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

November 21, 2024

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 21st day of November, 2024 at 1:00 p.m.

The following members were present:

Duane "Rocky" Owen, Chairman
Karen Giel, Vice Chair
Jorge Figueroa, Assistant Secretary
Jacob Dorn, Assistant Secretary

Also present were:

George S. Flint – GMS – CF, LLC
Jan Carpenter, Esq. - Latham, Luna, Eden & Beaudine, LLP
Jay Lazarovich, Esq. – Latham, Luna, Eden & Beaudine, LLP
Mike Watkins – Greenberg Traurig – Bond Counsel
Mark Ganthier – Atlantic Housing *via telephone*
Josh Scribner – Seltzer Management – Underwriter *via telephone*
Cameron Hill – RBC Capital Markets *via telephone*
Tonya Haddock – GOA *via telephone*

ITEM #1 **Call to Order**

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

ITEM #2 **Public Comment Period**

Mr. Owen stated we don't have any members of the public, other than staff and Board Members.

ITEM #3 **Approval of Minutes**

A. September 17, 2024 Board Meeting

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

Ms. Carpenter stated I had a change on page six under the first full paragraph, some words don't make sense there.

> On MOTION by Mr. Owen, seconded by Ms. Giel, with all in favor, the minutes of the September 17, 2024 Board meeting were approved, as amended.

B. October 28, 2024 TEFRA Hearing – San Jose Apartments
C. November 12, 2024 TEFRA Hearing – Buen Vecino

Ms. Carpenter stated no members of the public attended.

Mr. Dorn stated the title says *Minutes of the Meeting of the Members of the Osceola County Housing Finance Authority*, but no Board Members attended.

Ms. Carpenter stated it's not a Board Meeting it's a TEFRA Hearing, which is a public hearing required under the tax law. We can just make it *Minutes of the Meeting of the Osceola County Housing Finance Authority* and take out "Members."

Mr. Dorn replied thank you.

> On MOTION by Ms. Giel, seconded by Mr. Owen, with all in favor, the minutes of the October 28, 2024 TEFRA Hearing – San Jose Apartments were approved, as amended, and the minutes of the November 12, 2024 TEFRA Hearing – Buen Vecino were approved as presented.

ITEM #4 **Consideration of Credit Underwriting Report for Buen Vecino**

Mr. Flint stated item #4 is consideration of Credit Underwriting Report for Buen Vecino.

Ms. Carpenter stated you all are familiar with this. This development came to us in 2022, we just had our third TEFRA Hearing. This is the credit underwriting report that's done by Seltzer, and they are on the phone. It lays out the construction and permanent financing for the development and the guarantors for the loan. It follows the Florida Housing Finance Corporation requirements for underwriting. Anything that does not match those they would point out in this report. In this report, they recommend that we issue the multifamily revenue bonds in the amount of up to $13 million based on the assumptions in the report and they have listed conditions for closing. Just to give you a background, this is a tough development, meaning that there are a lot of sources. We have the HUD 202 Bonds of Construction of about $6 million, Osceola County is putting in $5 million too, the city of Kissimmee, $500,000 and then there are some other loans, Osceola Council on Aging, $952,000, the Florida Federal Home Loan Bank, $750,000 and then bridge loans from Truist and the equity folks for a total construction amount of $24,497,000 and change. So it's been a tough deal putting together all those sources. They had hoped to close this in December, but HUD is still in the review process, so it probably won't close until 2025. Does anybody have any questions, or would you like anything further explained? We have Seltzer on the phone as well as representatives of the Council on Aging and Counsel for the Borrower.

Mr. Dorn stated I have a conflict because I'm on the Board of Osceola Council on Aging, so I'll need to sign that form, but can I participate in the discussion?

Ms. Carpenter stated you can participate in discussion so long as you aren't advocating for one position or another.

Mr. Dorn replied thank you.

Ms. Carpenter asked any other questions or comments? We had a draft of the report and looked at it. Before the final report is issued, it will be replacement reserves of $420 per unit per year, which is being required by Redstone Capital, which is higher than the State normally requests, $300 per unit per year. Other than that, nothing jumped out to us as anything out of the ordinary. They will give us all the due diligence for closing that we normally request, contracts from the contractor, architect, engineer, all the due diligence for certificates of good standing and UCC searches for the borrower, GP and all the various parties and guarantors. We will get environmental reports, soil reports, and then Seltzer will also review all their stuff.

On MOTION by Ms. Giel, seconded by Mr. Owen, with all in favor, the Credit Underwriting Report for Buen Vecino was approved 3-0 with Mr. Dorn abstaining.

Mr. Flint provided Mr. Dorn the Form 8b to fill out and keep on file.

ITEM #5 **Consideration of Resolution 2025-01 Delegation Resolution for Buen Vecino Bonds and Exhibits**

A. **Trust Indenture**
B. **Loan Agreement**
C. **Bond Purchase Agreement**
D. **Land Use restriction Agreement**
E. **Preliminary Official Statement**

Mr. Watkins stated this is your standard authorizing resolution, it authorizes the Board to move forward with the financing and has various form documents attached. It delegates authorization to go ahead and issue these bonds.

Ms. Carpenter added attached to the resolution, which gives delegation to the Chair or Vice Chair to sign the closing documents, are copies of the trust indenture and the various documents that would be signed at closing. The Land Use Restriction Agreement is the important one, because it keeps the development affordable. There is one change. It had a 50% area median income, but it's actually 60% for bonds, so that will be changed, or it was changed on a later version. But these are substantially final. The offering document is substantially final, so there may be some tweaks and number changes, but the actual requirements should be pretty much in the form they are presented to you.

On MOTION by Mr. Owen, seconded by Ms. Giel, with all in favor, the Credit Underwriting Report for Buen Vecino was approved 3-0 with Mr. Dorn abstaining.

ITEM #6 **Status Report of Pending Bond Transactions**

Ms. Carpenter stated I wanted to bring everyone up to date on the Simpson Road development that submitted an application, they did not get sale funding, so they pulled that application. That was the one that they weren't sure without the sale, if they could make it work. They may proceed with tax credits, but they are going to proceed with bonds, and under this number, we also have a new request from Atlantic housing, which is under your agenda that I gave you, and they are in a similar position as the developer in Simpson Road. They have a development where they're requesting sale funding with bonds. They will have to have an application to the HFA by the date they submit their application to the State, which is on or before December 20th. So they have asked if they could submit a short form application, similar to what Orange County accepts, and a lower fee, since they may not proceed. Scott Culp, who I spoke with, suggested a $3,000 fee in Orange County, and they presented the letter. That fee is similar to what we requested for Simpson Road, and it might make sense to adopt a policy. We can talk about that next for changes in fees.

Mr. Owen asked this is in Osceola County?

Ms. Carpenter responded yes, the development they are looking for is in Osceola County. They think it'll be in the Tohoqua development, those front parcels. They have a backup location if that one does not work. Their representative Mark is on the phone.

Mr. Ganthier stated we're looking at approximately 120 units, and our preferred site is the one in Tohoqua. The secondary site is just off 192 at Puffin Road, but we're working on the two. I am on the development side of this, and we're really scurrying to get through due diligence so that we can have final context, final mix and stop before we submit the short form application to you. We intend to submit that to you the first week of December.

Ms. Carpenter stated the question for the Board is your comfort level on a short form application and a lower fee.

Mr. Owen stated I'd like to know more about the location of the secondary site. Where is it?

Mr. Ganthier stated they are both in St. Cloud, the first site is on Cross Prairie Parkway at Summer Cloud. It's almost adjacent to the turnpike with a portion of the site adjacent to the turnpike. The secondary one is 192 and Puffin Road, it's just east of Narcoossee.

Ms. Carpenter stated so the request would be to accept a short form application and to agree to a reduced fee of the $3,000 similar to Orange County, it makes sense from a development point of view. If they don't get the sale funding, they don't need bonds, so they will come back with a full application and the balance of the fee once they know they receive the sale funding.

Mr. Dorn if it helps meet the goals of affordable housing, I'm in favor.

> On MOTION by Ms. Giel, seconded by Mr. Owen, with all in favor, the submittal of a short form reduced application fee of $3,000, and upon securing sale funding, a full application and the balance of a regular fee would be submitted, was approved.

ITEM #7 **Ratification of Disbursements #153 - #156**

Mr. Flint stated item seven is ratification of disbursements #153 - #156. Any questions? There being none,

> On MOTION by Ms. Giel, seconded by Mr. Figueroa, with all in favor, Disbursements #153 - #156, were ratified.

ITEM #8 **Attorney's Report**

Ms. Carpenter stated I did have a request to potentially increase some of the fees. One would be to solidify that we'd agree to accept a short-term application for $3,000 with the balance of the application fee due. The second was to consider an increased application fee for an out of area project if we do another Seminole County project development. If the Board is in favor of that, it could be adopted preliminary today to set a public hearing at the next meeting.

Mr. Owen stated I would recommend doubling the application fee for out of country projects.

Ms. Carpenter stated it does take a bit more work we have to do the TEFRA in Seminole, but we have to have it approved both in Seminole and Osceola, and we also have to go to Seminole County for the Interlocal agreement.

> On MOTION by Mr. Owen, seconded by Mr. Figueroa, with all in favor, setting a Rate Hearing to double the application fee for out of county projects for January 21, 2025, was approved.

ITEM #9 Other Business

A. Presentation of Occupancy Reports

Mr. Flint stated item nine is the occupancy reports. Any questions on those?

Ms. Carpenter added we did get the HUD reports, they're a bit delayed but they did submit the reports to Florida Housing and then to Seltzer.

B. Approval of Annual Meeting Schedule

Mr. Flint stated we wanted to add a 9b Approval of the Annual Meeting Schedule. In the past you approved January, April, July and October, the third Thursday at 1:00 pm. If you want to keep that practice, we can advertise the annual meeting schedule with those months, and if we need a meeting another time than that we can advertise a special meeting. We can also cancel any meetings if there's nothing on the agenda at that time.

> On MOTION by Mr. Figueroa, seconded by Mr. Dorn, with all in favor, the Annual Meeting Schedule with meetings the months of January, April, July, and October of 2025 on the third Tuesday at 1:00 pm at the Hart Memorial Central Library, was approved.

ITEM #10 Authority Member Requests/Comments

There being none,

ITEM #11 **Adjournment**

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

Duane Owen, Chairman/Vice Chairman