acquisition, construction and equipping of the 93-unit multifamily project known as Lofts on Lemon II located at N Lemon Ave., southwest of the intersection of N Lemon Ave. and 9<sup>th</sup> Street, Sarasota, FL. The Chairman again recognized Mr. Burnett. Mr. Burnett said that he and the other members of the Authority's Professional Staff had reviewed the Application filed by Lofts on Lemon II, LLC and that they also have numerous issues with respect to the Application, a couple of which the Professional Staff feels that the members of the Authority should address. Mr. Burnett briefly described the issues that the Professional Staff has with the Application. He then said that the issues that the Professional Staff have with the Application that the members of the Authority should address are: (1) Market study; (2) Financial Statements; (3) MAI Appraisal; and (4) Names and addresses of property owners within 500 feet of the Subject Property, etc. After a brief discussion of the Application and the above-mentioned issues, the members of the Authority agreed that the Applicant should be allowed to file the Market Study on or before the commencement of the preparation of the bond documents and that the MAI Appraisal will need to be filed prior to the Authority's request for Volume Cap for the Project. Further, the members agreed that the Applicant should properly provide the information and documentation required by the Authority's Application. Mr. Burnett said that he would draft a letter to the Applicant setting forth the members comments with respect to the Application and the Authority's position with respect to the matters brought before the Authority.

The Chairman next suggested that the members consider Item VII 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 and such other actions as may be appropriate. The Chairman recognized Mr. Wranovix. Mr. Wranovix said that before the Authority addressed the OAHOP

Program, he would request that the Authority hear from Kathryn Driver with the Pinellas County HFA concerning FLCLASS, an intergovernmental investment pool authorized under the Florida Statutes. He said that this would be a follow up to the presentation by Rene O'Day at the Authority's August 17, 2023, meeting. The Chairman agreed and Mrs. Driver said that she was familiar with FLCLASS, its operations and the people involved with it, including Ms. O'Day. She said that the Pinellas County HFA had been doing business with FLCLASS for approximately two (2) years and was very pleased with its service and the results of the Pinellas County HFA's investments with FLCLASS. A discussion then took place concerning the Authority's situation and whether the Authority could invest some of its surplus funds with FLCLASS. It was noted that there is no federal guarantee of the funds invested with FLCLASS and that the Authority could not invest any funds with FLCLASS if it wanted to until the Authority has an investment officer and amends its Investment Policy. The Chairman then thanked Mrs. Driver for her comments.

The Chairman again recognized Mr. Wranovix with respect to the Authority's OAHOP Program. Mr. Wranovix said that activity in the Authority's OAHOP Program is very different from past months due to high interest rates and limited available housing. However, he said that the Authority had a small settlement on 9/12/23.

The Chairman next addressed the Authority's consideration of Item VIII on the Authority's Agenda, i.e., consider and discuss the status of, and vote on any changes to the Authority's Mortgage Credit Certificate ("MCC") Program, including, but not limited to, procedures, structure, the fees charged in connection with the issuance of MCC's and accounting for same. The Chairman recognized Mrs. Merritt. Mrs. Merritt said that, although Hilltop Securities terminated its participation in the issuance of MCCs in the Authority's MCC Program in July of last year, it has spent a considerable amount of time trying to account for all of the MCCs issued prior to its no longer participating in the MCC Program. She said that Hilltop Securities had been working with Paloma Miranda with eHousing to try to account for all the MCC's issued and the fees collected and the fees still outstanding. She said that, as a result, Hilltop Securities and eHousing have accounted for all of the MCCs issued and collected all but seven (7) of the outstanding fees for them for an aggregate amount of \$700, being \$100 per issued MCC. She further said that Hilltop Securities was holding approximately \$9,000 of MCC fees due to the Authority. Mrs. Merritt said that the seven (7) MCCs for which they haven't collected the MCC fees were issued between 2019 and 2021. She concluded her comments by asking the members of the Authority if Hilltop Securities should continue to attempt to collect the outstanding fees, i.e., \$700? A discussion then took place as to whether Hilltop Securities should continue to pursue the collection of the outstanding delinquent fees or whether the Authority should just write them off. During the discussion, Ms. Yates and Mr. Burnett asked Mrs. Merritt if Hilltop Securities could forward the fees owed to the Authority so that it can deposit them in the Authority's accounts prior to the Authority's fiscal year end on September 30, 2023. Mrs. Merritt said yes, the funds could be forwarded to the Authority before September 30, 2023. Thereafter, on a motion duly made by Ms. Yates and seconded by Mr. Ferguson, the members unanimously agreed that Hilltop Securities no longer needed to pursue the outstanding delinquent MCC fees, and that the Authority should write off the \$700 of MCC fee receivables.

The Chairman then recognized Mr. Burnett. Mr. Burnett said that he had received a proposed First Amendment to Program Administration Agreement (“Amended Agreement”) from Bridget Wong with HDS Companies. He said that it is a proposed amendment of the Program Administration Agreement (“Program”) basically setting forth a new fee structure for the Program. A discussion then took place concerning the amended fee structure. The Chairman and Mr. Burnett said that it is somewhat consistent with the discussion that they had had with Sue Denihan with eHousing and others at the Florida ALHFA Conference in Sarasota. Mr. Burnett said that, with a breakdown of what fees that the Authority is to receive, the frequency of the payment of same and some agreement as to a period report or accounting of same, he felt that the Amended Agreement would be fine. It was agreed that a quarterly payment of fees due to the Authority and a quarterly accounting of the MCCs issued and the monies generated would be acceptable to both eHousing and the Authority. Immediately thereafter, on a motion made by Mr. Villalobos and seconded by Ms. Yates, the members of the Authority approved the Amended Agreement with the above suggested changes and authorized the Chairman to execute the revised Amended Agreement on behalf of the Authority.

The Chairman next suggested that the members consider Item IX on the Authority’s Agenda, i.e., consider and discuss obtaining Errors and Omissions liability insurance (“E & O Insurance”). It was agreed that this matter should be tabled at this time until the issue of availability and cost of E & O Insurance is brought before the Authority.

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 started by saying that she had transferred \$100,000 from the Authority’s savings account to its checking account. She then said that she would like for the members of the Authority to approve the \$100,000 transfer and approve and authorize the payment of the bills and invoices that were submitted for payment in August, all as set forth below:

August 2023

Ck # 1795 Florida ALHFA- Reception at Fla. ALHFA Conference	\$ 6,000.00
Ck # 1796 Philip L. Burnett, P.A. - Retainer/Fees/Admin/Other	\$ 9,167.67
Ck # 1797 U.S. Bank- Reimburse for Gulotta	\$ 7,500.00

Immediately thereafter, on a motion duly made by Mr. Villalobos and seconded by Mr. Ferguson, the members of the Authority approved the transfer of the \$100,000 from the Authority’s savings account to its checking account and the payment of the Authority’s bills and invoices submitted for payment in August of 2023. Ms. Yates then advised the members that TIAA Bank, a bank in which the Authority owns a CD, had changed its name to EverBank.

The Chairman then recognized Mr. Burnett. Mr. Burnett requested that the Authority issue a check made payable to Merardo Sarserio Sarduy and Jacqueline Serrano Lopez (“Mortgagors”) for \$7,500 for the payment of additional funds due to them in connection with the

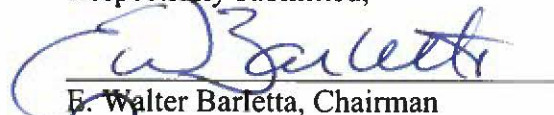
satisfaction of the satisfaction of the Second Mortgage on their home. Mr. Burnett said that there had been some confusion concerning the payoff of their Second Mortgage and they were entitled to receive the excess funds. He said that he had had difficulty locating the Mortgagors because they do not speak English. He said that he had asked Mr. Villalobos to assist in locating the Mortgagors and that he was successful in locating them through their son. Further, they came up with a way to get the funds to the Mortgagors. The Mortgagors have apparently moved out of the Country, but they maintain a joint bank account in Miami with their son. If the Authority will issue a check for \$7,500 made payable to Merardo Sarserio Sarduy and Jacqueline Serrano Lopez his office will send the check to their son and he will deposit it in the joint bank account referred to above. On motion made by Mr. Villalobos and seconded by Ms. Yates, the members of the Authority unanimously authorized the Authority to issue a \$7,500 check made payable to Merardo Sarserio Sarduy and Jacqueline Serrano Lopez and to give it to Mr. Burnett to pay to them as described above.

The Chairman then suggested that the Authority address Item XI on the Authority's Agenda, i.e., such other matters as may come before the meeting. The Chairman recognized Ms. Yates. Ms. Yates said that she thought that it would be a good idea for the members of the Authority to review the Authority's Website on screen at the Authority's next meeting. Mr. Villalobos said that he thought that it could be done. Thereafter the members agreed that it should be put on the Agenda for the Authority's next meeting.

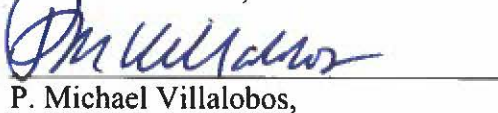
The Chairman then suggested that the members discuss when the Authority should have its next meeting. After a brief discussion, it was agreed that the Authority's October meeting will be held on October 19, 2023, at 4:00 p.m. at the offices of The Nunez Law Firm in Fort Myers. It was also agreed that the Authority's November meeting will be held on November 9<sup>th</sup> or November 16<sup>th</sup>, depending on the possible need for additional time to address the various bond offerings and that its December meeting will be held on December 14, 2023, both of which will be held at 4:00 p.m. at the offices of The Nunez Law Firm in Fort Myers

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. Ferguson and seconded by Ms. Yates, the meeting was adjourned at 5:58 p.m.

Respectfully submitted,

  
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E. Walter Barletta, Chairman

  
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P. Michael Villalobos,  
Assistant Secretary

Approved at the 10-19-23,  
Meeting of the Housing Finance  
Authority of Lee County, Florida