

HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA

MINUTES OF REGULAR MEETING

November 14, 2024

4:02 p.m.

On Thursday, November 14, 2024, at 4:02 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 called the roll. E. Walter Barletta, Walter Ferguson, P. Michael Villalobos were present at the commencement of the meeting and Virginia Yates arrived shortly thereafter. Lisa Maitland of Philip Burnett, PA was also present. Appearing by phone were Kirk Frohme, Authority Board Member, Tim Wranovix with Raymond James and Associates, Inc. ("Raymond James"), the Authority's managing underwriter, Claire Merritt with Hilltop Securities, Inc. ("Hilltop Securities"), the Authority's Financial Advisor, Mark Mustian, Esq. and Alex Fischer, Esq. 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, and Sue Denihan with Housing and Development Services, Inc. d/b/a eHousingPlus ("eHousing").

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 then suggested that the Authority address the approval of the Authority's Minutes for its prior meeting. The Chairman tabled this item because a quorum of the members that were present at that meeting was not presently available.

The Chairman then addressed Item V on the Authority's Agenda, i.e., consider, discuss and vote on the proposed issuance by the Authority of its Multi-Family Mortgage Revenue Bonds, Series 2025, in the aggregate principal amount of not to exceed of \$39,500,000 for purposes of financing the Project referenced below contingent upon Sarasota County inviting the Authority to issue said Bonds to finance the Project. The proceeds of such bonds will be used to finance the acquisition, construction, rehabilitation, equipping and development of the following Project located at the following location in Sarasota County, Florida:

Owner: Chamberlain Family Apartments, Ltd.

Name of Project: Chamberlain Family Apartments

Location: 5000 and 5200 S Chamberlain
Blvd., North Port, FL 34286

No. of Units: 165

The Chairman recognized Mr. Burnett. Mr. Burnett said that he and the Authority's Professional Staff had reviewed the Application and found that it was deficient in a couple of areas, particularly with respect to Applicant's site control and financial statements for the principals of the Applicant. He said that the Applicant had submitted a copy of a Contract For Purchase and Sale of Real Property to an affiliate of the Applicant. However, so much of it was redacted that it is impossible to tell anything about it. Further, there is no assignment of the contract rights to the Applicant. Accordingly, technically, it does not appear that the Applicant has control of the site for the Project. With respect to the financial statements issue, Mr. Burnett said that the Application states that they submitted to the Authority by delivering them to his office. He said however they are marked "confidential" with instructions that they are not to be distributed to anyone except for certain members of the Applicant's staff. He said that notwithstanding that any documents filed with the Authority are "public records", he was instructed not to disclose or give copies of the financial statements to anyone, which would include the members of the Authority and its Professional Staff. Mr. Burnett said that an Amended Application should be submitted withdrawing the restrictions on disclosure of the financial statements and/or there should be a retraction of the "confidential" language as it pertains to the Principals' Financials. Mr. Burnett concluded his remarks by recommending that this matter be tabled until the various issues are resolved. The Chairman asked if this transaction would be in jeopardy if it wasn't induced at this meeting. Mr. Wranovix and Mr. Mustian both said that it will not be in jeopardy from an allocation standpoint if the Application is tabled. A general discussion took place concerning the Application and the need to revisit the Authority's Multifamily Guidelines. Mr. Frohme noted that he has seen a 1 page "Financial" from Bronfman and that the closing on the land is projected to be in Nov. 2025. Thereafter, on a motion duly made by Mr. Villalobos and seconded by Mr. Ferguson and Mr. Frohme, the members of the Authority unanimously agreed to table this matter until the various issues are resolved.

At 4:29, the Chairman suggested that the Authority address the approval of the Authority's Minutes for its prior meeting. A quorum was now in attendance so as to allow the Authority to approve the Minutes of its October 17, 2024, Meeting. Thereafter, on a motion duly made by Mr. Ferguson and seconded by Ms. Yates, the members of the Authority unanimously approved the Minutes of its prior meeting.

The Chairman next suggested that the members consider Item VI 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 not much had changed, but new lenders are signing up with the Authority's OAHOP Program. He also said that he is working with Sue Denihan and others at eHousing regarding possible changes in rate structure for the Authority's MCC Program.

The Chairman next suggested that the Authority consider Item VII 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. She said that she would like for the members of the Authority to approve and authorize the payment of the bills and invoices that were submitted for payment in November, all as set forth below:

November 2024

Ck# 1857	Nabors, Giblin & Nickerson	Quarterly retainer	\$ 2,500.00
Ck# 1858	Philip L. Burnett, PA	Fees - Retainer Fee	\$10,000.00
Ck#1859	US Housing & Urban Dev	HUD Settlement Fee	\$ 6,000.00

Mr. Burnett said that the reason that the Authority is being asked to issue a new \$6,000,00 check to HUD is because the package that was previously sent to HUD to settle the matter with them was apparently lost. As a result, he said that he suggested to HUD's attorney, Barrett McVary, that the Authority stop payment on the original \$6,000.00 check, issue a new replacement check and overnighted it and a copy of the executed Settlement Agreement to HUD. Mr. Burnett said that he discussed the matter with Mr. McVary who agreed with our suggestion but suggested that we overnight the \$6,000 replacement check to his personal residence and that we do not need to send a copy of the executed Settlement Agreement as he already has a copy of it. Immediately thereafter, on a motion duly made by Mr. Villalobos and seconded by Mr. Ferguson, the members of the Authority unanimously approved the payment of the Authority's bills and invoices submitted for payment in November of 2024.

The Chairman next suggested that the Authority consider Item VIII on the Authority's Agenda, i.e., such other matters as may come before the meeting. The Chairman recognized Mr. Burnett and Mr. Mustian. Mr. Burnett said that Mr. Mustian had suggested that the Authority adopt a \$80,000,000 Plan Of Finance so that the Authority can warehouse some tax exempt volume cap allocation to be able to issue tax exempt bonds for the numerous proposed multifamily projects in Lee and Sarasota Counties concerning the Authority's possible adoption of an \$80,000,000 Plan of Finance. They said that they had been in discussions with Don Pickworth, the attorney for the Collier County Housing Authority ("Collier Authority") and that

they believe that the Region will receive approximately \$120,000,000 plus of tax-exempt volume cap allocation with the Collier Authority applying for \$40,000,000 of the tax-exempt volume cap allocation and the Authority applying for \$80,000,000 of the tax-exempt volume cap allocation. They said that Mr. Mustian had drafted a Resolution providing for the Authority's adoption of the Plan of Finance and that Mr. Burnett's office had emailed copies of it to each of the members. Mr. Mustian said that the allocation system is changing next year. He said that the tax-exempt volume cap allocation carryforward that the Authority has must be used first and, there is therefore a likelihood that the Authority will not have any new tax-exempt volume cap allocations without the Authority's adoption of a Plan of Finance because the allocation could be taken and used in another Region in Florida. The Chairman asked whether the Industrial Development Authority ("IDA") can apply for the tax-exempt volume cap allocation. Mr. Mustian said no as the IDA has its own pool. Immediately thereafter, on a motion duly made by Ms. Yates and seconded by Mr. Villalobos, the members of the Authority unanimously adopted the Plan of Finance, approved Inducement Resolution 24-06 and authorized its Chairman and Assistant Secretary to execute it.

The Chairman then recognized Mr. Wranovix and Ms. Denihan. Ms. Denihan said that eHousingPlus is proposing a change to the MCC rate from 25% down to 20%. She said that they will send a summary of the proposed changes to the Authority. She said that the reason for the proposed change is that if there is a tax credit rate of more than 20%, a borrower is limited to \$2,000 per year that may be applied as a tax credit. However, when the tax credit rate is 20% and below, a borrower is unlimited as to the amount of tax credit except the borrower is only limited to the amount of paid interest and the liability. Ms. Denihan then gave an example of a loan in the pipeline now: \$224,852.00 loan – 25% - \$56,213 is deducted from MCC allocation for that borrower, borrower is limited to \$2,000 per year. Using the same loan amount with 20% credit rate, \$44,970 is deducted from MCC allocation and the borrower is not limited to \$2,000, just limited to mortgage interest paid to determine rate and tax liability. Under the rate change, less allocation will serve more borrowers and borrowers are not limited to \$2,000 per year. Ms. Yates raised a question about the impact to the Authority's fee, if any. It was agreed that there would be no effect on the Authority's fees. Ms. Denihan said that the various proposed changes to the MCC rate would be beneficial to all parties concerned. She said that she would send a summary of the changes to the Authority and that there are no current loans in the pipeline. She concluded her comments by saying that the effective date of rate change, if approved by the Authority, can be tomorrow. On motion duly by Mr. Ferguson and seconded by Mr. Frohme, the members of the Authority unanimously approved the rate changes to the Authority's MCC Program.

The Chairman asked when the Authority's next meeting should be held. After a brief discussion, it was agreed that the Authority's next meeting will be held on December 12, 2024, at 4:00 p.m. at The Nunez Law Firm, 3610 Broadway, Fort Myers, Florida.

The Chairman then brought up the issue of a succession plan for the Members and for Mr. Burnett. Chairman suggested that each Member find his or her replacement and possibly

bring them to an Authority meeting so that they can see what the Authority does and how it operates. Mr. Burnett said that he had been looking for a possible replacement for him for some time and that he had a couple of people in mind, including Mr. Villalobos who he said had expressed an interest in applying to be his replacement.

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 a motion duly made by Mr. Ferguson and seconded by Mr. Villalobos, the meeting was adjourned at 4:52 p.m.

Respectfully submitted,



A handwritten signature in blue ink, appearing to read "E. Walter Barletta", is written over a horizontal line.

E. Walter Barletta, Chairman



A handwritten signature in blue ink, appearing to read "Kirk Frohme", is written over a horizontal line.

Kirk Frohme, Secretary

Approved at the December 12, 2024,
Meeting of the Housing Finance
Authority of Lee County, Florida