

Charlotte County  
Housing Finance Authority

Special Meeting  
Minutes  
January 27, 2011

Chairman Bill Noel convened the meeting at 11:00 AM. Other members in attendance were Otto Brunner, Jim McClary and Mike Coalwell. Al Williams was excused. Also present were Assistant County Attorney Marty Burton, Executive Director Jim Sweeney and Scott Culp, representing CED Holdings and Concord Management.

The minutes of the meeting of September 22, 2010 were revised to add the word "no reply" to the last sentence on page 2. The minutes of that meeting were approved as revised.

Mr. Sweeney introduced Mr. Culp who has represented the developers of Murdock Circle Apartments since its inception. Mr. Culp told the Authority that the project continued to operate successfully, but that a letter of credit securing the "floater" interest rate expired. The developer was unable to obtain a replacement letter of credit in the current environment, and was forced to merge projects in three counties, including Murdock Circle Apartments, in a refinancing agreement with tax exempt bonds issued by the Bank of America.

The refinancing agreement had been approved by the Board of Florida Housing Finance Corporation, which also had a SAIL loan agreement with the Murdock Circle project. As a part of that approval, the developer agreed to extend the set aside stipulations for the Murdock Circle project for the life of the SAIL loan, obviating the need to amend the Land Use Restriction Agreement attached to the Authority's bond issuance. Mr. Culp asked the Authority for its approval to enter into the transaction with FHFC, allowing it to refund the Authority's outstanding bonds and record an additional LURA in the public records.

The Authority considered a motion to approve the transaction between CED Holdings and the Florida Housing Finance Corporation to refund the outstanding bonds associated with Murdock Circle Apartments and record in the public records an additional Land Use Restriction Agreement stipulating the extension of the set aside requirements that the project be made available to low income residents, as well as other liens and mortgages related to the new financing. The Authority approved the resolution 3-1, subject to the repayment of the outstanding bonds. A poll of the members was requested:

William D. Noel, Jr.: Aye

Otto Brunner: Nay

James McClary: Aye

Michael Coalwell Aye

Mr. Culp answered additional questions raised by the Authority, explaining he continues to work with FHFC staff and the State Legislature to ensure State funding of affordable housing. He expressed confidence that some level of funding would be made available since the affordable housing activities could demonstrate significant job creation. His company is exploring all metropolitan counties in the state for "distressed properties" that might be acquired at a relatively lower cost. These included projects that had started development but been abandoned when the housing crisis began. He said the company was pleased to work with local housing Finance authorities whenever land could be identified.

Responding to questions concerning the economic indicators about the demand for affordable rental housing, Mr. Culp said the foreclosure problem that has affected many homeowners has resulted in strong demand for rental housing, especially in metropolitan areas. The demand is further impacted by the unemployment problem in the State, which has resulted in diminished household income, expanding the universe of income-eligible households for set aside units. Despite the increased demand, Mr. Culp said projects still needed extensive leveraging to make them economically feasible. He estimated that a \$2,000,000

subsidy was required for a \$10,000,000 project that was financed with tax exempt bonds.

Mr. Culp exited the meeting and the Chairman presented the Income Statement and Balance Sheet for the four-month period that ended January 31, 2011. He indicated that the refunding of the Murdock Circle Apartments bonds would have serious implications on the Authority's budget, indicating a revised budget would be considered at the regular meeting scheduled March 16, 2011. Mr. Noel was authorized to draw funds from the SBA Account necessary to pay all outstanding bills, including the \$3,600 due to the Charlotte County Attorney for legal services during the 2009-2010 fiscal year. The Authority decided to withdraw its membership in the National Association of Housing Finance Authorities, and directed the Executive Director to make the necessary notification.

Having no public comment or comments from Authority members, the meeting was adjourned at 12:00 PM.