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BOARD MEETING MINUTES

Wednesday, August 11, 2010

A regular Board meeting of the Housing Finance Authority of Broward County, Florida, was held on Wednesday, August 11, 2010 at 110 NE 3rd Street, Suite 201, Fort Lauderdale, Florida. Chair, Brad Orvieto called the meeting to order at 5:30 p.m.

Present: Brad Orvieto, Chair
Robert McKinzie, Jr., Assistant Secretary
Bertha Smith, Member
Daniel D. Reynolds, Member
Donna Jarrett, Member
Jose "Pepe" Lopez, Member

Absent: Jon Dorsey, Vice Chair
Kirk L. Frohme, Secretary
Kenneth Thurston, Member

Staff: Ralph Stone, Director
Noel Pfeffer, Deputy County Attorney
Purvi Bhogaita, Assistant County Attorney
Mary O'Donnell, Broward County Accounting Division
Norman Howard, Assistant to the Director
Elizabeth Kersting, Interim Administrative Assistant

Also Present: Deborah Zomermaand, Zomermaand Financial Advisory Services
Jeff DeCarlo, Adorno & Yoss
Tom Radicioni, Bank of New York Mellon Trust
Helen Feinberg, RBC Capital Markets
Philip Harloff, Raymond James & Associates

CALLING OF THE ROLL

A Roll Call was taken and a quorum declared.

CONSENT AGENDA

1. Approval of June 9, 2010 Regular Meeting Minutes
2. Executive Report
3. Financial Reports
4. 2010 National Housing Finance Authorities (NALHFA) Educational Fall Conference at the New York Marriott at the Brooklyn Bridge, from September 27 – 29, in Brooklyn.

Mr. Howard made a request to pull the minutes. Errors in the minutes were identified on pages 1 of 4 and the last sentence of page 3 of 4 and corrected accordingly.

Motion was made by Mr. Robert McKinzie, seconded by Mr. Daniel Reynolds to approve Items 1, 2, 3 and 4 of the Consent Agenda dated August 11, 2010. This motion was unanimously approved.

5. 2011 Budget of the Housing Finance Authority

Staff requested a motion to approve the Housing Finance Authority Budget for FY2011. During review of the budget Mr. Reynolds made inquiries to Attachment (1) a \$27,000 increase in reference to Cost Allocation item #4998. Mr. Howard responded that this increase was moneys allocated to the HFA from Broward County and that there were quite a few components involved with this allocation and deferred the matter to Ms. O'Donnell. Mr. Stone requested that these components be identified. Ms. O'Donnell explained the process of these components and stated that she will provide a breakdown of these components at the next HFA Board Meeting. Mr. Orvieto also inquired on the budget deficit under Authority Expenses of \$15,000 for Professional Fees, in Accounting between FY2010 \$145,000 and FY2011 \$130,000. Ms. O'Donnell explained that the difference in funds between FY2010 and FY2011 occurred due to a timing issue; when the job was done and when it was completed. She also mentioned that there were some additional charges incurred the previous year during the transitional period.

Motion was made by Mr. Pepe Lopez, seconded by Mr. Daniel Reynolds to approve the Housing Finance Authority Budget for FY2011. This motion was unanimously approved.

ACTION ITEM

6. Single Family Private Activity Bond Allocation

Ms. Debbie Zomermaand, Financial Advisor requested a motion to approve a Resolution of the Housing Finance Authority of Broward County, Florida, authorizing the execution of a request for up to \$100,000,000 of bond allocation in connection with the issuance of Single Family Mortgage Revenue Bonds and/or Mortgage Credit Certificates; and providing an effective date.

A lengthy discussion took place among the members. Ms. Zomermaand provided an update of the present situation of the single family private activity bond allocation stating that initially they received an allocation of approximately \$73,000,000 which was valid until June 8, 2010. She stated that the Authority normally returned the allocation prior to the expiration date requesting a new PAB but due to an oversight and lack of pending single family transactions this action was not taken. At the present time the request is for \$100,000,000 so additional single family capacity would be available for the Mortgage Credit Certificate Program (MCC). Ms. Zomermaand stated that they have received a lot of interest in the program and have one issued; two that are in the pipeline; three potential offices were visited (1 Builder and 2 Lenders) together with four (4) webinar training sessions.

At the request of Mr. Orvieto, Ms. Zomermaand provided an explanation of how the MCC program works and the amount of MCC allocation that has been utilized so far which was approximately \$12,000,000. She also stated that the conversion of private activity bond allocation into MCCs is a 4:1 ratio. Therefore, \$50,000,000 in PAB will convert to \$12,500,000 in MCC allocation which is anticipated to assist approximately 330 home owners. Current Program Participants/registered lenders include: Flagship Bank, Bank of America and PNC Bank. Ms. Zomermaand stated that they received 80 interested calls for the week, 40 of which were representatives from Bank of America. In response to inquiries made, Ms. Zomermaand stated that any lender can participate in this program provided they qualify according to the HFA guidelines. Ms. Jarrett inquired whether this program has been marketed to the Board of Realtors. Mr. Stone responded that they will be contacted shortly. Dialogue has already been in the works with the Director, Mr. Richard Barkett who is familiar with the program. He also stated that their strategy will be to get in touch with lenders, major employers, Broward County, and the School Board. Mr. Reynolds inquired if there were any solutions in terms of foreclosure prevention. Mr. Stone responded that Broward County recently announced that they will be receiving allocation of approximately \$40,000,000 to address foreclosure mitigation and assistance that will be administered by HUD certified housing council agencies such as the Housing Authority, Neighborhood Housing Service and the Urban League. Ms. Feinberg addressed concerns raised in regards to refinancing and problems incurred due to upside down mortgages.

Motion was made by Mr. Robert McKinzie, seconded by Mr. Pepe Lopez to approve the Resolution of the Housing Finance Authority of Broward County, Florida, authorizing the execution of a request for up to \$100,000,000 of bond allocation in connection with the issuance of Single Family Mortgage Revenue Bonds and/or Mortgage Credit Certificates; and providing an effective date. This motion was unanimously approved.

INFORMATION ITEMS

7. Request for Letters of Interest (RLI) - HFA Trustee Services

Mr. Howard provided background and update stating that on June 16 and 23 the HFA advertised and issued an RLI to invite qualified firms to submit letters of interest for

consideration to provide trustee services on new bonds. He stated that on July 9th, 2010 staff received three responses from the following companies: Bank of New York, Regions Bank and Wells Fargo. Staff requested recommendation for the HFA to conduct interviews at the September 15, 2010 or October 13, 2010 board meeting. There was discussion among the members regarding timeframe of presentations, question and answer period and ranking. County Attorney, Mr. Pfeffer requested that letters be sent out to each company with reference to presentation format and timeframe and should be done alphabetically. To inquiries made by Mr. Orvieto regarding materials being received in advance, Mr. Howard responded that a matrix as well as supporting documents will be sent to the HFA Board Members for their evaluation/review prior to the meeting.

Motion was made by Mr. Jose Lopez, seconded by Mr. Dan Reynolds to conduct the interview of these three companies on October 13, 2010. This motion was unanimously approved.

8. **MATTERS FROM THE FLOOR**

Mr. Lopez made reference to the recent changes in County Commissioners appointed and raised the question regarding the new rules of ethics. Mr. Reynolds inquired if there will be any training regarding the new rules of ethics. Mr. Pfeffer responded that there will be training sessions provided to elected officials, employees and Board Members. Mr. Orvieto made reference to the upcoming Fall NALHFA conference members will be attending in New York from September 27 to 29, 2010. Mr. Pfeffer stated he will provide the new guidelines before members travel to the NALHFA Conference in New York.

Ms. Zomermaand provided an update on two new bond deals stating that they will be requesting authorization of a TEFRA hearing at the September 15, 2010 meeting. There will be Interlocal agreements drawn up for approval by Florida Housing which is hoped to be sent for approval at the October 22nd Agenda meeting.

9. **NEXT BOARD MEETING**

September 15, 2010

10. **ADJOURNMENT**

Meeting was adjourned at 6:20pm.

Disclosure: The above captioned Minutes are transcribed in a summary format. To hear the full meeting, a compact disk of the meeting (#HFA 8-11-2010) can be provided after 24 hour notice to the administrative office at 954-357-4928