

**SEMINOLE COUNTY
AFFORDABLE HOUSING ADVISORY COMMITTEE (AHAC)
MEETING MINUTES
April 18, 2024 (Virtual)**

Call to Order: Scott Culp, Chairman called the meeting to order at 2:01 p.m.

- **Committee Members Present:**

Scott Culp, Chairman, Kenneth Bentley, Vice-Chairman (by phone), Kim Fogle, William Jackson (by phone), Penny Seater (by phone), Silvia McClain, Gloria Payne

- **Committee Members Absent:**

Comm. Jay Zembower, Robin Roklowski, Shannon Seiple

- **Staff Members Present:**

Allison Thall, Director, Stacey Smithwick, Community Development Division Manager; Bonnye Deese, Community Services Projects Administrator, Tadine Diaz, SHIP Project Manager II

I. Confirm Quorum – Roll Call

Quorum confirm a for the meeting.

II. Review of Minutes: December 7, 2023

Chairman Culp called for a motion to accept the December 7, 2023 meeting Minutes. Motion made by Penny Seater, Seconded by Kenneth Bentley. **Unanimously approved.**

Discussion Items

- I. SHIP Funding Update** – Stacey Smithwick presented an expenditure update for Interim Funding Years 2022-2023 and 2023-2024, along with the Closeout Funding Year 2021-2022. She confirmed all funds were expended and the set-asides were met for the Closeout Year 2021-2022. She also discussed the challenges with expending the funds for FY2022-2023 and 2023-2024. Ms. Smithwick explained that this is due, in part to Purchase Assistance Program participants having difficulty finding homes within their loan approvals. Ms. Payne questioned when the Down Payment Assistance program would open. Ms. Smithwick informed the committee that the staff had been working through its Purchase Assistance wait-list, and most of the applicants could not find homes to purchase within their approved loan amount. This caused staff to issue a Housing Counseling Services Request for Proposals to identify a HUD-approved Housing Counseling Agency to assist first-time homebuyers seeking to purchase a home in Seminole County with becoming mortgage ready, securing mortgage approvals, and preparing their Purchase Assistance applications. Ms. Smithwick stated the SHIP team believes this will assist with finding better qualified buyers with lower debt ratios that may qualify for mortgages with better interest rates.
- II. SHIP Rental Project Status Report** – Bonnye Deese informed the committee of the three rental development projects currently funded by SHIP, Monroe Place Apartments in

Sanford, Banyan East Town Apartments in Altamonte Springs, and the Riverbend Landings Apartments project in Sanford. She explained that the Monroe Place Apartments was complete, and the developer is leasing the units. The Banyan East Town project is underway and about forty percent complete. She explained that this housing tax credit project is a transit-based develop located a block away from the Altamonte Spring Sunrail Station and has an anticipated completion date of December 2024. Mr. Bentley wanted to know where the property was located in Sanford.

Ms. Deese discussed the status of the \$1 million FY2023-2024 SHIP and \$50,000 FY2023-2024 HOME Local Jurisdiction Contribution agreements for the Riverbend Landings Apartments. Mr. Culp also provided an update on the project and discussed the challenges experienced moving the project through permitting in the City of Sanford. He also stated they would be applying for the 9 percent Housing Credits for Phase 1 of the project. He stated the project would not need additional funding to meet the local jurisdiction contribution requirement.

- III. **New Business: AHAC support for a Seminole County Housing Finance Authority** – Chairman Culp presented information for the AHAC to consider supporting the establishment of a Housing Finance Authority in Seminole County. He explained in the past Housing Finance Authorities in Volusia and Osceola Counties could issue bonds for developments in Seminole County and there was no benefit to have one locally. However, during the past legislative session changes to Chapter 159 of the Florida Statutes governing the allocation of the tax-exempt bonds allocated from the federal government, made changes to the regions that receive the bond allocations, placing Seminole in a region with Osceola and Lake Counties. As a result, Volusia County could no longer issue bonds in Seminole County and in the past few years Osceola County prioritized issuing bonds only for developments in Osceola County. With this shifting of Seminole County into the new region, the County may want to reconsider establishing a Housing Finance Authority that would receive its own allocation to issue bonds for Seminole County developments. If Seminole County does not establish a Housing Finance Authority, it will not be able to count on bonds being issued for developments in Seminole County.

Mr. Culp stated it does not cost the County anything to establish the Housing Financing Authority, and there are not staff requirements. The BCC would appoint board members to the Housing Financing Authority, which will then be governed under Chapter 159 of the Florida Statue. The County cannot be liable for any of the bond liabilities or the Housing Finance Authority. The bonds are purchased by investors like tax credit developers to finance affordable housing development and the County has its own say in how the process moves forward.

Mr. Kenneth Bentley questioned whether the County would want to get out of or move away from operating a Housing Finance Authority if there are changes in State legislators or the governor. Mr. Culp stated there hasn't been any legislation in the past 20 years that has changed it. He doesn't see any changes to this and the private activity bond, through the Division of Bond Finance in the foreseeable future. In making the regional changes, they were trying to create a more efficient system, which this will accomplish. However, it will require some bond issuers and some of the regions to adjust to the new rules.

Additionally, the County Commission can choose to discontinue operating the Housing Finance Authority during any year.

Ms. Silvia McLain questioned why the State lumped Seminole County in with Osceola and not Volusia County. Mr. Culp stated Seminole has always been in the same region as Osceola County. He said the changes was more for taking Lake County out of the region and moving them to Sumpter and other counties, due to equalize the populations. Mr. Culp was more concerned that the State would lump Seminole in with Orange County, as they have a set priority for large private activity bond allocations, such as Universal Studios and Disney. Those bond allocations have already been used for the next few years.

Ms. Bonnye Deese asked Mr. Culp to clarify the process. Mr. Culp explained the Housing Finance Authority's role as the bond issuer of their bond allocation through the State Division of Bond Finance under Chapter 159 to a Conduit Issuer, the role of the Housing Finance Authority's Board Members plays in determining whether the proposed affordable housing units are needed, as required under Chapter 159. He also discussed the underwriting process required for all developments issued bonds, that is paid for by the developer to confirm that the project is feasible and meets all guidelines for federal private activity bonds and Florida Housing Finance Corporation regulations. The Housing Finance Authority also hires both the Issuer's Counsel and the Bond Counsel, which are paid for through fees generated from the development of communities. The Bond Counsel reports the HFA Board and ensures the HFA is meeting all the federal rules.

Ms. Stacey Smithwick questioned whether this new HFA would fall under the Community Services Department, and wondered about the volume of bond requests the department should anticipate. Mr. Culp confirmed that the HFA does not involve the Housing and Community Development staff. Typically, the Affordable Housing Advisory Council might make recommendations for the BCC to create a Housing Finance Authority. Once established, the BCC will appoint board members to the HFA, which will only have oversight from the BCC and the County Attorney. All bond applications for bond issuance will go directly to the HFA.

Ms. Smithwick required further clarification as to whether the HFA was separate entity. Mr. Culp confirmed that it would be a separate entity governed by a five-member board appointed by the BCC. The HFA is staffed by an Issuer's Counsel and a Bond Counsel. Ms. Smithwick questioned whether the State was requiring the County to establish an HFA. She also questioned if it would cause problems for developers with projects in Seminole County, if the County chooses not to create an HFA. Mr. Culp stated that the County has a choice to decide whether to create an HFA. In the past, there was no need for Seminole County to establish one. The problem will be under the new rules regarding the area of operation. For outside issuers, the ability to obtain an allocation on January 1st of each year is now limited to issuers in your region. The region now is only Osceola and Seminole, and Osceola will be the issuer if Seminole County does not establish an HFA. In the past several years, Osceola has denied issuing bonds to developments outside of Osceola County.

Ms. Penny Seater summarized Mr. Culp's position, stating the establishment of an HFA is about having the opportunity to bring investors to Seminole County, which will allow

developers to do large scale projects for portable housing. Mr. Culp added, developers bring investors like Bank United, Regions Bank, or Bank of America to the HFA with applications that already have commitments from bond buyers. Without an HFA, developers will have to look towards other counties, hoping for leftover allocations and the second half of the year.

Mr. Culp stated his request is for a recommendation from the AHAC is to have professionals with experience in the HFA arena, meet with the County Administrator and the County Attorney to walk through the Chapter 159 requirements of the Statute, to look at the benefits, lack of liability for the accounting to have an authority.

Ms. McLain called for a motion to recommend to the Board of County Commissioners that they explore the opportunity to create a Housing Finance Authority in Seminole County, by meeting with the professionals who have experience working in Housing Finance Authorities and other regions throughout the state. Motion Seconded by Ms. Seater. Motion passed unanimously.

Mr. Culp stated he would work with staff to prepare a memorandum to notify the County Commission of the AHAC's recommendation. He also stated that he would coordinate the meeting with the industry professionals to provide the dialogue on how it works.

IV. Announcements

Ms. Deese reminded the committee members of the meeting scheduled for the remainder of the year. There was discussion as to whether the committee wanted to meet in July. Ms. Deese also informed them that the October meeting will be a public hearing of the Annual Incentives Report. The committee agreed to continuing with the established meeting dates.

Ms. Smithwick informed the committee that Allison Thall, Community Services Director will be making an Attainable Housing Program presentation at the June 11th BCC meeting. Ms. Thall, was in attendance virtually, confirmed the presentation is an update on the Attainable Housing Strategic Plan. The presentation will highlight the efforts of that the for-profit and non-profit developers play in meeting the attainable housing goals. She invited the committee members to attend the presentation.

Mr. Culp offered Ms. Thall a short PowerPoint presentation on affordable housing finance and how it works to include in her presentation, that will help the Commissioners understand affordable rental housing financing.

V. Adjourn

Meeting adjourned at 2:59 pm

APPROVED BY:

TRANSCRIBED BY:

Stacey Smithwick

Bonnye Deese