

**MINUTES OF THE
CAPITAL TRUST AUTHORITY, INC.**

The 24rd meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, June 20, 2024 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Bob Cleveland (Secretary), Harry Wilder (Board Member), Burt Snooks (Board Member), Bobby Potomski (Board Member), and Mayor Cherry Fitch (Board Member). Also attending were Denis McKinnon (Executive Director) and Connie Beargie (Office Administrator). Attending via teleconference was Kareem Spratling (BMO Bond Counsel), and Brooke Gonzalez (BMO Bond Counsel). Special guests were Richard Moreno (Building Hope) and Phil Guistolise (Trinity Partners).

AGENDA ITEM:

Capital Trust Authority Minutes from 5/30/2024

DISCUSSION:

No discussion.

MOTION/ACTION:

Mayor Cherry Fitch made a motion to approve the minutes as presented. Harry Wilder seconded. Vote for approval was 6-0.

AGENDA ITEM:

Award Resolution 21-24 – Seaside School Consortium

DISCUSSION:

Seaside is an existing charter school in Jacksonville, Florida, currently serving students in grades K-6. The purpose of the bonds is to finance the acquisition and renovation of the currently leased facilities. The school currently operates three schools: Mandarin, Beaches, and North Campus.

Kareem Spratling stated the North Campus bonds will be issued on parity with the previous Florida Development Finance Corp bonds issued in 2022 for Seaside.

MOTION/ACTION:

Harry Wilder made a motion to approve Resolution 21-24 as presented. Mayor Cherry Fitch seconded. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution 22-24 – American Community Developers

DISCUSSION:

American Community Developers (ACD) is a for profit multifamily housing developer with approximately 108 affordable housing properties in 12 states. ACD will be applying to the Lee County Community Development Block Grant for funding of the proposed projects to be located in Lee County. The proposed bonds will be used to acquire land and construct low-income housing with Low Income Housing Tax Credits (LIHTC) from the state.

Chris Kemp asked when the borrower will know exactly how much they will need for the project. Denis McKinnon replied that they will not know until the grants from Lee County have been awarded. Phil Guistolise stated that Lee County will release funds in two tranches.

Bob Cleveland asked for an updated breakdown of the average Area Median Income (AMI) required by HUD and number of workforce housing units required. Denis McKinnon replied that the number of units/percentages required by HUD will be provided for final approval.

Bob Cleveland asked why 10-12 transactions will be required for this project. Phil Guistolise replied that no transaction can exceed 20 million, so to meet the limitations, it is financed in sections. Denis McKinnon stated the County has said each grant will not exceed \$20 million; therefore, the Borrower has made applications for each project and some will be in phases. Kareem Spratling confirmed that the separate inducements/closings will not be an issue.

Bob Cleveland mentioned the 73million developer fee is high for 1300 units.

Chris Kemp asked about the difficulty in developing this project as the project sites are located within intercity, lower income areas. Phil Guistolise agreed, they are in blighted areas with few stores or amenities, however, the developer chose these sites due to the government's determination of demand. Samantha Abell read a brief passage from HUD's website regarding the definition of LIHTC transitions.

Bobby Potomski asked what qualifiers are in place for determining public purpose. Kareem Spratling stated that affordable housing projects meet the public purpose standard. Denis McKinnon stated the Governor recently signed into the law the Live Local Act which is a bipartisan legislation intended to create affordable and workforce housing in the State. State law lists housing as a public purpose project.

Bob Cleveland asked if there will be a Land Use Restriction Agreement (LURA). Kareem Spratling replied yes. The LURA will be in place for a minimum of 15 years per the Internal Revenue Code.

Mayor Cherry Fitch asked if the numbers presented today are final numbers that include the cost of inflation. Denis McKinnon replied the construction costs are expressed in inflated dollars.

Denis McKinnon stated that due to the complexity of this project, we will hold a workshop prior to coming back for final approval.

MOTION/ACTION:

Mayor Cherry Fitch made a motion to approve Resolution 22-24 as presented. Bobby Potomski seconded. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution 23-24 – Alpha Lifestyle Partners

DISCUSSION:

Alpha Lifestyle Partners is a 501(c)3 not-for-profit continuing care retirement community. The purpose of the bonds is to purchase 9 facilities located in Florida, Arizona, Utah, and Louisiana.

Denis McKinnon stated the current owners will remain as the manager/operator for all 9 projects.

Bob Cleveland asked how adding an asset management fee along with the current management fee will keep the rates low for the residents and if revenues are projected to be higher, how does this meet public purpose. Denis McKinnon responded that significant savings will be gained from converting from a for-profit to a non-profit organization. These savings will allow the borrower to provide subsidized low-income rental assistance and they have plans to purchase buses

and provide other amenities to the residents. Each site will benefit from a reduction in ad valorem taxes and the cost of capital.

MOTION/ACTION:

Bobby Potomski made a motion to approve Resolution 23-24 as presented. Harry Wilder seconded. Vote for approval was 5-1.

AGENDA ITEM:

Pipeline Report

DISCUSSION:

Denis McKinnon provided an overview of the pipeline. A growing number of housing and education projects are on the pipeline.

MOTION/ACTION:

No Action Required.

No other formal business of the board was taken and the meeting adjourned at approximately 10:10am.

Minutes submitted by:  Connie Beargie, Office Administrator

Approved by:  Chris Kemp, Chairman