

MINUTES OF THE MEETING OF
THE MEMBERS OF THE
OSCEOLA COUNTY HOUSING FINANCE AUTHORITY

July 15, 2025

The meeting of the Osceola County Housing Finance Authority was held at the Hart Memorial Library, Room 107, 211 E. Dakin Avenue, Kissimmee, Florida on the 15th day of July, 2025 at 1:00 p.m.

The following members were present:

Duane “Rocky” Owen, Chairman
Karen Giel, Vice Chair
Casmore Shaw, Secretary/Treasurer
Renee Lavendar, Assistant Secretary
Jacob Dorn, Assistant Secretary

Also present were:

George S. Flint – GMS – CF, LLC
Jan Carpenter, Esq. - Latham, Luna, Eden & Beaudine, LLP
Jeanne Adams – Latham, Luna, Eden & Beaudine, LLP
Mike Watkins – Greenberg Traurig – Bond Counsel
Josh Scribner – Seltzer Management – *via telephone*
Kat Johnson – Seltzer Management – *via telephone*
James Riley – Lincoln Avenue Communities
Helen Feinberg – RBC Capital Markets - Underwriter *via telephone*

ITEM #1

Call to Order

Mr. Owen called the meeting to order at 1:00 PM. Five Board Members were physically present, constituting a quorum.

ITEM #2

Public Comment Period

Mr. Flint stated we have one member of the public, but they will speak under there item. There being none,

ITEM #3

Approval of Minutes

A. April 28, 2025 Board Meeting

Mr. Flint asked if there were any comments or corrections?

Mr. Dorn stated on page 10, line 5 doesn't make much sense.

Ms. Carpenter stated I marked up a couple of cleanup comments, George, I'll give you the printout.

On MOTION by Mr. Owen, seconded by Mr. Dorn, with all in favor, the minutes of the April 28, 2025 Board meeting were approved as amended.

B. April 28, 2025 TEFRA Hearings

- i. Crestwood Apartments**
- ii. Dominium St. Cloud Family Development**
- iii. Yates Road Development**

Mr. Flint asked if there were any comments or corrections?

Ms. Carpenter stated no one came to any of those, so the minutes are very short.

On MOTION by Mr. Owen, seconded by Ms. Giel, with all in favor, the minutes of the April 28, 2025 TEFRA Hearings were approved subject to the affidavit being attached.

ITEM #4

**Consideration of Resolution 2025-09
Providing for the Removal and
Appointment of Treasurer of the
Authority; Appointment of Assistant
Treasurers of the Authority**

Mr. Flint stated what this resolution does is rescind Mr. Shaw's appointment as Treasurer, appoints me as Treasurer, and then Darrin Mossing, Sr. and Katie Costa as Assistant Treasurers. You're going to consider a motion or a resolution under item six requesting the County to transfer the funds to the Authority. This would allow us to open the bank accounts and administer the funds for the Authority.

Ms. Carpenter stated this is follow up from the last meeting where we retained GMS to basically run and manage the HFA. This puts into place that we can direct the County to transfer the funds to a bank account that meets all the statutory requirements. And then we can get regular updates on the finances, where they can get the budgets developed.

Mr. Flint stated we'll prepare financial statements for every meeting, and we'll prepare the annual budget. I serve as Secretary or Treasurer on over 100 special districts, so this is not unusual. And we do carry insurance that protects the Authority in the event of a loss.

On MOTION by Ms. Giel, seconded by Mr. Owen, with all in favor, Resolution 2025-09 Providing for the Removal and Appointment of Treasurer of the Authority; Appointment of Assistant Treasurers of the Authority.

ITEM #5**Consideration of Resolution 2025-10
Establishing a Local Bank Account and
Appointing Bank Account Signatories**

Mr. Flint stated item five would establish a local bank account and appoint signers for the account. We're recommending this for the operating account. We'll come back to you with a recommendation on an investment account, but this is to authorize us to get an account open once the County transfers the funds, and then we would recommend, at a future meeting, we'll bring back a resolution authorizing us to open an account with the State Board of Administration, the Local Government Trust Fund. That's what most of the counties and school boards and cities use as their investment pool. That's one option that we could do, there other things as well, but that's a pretty safe option, because it preserves principle. It's liquid. We can access the funds within 24 hours, and then the return is reasonable compared to money market funds.

Ms. Carpenter stated there are statutory protections, we have to open an account with a bank that qualifies as a public depository.

Mr. Flint added and Truist is formerly SunTrust. Most of the special districts we deal with have their accounts at Truist. This is just to get an operating account open and the recommended signers on this were the Chair, myself and the two Assistant Secretaries.

Mr. Dorn asked how many signatures are going to be required to go on checks?

Mr. Flint responded two. You're going to have an annual audit performed and you're also going to get financial statements at every meeting so you'll have a much better idea going forward of what you have available, what you're spending and how the funds are invested.

Ms. Carpenter added right now for us to try to track what's been paid, we have to go through the last year and try to track payments to who's paid what. It'll be a lot easier to track what's coming in from bond issues.

On MOTION by Mr. Owen, seconded by Mr. Dorn, with all in favor, Resolution 2025-10 Establishing a Local Bank Account and Appointing Bank Account Signatories, was approved.

ITEM #6

**Consideration of Resolution 2025-11
Authorizing Transfer of Authority Funds
from Osceola County to Authority's
Depository**

Ms. Carpenter stated this resolution is directing the transfer of funds from Osceola County to the Authority. This will then give us a formal resolution to go to the County to say, now we need to get those funds back. And once the accounts open, this is where it gets transferred to. The County departments are going to need to know there was a formal resolution, so that's what this is. As soon as the accounts are set up, and we will go forward and try to get money transferred.

Mr. Flint stated we may decide it would make sense to wait until October 1st to align with the fiscal year.

Ms. Carpenter added and that does fit in with the audit. The County includes the HFA in their audit, so they will continue it for this year, and then we have to make the decision starting October 1st. Do we want them to continue for the next year, or do we want to then have our own audits, so we have a separate audit of everything that GMS is doing and that Authority is doing.

On MOTION by Ms. Giel, seconded by Mr. Owen, with all in favor, Resolution 2025-11 Authorizing Transfer of Authority Funds from Osceola County to Authority's Depository was approved.

ITEM #7

**Consideration of Credit Underwriting
Report for San Jose Apartments Bond
Issuance**

Mr. Flint stated item seven is presentation of a Credit Underwriting Report for the San Jose Apartments.

Ms. Carpenter stated I was speaking with Helen Feinberg of RBC, who's been the Underwriter on most of the transactions that HFA has handled. She's been doing this for quite a while, since San Jose and Crestwood, which is also coming up and we'll have an underwriting report shortly, are preservation projects. I thought her explaining a little bit of the background of the preservation projects would help. Helen, do you mind just giving an explanation of what the idea of preservation is in the State?

Ms. Feinberg stated sure, my focus on preservation dates back a number of years ago. I was appointed by the Governor to serve as the Chair of the Affordable Housing Study Commission for the State, which has been inactive of late, but at the time when I studied preservation, along with the Board that was also included, we spent a two-year period studying preservation. We looked at the expirations of land use restriction agreements and the inventory of affordable housing in the State. And from a policy standpoint, the stakeholders, including Florida housing, felt that preservation was extremely important of existing affordable units, which San Jose is one of these. For example, Florida housing established a set aside for 9% tax credits that targeted the preservation of existing units. While new construction is wonderful, eventually those deed restrictions do expire. And in the case of the San Jose transaction, this one is in Seminole County, and the County did approve an area of operation resolution where they invited Osceola to act on their behalf in terms of issuing the bonds as the only issuer in the region. And this project has been awarded volume cap, so it's ready to go. I just wanted to underscore that we often think about the creation of new affordable housing is wonderful, but extending the useful life of existing housing is critical to meeting the tremendous demand for the affordable units. So that's it, from my perspective, but happy to answer any questions.

Ms. Carpenter stated thanks Helen. We have San Jose, and Crestwood is currently being underwritten which is another rehabilitation one. We have not seen any rehabs in a long time here, so I thought it was important. Just so everyone knows, if it's solely a tax credit development, they only have a 15-year set aside, as well as bonds. The State adds another 15 years to those, and sometimes up to 30 and 50 years, but there's been a number of studies just showing the number of affordable units that are going out of affordability versus the number that are being built. So that's why they had that. I thought that'd be interesting for you all to know the difference and why some are targeted the way they are, and why we look at these as well as and why bonds are allowed on these as well as for new construction. I'll ask Seltzer to describe the report and the financing, but just so you know, Florida housing does have different requirements for rehabilitation, preservation projects. Certain dollar amounts have to be spent, certain things have to be done to qualify. Josh, if you could explain briefly what they're doing from a rehab and financing perspective. We also have James Riley from Lincoln Avenue Communities here to answer questions once the Board has heard Seltzer's description of the underwriting and their recommendation.

Mr. Shaw joined the meeting at this time.

Mr. Scribner stated this transaction consists of short term tax exempt bond financing for the acquisition and rehab of San Jose Apartments. There'll be a total tax exempt bond issuance of \$27,500,000.00. Of that \$8 million will be tax exempt seller financing, with the rest of it being a Series A tax exempt financing that'll be cash collateralized through a portion of a Truist bank loan and Grand-bridge loan. Series A's will be 100% cash collateralized throughout the construction period. Upon construction completion and at conversion, all the tax bonds will be paid off or redeemed, and then the remaining funding sources will all be taxable. There is an existing HUD 223(f) loan that will remain in in the debt stack and in first lien position, followed by a Grand-bridge HUD 241(a) loan, \$8 million of seller financing. And then some various other sources, including tax credit equity, deferred developer fee, and some solar equity from the solar panel installation that will occur on the property. The total construction budget is just under \$10 million which comes out to about a little bit over \$70,000 per unit. It is inclusive of GC fee, construction period is slated for I believe it was 18 months and this will be an in place tenant rehab. We do have a small relocation budget, but right now, the vast majority of the rehab that's going to occur in the units can take place with the tenants being relocated off site. With the exception of the ADA section 504 unit, those need a little bit more extensive rehab, so those tenants will have to be relocated throughout. Happy to answer any other specific questions.

Ms. Carpenter stated I'll just add in on the set asides for tax exempt bonds. The minimum requirement is 40% at 60 which is what most of the developers choose. So, 40% of the units have to be leased to folks at 60% area median income or less. In this case, they have agreed to 80% of the units at 60 and also 20% at 50, which is a little bit lower, and they've agreed to extend for 30 years. So that doubles the bond number. Those match their housing credit units where they're doing all of them at 60%. The good thing about housing credits is they also have rent restrictions, and bonds don't. So these will also be rent restricted units. They can't charge more than 30% of the income of the tenants. So that's definitely a benefit. And the extended set asides, which is something the Board might want to think of later for future applications. Do we want to require longer periods? Josh explained the financing scenario is an assumption of an existing HUD loan and then a new HUD loan, and HUD has underwritten the transactions, and actually started calls talking about the transaction, so it sounds like they are either approved or are well on their way to approval on those loans. Truist is the equity provider, which means they are purchasing the tax credit, tax credits on the property. So they're putting in, forget how much, but they're putting in money at the beginning,

they have to put at least 15% at closing, and then they're putting in, \$19,334,000.00 so there's a lot of other investors that are underwriting this transaction as well. I think we're about the last on the approval list.

Mr. Dorn stated I understand it during the construction phase, we get a second mortgage, and there's also a third mortgage, which is the \$8 million to purchase

Ms. Carpenter responded generally, we will work through title as to the priority of the mortgages. These are cash collateralized bonds, which means there will be enough money every time a draw is made of bond proceeds for construction. There will be a loan that will put with the Trustee an equal amount of money so those bonds are always secured by cash. Under Chapter 159 which regulates housing finance authorities, the HFA does not have to have a mortgage. We generally have one just as extra security.

Mr. Scribner added we do have a debt service coverage for all hard debt over the minimum standard that you guys have, which is a 1.10 debt service coverage. But the in the permanent period, the seller financing portion, we weren't able to achieve that debt service coverage, so the developer applicant agreed to convert that seller note from tax exempt to taxable because they couldn't meet that debt service coverage requirement.

Mr. Dorn stated my other question was about the solar tax credit. After reading through the One Big Beautiful Bill that just passed and looking for things that affected housing, I didn't pay attention to the solar tax credits but there were an end to those. Have you looked if this is going to be affected? Because that's a million dollar hole in your budget.

Mr. Riley stated I'm with Lincoln Avenue Communities, thank you everyone for having me. So, when it comes to the One Big Beautiful Bill and the solar provisions in there, there's kind of two different tests. One is that construction begins, I think before December 31, 2026. I do know that the start date is within 2026 and I believe they have to be complete by the end of 2028, please don't quote me on the dates, but we do have at least a year now to both begin construction and then I believe it's three years to complete that, all of which should be done well in that time period.

Ms. Carpenter asked any other questions about the developments? What Seltzer didn't say is they did make a recommendation for the issuance of the bonds in this amount based on the terms in the Underwriting Report.

On MOTION by Mr. Dorn, seconded by Mr. Shaw, with all in favor, Consideration of Credit Underwriting Report for San Jose Apartments, was approved.

ITEM #8

Bond Allocation Verbal Update

Mr. Flint stated moving on to the bond allocation verbal update, Mike?

Mr. Watkins stated so for 2025, Region 7, which is Osceola and Seminole, started out with around \$62,000,000.00 in allocation. We used 10 million on Buen Vecino which we closed. Then we've got \$27,500,000.00 allocated to San Jose, and the remainder we're going to request carry forward for. They've confirmed they're not going to close the next year. So that's where we stand with all the allocation for Region 7.

ITEM #9

Update on Dominion Applications for Bond Financing

Ms. Carpenter stated these were the two transactions that were brought to the Board at the last meeting, Yates Road and St. Cloud. The Board rejected due to the structure that they were relying on enough high enough increased rents at conversion, but there would be a shortfall if those rents were not increased, and we would require them to put the money up to show that, or provide another financing source. Devon, who was here at a couple meetings, has called, and they are still trying to work through some way of getting those deals done, because this would pretty much prohibit them from using their normal model in Florida. We did do the TEFRA's, so we're good for a year, if they can come back. But I just wanted to let you know they have not gone away completely, and they're trying to come up with a workaround, but so far, nothing has sounded great.

ITEM #10

**Ratification of Disbursements #166 - #169;
Approval of Disbursements #170 - #171**

Mr. Flint stated next is ratification of Disbursements #169 - #199. Are there any comments?

On MOTION by Ms. Giel, seconded by Mr. Owen, with all in favor, Disbursements #166 - #169 were ratified.

On MOTION by Ms. Giel, seconded by Mr. Shaw, with all in favor, Disbursements #170 - #171 were approved.

ITEM #11

Attorney's Report

Ms. Carpenter stated not much new. A couple changes in the Live Local Act and July 1st legal changes. Nothing that would affect the way we're doing business right now. The only thing of importance is last year the legislature put in an ad valorem tax exemption for affordable housing developments that had land use restriction agreements with the State. The statute changed to add that for housing finance authorities. We may be seeing that on deals here if they don't have a State loan, like a sale loan or home loan or some other state funding. I talked with some of the folks at the state who were instrumental in drafting the State's form of agreement. We're working on making sure that all the HFAs are using the same form the State uses so there's no question for a developer when they get to a Property Appraiser and they're like, wait a minute, this says this, that says that. The one downside we have is the lenders get very nervous about the tax exemptions, because they're underwriting minus \$150,000.00 or \$200,000.00 a year on expenses. It took the State months and months with some of the big lenders to get them comfortable with it, because if the development is in non-compliance with their set asides for affordable housing, then there is a huge penalty of 10 times the amount of loan. It's it looks like it's a mistake in the statute, but it did not get changed. The State just passed a regulation that went into effect July 1st, but HFAs don't have those rules. There are some issues that are going to happen if we're asked to do that that have not been worked out yet.

Mr. Flint added and the Property Appraiser is the one that ultimately approves the exemption.

Mr. Dorn stated there was also a State provision that passed recently for affordable housing where it can override local zoning in the Live Local Act.

Ms. Carpenter stated there are some exceptions and there were some changes. We have to be a bit cautious in that we don't have permitting and zoning authority, so we have to look from a standpoint of affordable housing.

Ms. Lavendar added that was what was alarming to me. And then there's also provisions that allow them to do variances to where they could get away with purchasing smaller properties, having 20% forgiveness on adequate parking spaces to be able to develop out more which is basically creating a huge problem. I mean, we've got subdivisions, single family home subdivisions going in now that are having to allocate empty space for overflow parking because driveways now, you're lucky to fit two cars, and you got a five-bedroom home with six cars.

Ms. Carpenter responded yeah it's posed a lot of questions for the local jurisdictions. Hopefully we won't have that issue here but we'll see and if I can find a good write up of that I'll

send it out to you all. That's it, other than my usual Sunshine Law, public records law. Don't forget, you can't talk to one another about things that may come before the Board and any papers you keep in your course of business, you should keep separate in case someone does the public records requests, and we do get them occasionally from other developers that are asking for what's been submitted to the State.

ITEM #12**Other Business****A. Presentation of Occupancy Reports**

Mr. Flint introduced the occupancy reports for review and discussion. He added I know on the Hallmark there's been the question about the zero occupancy, and I think Seltzer has explained that they only review each one of those projects once a year, and until they review it, it shows zero but there are program reports that are generated that are not reviewed reports, and the Osceola County Hallmark projects that are in question that shows zero are actually 100% occupied, according to the program reports.

Mr. Scribner added no, those are not reviewed yet.

Mr. Flint stated what you see in your occupancy reports are reviewed communities and because those haven't been reviewed yet they show them as zero until they review them.

B. Approval of Fiscal Year 2026 Meeting Schedule

Mr. Flint stated each year you set an annual meeting schedule, we've got four suggested meeting dates: January 20th, April 21st, July 21st, and October 20th. Those are all in this location, the Hart Memorial Central Library at 1:00 P.M.

Ms. Carpenter asked what is our last meeting for 2025? We will need another meeting for the bond documents.

Mr. Flint the next meeting is October 21st. We can always schedule a special meeting in September if needed.

On MOTION by Ms. Giel seconded by Mr. Owen, with all in favor, the Fiscal Year 2026 Meeting Schedule, was approved.

ITEM #15**Authority Member Requests/Comments**

Mr. Shaw asked was a report given on the ALHFA conference?

Mr. Flint responded I handed this from the conference if you want a copy of that and I'd be happy to provide you with an agenda. It was in Clearwater Beach, and it ran from Wednesday night to Saturday morning. Well attended. The Lunch and Learn on Friday, they actually featured several of Osceola County's projects, Dominion and Birdsong and Helen were there and they presented and we emailed the PowerPoints out for those so, that was a good showing for Osceola County. Danica Ransom was there from Osceola County, she attended the conference as well. I think it was well attended, it was informative. They talked about the Live Local Bill, there's probably some materials for that that might be useful. Staff will pull that information.

Ms. Lavendar stated I would like a copy of that.

Mr. Dorn asked do we know what we're going to have to do different when the GMS contract starts?

Mr. Flint responded since we don't have the funds yet, part of what I'm working on is getting that transitioned, and then we'll be preparing an annual budget for the Authority. We'll get the funds transferred, and then we'll be in a position to be able to prepare financial statements.

Mr. Dorn stated we're going to need an annual audit, which is going to be an expense.

Mr. Flint responded the County is going to do the audit through September 30 of this year, so we don't have to worry about an audit until October 1, 2026.

Ms. Carpenter stated the County agreed that they would do it as long as we needed to, so we can sort of see how the transition goes. And we'll get a website going, so we'll have our own website, rather than be on the County's.

Mr. Flint stated we'll build all of that into the budget, but the first step is to get the money transferred and that may not be until October 1st so it makes sense at this point to wait and do it with the fiscal year.

ITEM #16

Adjournment

On MOTION by Ms. Giel seconded by Mr. Owen, with all in favor, the meeting was adjourned.


_____, Chairman/Vice Chairman