

BREVARD COUNTY
HOUSING FINANCE AUTHORITY

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MINUTES
March 26, 2025

The Brevard County Housing Finance Authority convened on the 26th day of March, 2025, at the hour of 3:00 p.m. at the Captain's House at Goode Park, 1300 Bianca Drive, Palm Bay, Florida, and by telephone conference call.

Present in person: Kamran Sarkarati, Chairman
 Michael Hartman, Vice Chairman
 Barry Forbes, Secretary/Treasurer
 James Katehakis, Assistant Secretary/Treasurer
 Angela A. Abbott, Attorney for the Authority
 Drew Warren, Community of Hope
 Andrew Taylor, Kittle Property Group, Inc.

Present by telephone: Alison Colvard, Member
 Mark Mustian, Nabors, Giblin & Nickerson
 Alex Fischer, Nabors, Giblin & Nickerson
 Molly Clerk, Public Resources Advisory Group

- I. The Chairman opened the public hearing at 3:02 p.m., regarding the proposed issuance of not to exceed \$41,000,000, Multifamily Housing Revenue Bonds, (Sunset Palms Apartments Project) pursuant to the Notice of Public Hearing which was properly published and asked for public comment. Hearing none, the public hearing was closed at 3:03 p.m.
- II. The Chairman called the meeting to order at 3:03 p.m., determined the presence of a quorum and acknowledged publication of the notice of meeting.
- III. Public Comments: The Chairman called for public comment. Hearing none, public comment was closed.
- IV. Consent Agenda: Motion made by Jim Katehakis, seconded by Michael Hartman and carried unanimously to approve the Consent Agenda as follows:

- A. Approval of Minutes of January 22, 2025 meeting
 - B. Approval of payment of Hendrickson Ink invoice for website maintenance
- V. Discussion regarding application of Kittle Property Group, Inc.: An application was submitted by an affiliate of Kittle Property Group, Inc. for the issuance of not to exceed \$41,000,000 in Multifamily Housing Revenue Bonds for the Sunset Palms Apartments Project. The project will consist of 263 units located at 2070 Londale Avenue, Palm Bay. The site is properly zoned and was previously approved for a different multifamily project. Andrew Taylor stated that this will be an elderly project (age 62 and up). The income of all residents will be limited to 60% of AMI (40% @ 60% for bond purposes). Mr. Katehakis questioned an inconsistency in the application regarding square footage of units. He also questioned the developer fee, the poor online ratings of the property manager, which is an affiliate of the applicant, and the condition of the units which were the subject of complaints. Mr. Taylor responded that Kittle Property Group, Inc. has been in the business since the 1960's. It has 150-160 affordable projects in others states, but no projects in Florida yet. Some of the older acquisition/rehabilitation projects have had challenges, but the newer projects are in better shape. The online complaints are from tenants who have been evicted. Barry Forbes stated that developments with 4% tax credits is a "for profit" business. These projects would not be built if the developer did not receive a fee. Mr. Hartman added that the bulk of the developer fee (approximately 80%) will be deferred. It could take 30 years for the fee to be paid. Mr. Hartman added that the property management fee and the construction fee appear reasonable. These issues will be addressed in the credit underwriting report. Mr. Katehakis and Mr. Forbes expressed concerns about reserves for maintenance of the project. Mr. Katehakis stated that he wants to create and maintain an asset in the community. Mr. Hartman stated that there will be guaranties to make sure that the project continues operating well. He explained that if there is a tax credit default, the developer will be out of business. Alison Colvard concurred with everything Mr. Hartman stated. Key Bank will be buying the tax credits, which stay with the project, and will monitor compliance. In addition, there will be a third party compliance monitor which will inspect the property annually. Kittle Property Group, Inc. will have to give audited financial statements to Key Bank. Mr. Forbes stated that any new affordable apartments in this area is a good thing. The Authority has allocation of \$19.5 million which will expire at the end of 2025. This issue is expected to close prior to year end.

Motion made by Michael Hartman, seconded by Barry Forbes and carried unanimously to approve Resolution No. 2025-02 entitled:

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$41,000,000 IN MULTIFAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, EQUIPPING, AND DEVELOPING A MULTIFAMILY RESIDENTIAL HOUSING FACILITY FOR PERSONS OR FAMILIES OF LOW, MIDDLE OR MODERATE INCOME; FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BY AND BETWEEN THE AUTHORITY AND SUNSET PALMS APARTMENTS, LP; AND PROVIDING AN EFFECTIVE DATE.

[Andrew Taylor left the meeting.]

- VI. Report of Treasurer, Barry Forbes: Mr. Forbes stated that he is working with U. S. Bank and Fidelity to move the funds out of the Fidelity account and over to the U.S. Bank custody account. The rate on the Fidelity account is now approximately 4.25%, which is similar to the return on the U.S. Bank custody account.

VII. Status Reports on Special Projects:

- A. Loan Agreement with Housing for Homeless ("HFH") f/k/a Coalition for the Hungry and Homeless: The loan to HFH has been paid in full as of this month. A summary of all payments was included in the agenda package.
- B. Loan to Community of Hope, Inc. ("CoH"): A summary of all payments was included in the agenda package. The loan payments have been made through February 1, 2025.

Drew Warren presented information on four units which Community of Hope recently completed in Titusville, one block north of South Street west of the courthouse, which are fully leased. There are six additional units under construction directly behind these units. Community of Hope will receive \$945,000 from the City of Titusville and \$400,000 from the County for the construction of these units. The City's grant agreement requires that funds be expended and then reimbursed. The County pays as it goes along. Community of Hope also has a \$100,000 line of credit with PNC Bank, but a full audit is required to increase the line to \$250,000. The audit is underway but construction is moving very quickly. There is an immediate need for an additional \$150,000 line of credit from the Authority. The construction on this project is expected to be completed by October, 2025. Mr. Forbes noted that the agreement with the City will end in 2026. The funds through the City are coming from HOME grant funds and ARPA. Mr. Forbes stated that a bank should administer a line of credit. He would support a short term bridge loan of \$150,000 to be due in one year. Mr. Warren stated that the total project cost is about \$1.3 million of which about \$200,000 has been paid so far. The construction cost is about \$220/square foot. Ms. Abbott suggested adding this loan to the existing loan and mortgage. Mr. Forbes suggested a cross collateralization or cross default agreement for this loan with the existing loan. Motion made by Barry Forbes, seconded by Michael Hartman and carried unanimously to approve a loan of \$150,000, with zero interest, due in one year.

- C. Titusville Housing Authority: Barry Forbes explained that the new director for the Titusville Housing Authority, Brian Clark, is very knowledgeable and is working toward building more affordable housing inventory. His agency has control of various government funding sources, and has maintenance and administrative staff to handle more inventory. He is looking for expansion opportunities. If he could purchase more units, the cash flow would grow exponentially. Mr. Forbes discussed the Authority using some of its funds to assist in acquiring units, which could be repaid with rental revenues.

Mr. Katehakis mentioned a vacant assisted living facility in Melbourne at the corner of Hickory and Hibiscus that could be utilized for homeless or other affordable housing. The members discussed the potential for affordable manufactured housing. Mr. Forbes stated that, because of the resources and staff of the Titusville Housing Authority, he would be receptive to a partnership with them, if they approach the Authority.

VIII. Single Family Programs:

- A. Status report on 2012-2025 TBA / MCC Program and discussion regarding funding of Down Payment Assistance loans: Ms. Abbott presented a written status report on the Single Family Program for the months of January and February, 2025. She indicated that two new loans closed, and four loans paid off. Five new loans are expected to close in April, 2025.
- B. Discussion regarding allocation process: Ms. Abbott stated that the Authority received a new construction multifamily application from Dominion yesterday. The project is located in west Cocoa, 360 units with 100% @ 60% AMI set aside. The application is for \$80 million in tax exempt bonds, with 4% tax credits. The property is located on Burnett Road, just south of S.R. 520. Ms. Abbott indicated that the Authority currently has about \$83 million in allocation, of which \$41 million will be used for Sunset Palms this year. After the last meeting, the Authority applied for and received allocation of \$14 million of the \$50 million plan of finance because another multifamily application of \$42 million was expected. The Authority held off on applying for the balance of the plan of finance of \$36 million because the Volusia HFA had planned to apply for \$75 million in plan of finance allocation. To date, the Volusia HFA has applied for and received \$57.8 million in 2025 allocation for multifamily projects. They have not submitted their plan of finance application yet. The balance of allocation available in Region 9 is now \$68.7 million. The Volusia HFA does not have any pending multifamily applications. Under the current housing allocation pools preference is given to actual multifamily issues as opposed plan of finance allocation. The Dominion project is located in an area of great need. Mr. Hartman commented on Dominion's ability to perform. Ms. Abbott indicated that she contacted Sarah Metz, the attorney for the Volusia HFA, to let her know that the Authority would be considering applying for the balance of the plan of finance (\$36 million) for the Dominion project. The Authority directed Ms. Abbott and Mr. Mustian to apply for \$36 million in plan of finance allocation.

IX. Multi-Family Programs:

- A. Discussion regarding status of application of Emerald Place Florida, L.P. (Emerald Place Project): Ms. Abbott stated that this issue closed on February 20, 2025, as expected.
- B. Discussion regarding anticipated multifamily applications: Ms. Abbott reported that Dominion has approached the Authority about serving as the issuer on behalf of Indian River County, which does not have an HFA. It is an acquisition/rehab project and the

issue size if about \$28 million. There is also another multifamily project of \$42 million which may be submitted this year.

- X. Report of Public Resources Advisory Group, Inc.: Molly Clark stated that PRAG supports applying for the remainder of the plan of finance allocation in Region 9.

XI. Report for Angela A. Abbott, Esquire:

- A. Financial Statements: Ms. Abbott stated that the Computershare report was received in late February to allow the Financial Statements for fiscal year end September 30, 2024, to be finalized on February 28, 2025. Ms. Abbott has distributed the Financial Statements to the County and the required state agencies.
- B. Millennia Projects: The Authority and Trustee fees have still not been paid. A conference call was held with the bond holder representative and the entity acquiring the project. They agreed to try to get the fees paid by the end of March. Since there is no assurance that this will happen, the Trustee has been directed to send a letter to the guarantors to pay the fees in default. Mr. Hartman noted that this was a troubled portfolio at the outset.

XII. Other:

- A. Consideration of issuance of Request for Proposals for Auditor: Ms. Abbott presented a Request for Proposals and distribution list of auditors. Motion made by Barry Forbes, seconded by Michael Hartman and carried unanimously to authorize the distribution of the Request for Proposals.
- B. Consideration of request to sponsor FLALHFA Conference: Ms. Abbott stressed the importance of FLALHFA in advocating for legislation which is favorable to affordable housing. The new housing allocation pools would not exist without the efforts of FLALHFA. The annual conference is a very important educational and networking event. Also, the Brevard HFA is among the largest issuers in the state. Motion made by Barry Forbes, seconded by Michael Hartman and carried unanimously to sponsor the annual conference at the platinum level.

XIII. Adjournment: The meeting adjourned at 4:42 p.m.