

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
March 16, 2007**

TIME: 9:00 a.m.

LOCATION: Hyatt Regency Miami
400 SE Second Avenue
Miami, Florida

BOARD MEMBERS PRESENT:

Lynn Stultz, Chairman
David Oellerich, Vice Chairman
Zully Ruiz
Sandra Terry
Vicki Vargo

CORPORATION STAFF PRESENT:

Stephen P. Auger, Executive Director
Wayne Conner
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Vicki Robinson
David Westcott
Larry White

ADVISORS AND OTHERS PRESENT:

Junious Brown, Nabors, Giblin & Nickerson
Ben Johnson, Seltzer Management
Bill Johnston, WLJ Capital
Tom Lang, Shuffield Loman

Chairman Stultz called the Board of Directors' meeting to order at 9:00 a.m., and confirmed that a quorum was present.

Chairman Stultz thanked Ian Smith and his staff for their work on the Annual Report and thanked Florida Housing staff for putting together the development tour before the meeting.

MINUTES

Chairman Stultz asked for a motion to approve the Minutes of the December 15, 2006, Board Meeting.

Motion to approve the Minutes was made by Mr. Oellerich with a second by Ms. Vargo. Motion passed unanimously.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Chairman Stultz recognized Larry White to take the Board through seed number selection for the Elderly Housing Community Loan Program application cycle's lottery numbers.

Item B, CWHIP Application Cycle Lottery Number Selection. Mr. White asked Chairman Stultz to pick a seed number from Statement 4914, Interstate Commerce Commission, Appendix 81, Pages 1441 through 1446, Lines 1 through 300, Columns 1 through 14. Chairman Stultz selected Page 1443, Column 7, Line Number 101, Number 00770.

Mr. Auger stated that the same lottery number would be used as the Universal Cycle seed number.

FISCAL

Chairman Stultz recognized Barb Goltz to brief the Board on fiscal matters.

Item A, Operating Budget Results for 12 Months Ended December 31, 2006, and for the Month of January 2007. Ms. Goltz presented the Board with the Operating Budget results for the 12 months ended December 31, 2006, and for the month of January 2007, but stated that the audited financial statements information would vary from these results due to adjustments for all accruals.

HOMEOWNERSHIP POOL ("HOP") PROGRAM

Chairman Stultz recognized David Westcott to brief the Board on Homeownership matters.

Item A, Request Authorization to Commence Rule Amendment Process. Mr. Westcott reminded the Board that the Homeownership Pool (HOP) Program took the place of the Homeownership Loan Program in 2006 and added that staff has received good response from developers on the new program. He asked the Board to authorize staff to commence the rule making process in order to incorporate information received at workshops to be held around the state.

Motion to accept staff's recommendation was made by Ms. Ruiz with a second by Ms. Vargo. Motion passed unanimously.

LEGAL

Chairman Stultz recognized Wellington Meffert to address the Board regarding Legal matters.

Mr. Meffert stated that the two legal items being presented are the last of the Rental Recovery Loan Program (RRLP) cases, and have to be decided before any of the RRLP money can be paid out under the program.

Item A, Kathleen Pointe Partners, LLLP, v. Florida Housing Finance Corporation. Mr. Meffert stated that originally, Blue Angel and Kathleen Pointe filed jointly against Florida Housing, but Blue Angel subsequently withdrew. He stated that in order to have standing, a petitioner has to show that but for the decision the petitioner would have been funded, but Kathleen point was several notches down in the ranking order and could not prove they were directly affected by the decision. He asked the Board to adopt the Division of Administrative Order as its own and dismiss the case by final order.

Motion to approve staff's recommendation was made by Ms. Vargo with a second by Mr. Oellerich. Motion passed unanimously.

Item B, Eclipse West Associates, Ltd. Mr. Meffert stated that the issue in this case was that the address of the development was given as the southeast corner of Northwest Flagler Drive and Northwest 4th Street in Fort Lauderdale, and it was alleged in a Notice of Possible Scoring Error (NOPSE) that the thoroughfare was actually called Flagler Avenue at that point, not Flagler Drive. He stated that in preparation for trial, staff discovered the local government referred to that section interchangeably as Flagler Drive, Flagler Avenue, or Flagler, and therefore, agreed with Petitioner that the address they gave did in fact establish the address for the purposes of the application. He asked the Board to adopt the recommended order in the case and issue a final order.

Motion to approve staff's recommendation was made by Mr. Oellerich with a second by Ms. Vargo. Motion passed unanimously.

PREDEVELOPMENT LOAN PROGRAM

Chairman Stultz recognized Nancy Muller to brief the Board on Predevelopment Loan Program matters.

Item A, Rule Development, Chapter 67-38, Florida Administrative Code. Ms. Muller asked the Board to authorize staff to begin the annual rule development process for Rule Chapter 67-38, Florida Administrative Code, to make sure the Predevelopment Loan Program rule is responding to current needs.

Motion to approve staff's recommendation was made by Ms. Ruiz with a second by Ms. Vargo. Motion passed unanimously.

PROFESSIONAL SERVICES SELECTION (PSS)

Chairman Stultz recognized Nancy Muller to brief the Board regarding PSS Item A.

Item A, Affordable Housing Catalyst Program Services. Ms. Muller stated that the Affordable Housing Catalyst Program is the state's training and technical assistance program. She stated that in October 2006, a request for proposals was issued to provide these services, and one response was received from the Florida Housing Coalition, the current provider. She stated that the members of the review committee felt the proposal was excellent and that the staff is very happy with the current work of the provider. She asked the Board to authorize staff to enter into contract negotiations with the Florida Housing Coalition to provide Affordable Housing Catalyst Program services.

Motion to approve staff's recommendation was made by Ms. Vargo with a second by Mr. Oellerich. Motion passed unanimously.

Chairman Stultz recognized Mr. Meffert to address the Board regarding PSS Item B.

Item B, Request for Proposals for Hearing Officer Services. Mr. Meffert asked the Board to authorize staff to issue a request for proposals for hearing officer services to handle hearings under Florida Housing's rule pursuant to Sections 125.69 and 120.57, Florida Statutes, for any sort of administrative action that needs to be heard from Florida Housing.

Motion to approve staff's recommendation was made by Ms. Vargo with a second by Mr. Oellerich. Motion passed unanimously.

SINGLE FAMILY BONDS - FISCAL

Chairman Stultz recognized Barb Goltz to address the Board regarding Single Family Bond fiscal matters.

Item A, Single Family Homeowner Program. Ms. Goltz stated that Florida Housing sold \$110 million of Single Family Homeownership Mortgage Revenue Bonds in February and closed the bonds this week. She stated that the rates achieved are attractive compared to conventional rates and program staff continues to work diligently to achieve that success, and due to the success of the program, asked the Board to authorize a 2007 Phase II sale of up to \$250 million in Single Family bonds to fund mortgages. She also asked the Board to authorize the use of up to \$25 million in Florida Housing funds for interim funding if necessary. She also asked the Board to authorize the use of Florida Housing funds for the cost of issuance of the bond deal and the capitalized interest. She recommended a change to Item Four to better reflect the language in the bond resolution. She stated that the revised wording is: we expect a twelve month production period with up to eighteen months delivery period. She asked the Board to approve the necessary funding, including reimbursable loans to provide program funding between bond issues, staff actions, and a resolution to permit the issuance of a proposed 2007 Phase II Homeowner Mortgage Revenue Bonds.

Motion to approve staff's recommendation was made by Ms. Ruiz with a second by Mr. Oellerich.

Mr. Auger asked David Westcott to summarize the different programs for the Board Members. Mr. Westcott gave a brief description of the different homeownership programs. Ms. Vargo asked what was being done with the Florida Heroes loans in conjunction with the recent Workforce Housing Loan Program. Mr. Westcott stated that staff is working with the State Veterans Affairs Office, and is distributing marketing materials to firefighters, police officers, healthcare workers and participating lenders, as well as to larger employers such as the State Department of Education. Mr. Auger added that staff is marketing directly to employers such as hospitals and school boards, and doing general marketing via radio and television ads.

Motion passed unanimously.

Ms. Ruiz asked if city and county subsidies could be used in conjunction with Florida Housing's programs. Mr. Westcott stated that they could. Ms. Ruiz asked if Florida Housing's position was always second after the first mortgage, or if it was ever moved to third or fourth. Mr. Westcott stated Florida Housing has always been second.

SINGLE FAMILY BONDS

Chairman Stultz recognized David Westcott to brief the Board on Single Family Bond matters.

Item A, Rulemaking Process. Mr. Westcott asked the Board to authorize staff to begin the rule amendment process for the rules used in conjunction with the Single Family Mortgage Revenue Bond Program and the rule governing the Florida Assist or the HAP downpayment assistance program and the HAMI down payment assistance program.

Motion to approve staff's recommendation was made by Ms. Ruiz with a second by Ms. Vargo. Motion passed unanimously.

UNIVERSAL CYCLE

Chairman Stultz recognized Vicki Robinson to address the Board regarding Universal Cycle matters.

Item A, Universal Application Cycle Review Committee. Ms. Robinson asked the Board to approve the review committee for the 2007 Universal Application Cycle which includes Vicki Robinson, Wayne Conner, Barb Goltz, Laura Cox from Florida Housing, and Jack Gaskins from the Department of Community Affairs.

Motion to approve staff's recommendation was made by Ms. Terry with a second by Ms. Ruiz. Motion passed unanimously.

CONSENT AGENDA

Chairman Stultz asked that Multifamily Bonds Consent Item D be pulled for amendment and recognized Wayne Conner to provide clarification. Mr. Conner stated that in the write-up staff asked for approval of \$9,120,000 in tax-exempt private activity bond allocation, and it should be \$9,700,000. He stated that the credit underwriting report approves the higher amount.

Motion to approve Multifamily Bonds Consent Item D with the noted amendment was made by Ms. Terry with a second by Mr. Oellerich. Motion passed unanimously.

Ms. Robinson stated that although there was no reference to HOME Rental Consent Item A in the table of contents of the Consent Package, that item did actually appear in the package. She clarified that the item was withdrawn from consideration and should not have been part of the package.

Motion to approve all items on the Consent Agenda with the exception of the two items mentioned was made by Ms. Ruiz with a second by Ms. Vargo. Motion passed unanimously.

Ms. Vargo stated that she appreciated Pinnacle and Gateway opening up their properties for the Board to tour the developments. She stated that she noticed that while the elderly housing may have met ADA requirements, it didn't appear to be handicapped friendly. She asked for discussion with staff about what could be done. Mr. Auger stated that she was referring to the Universal Design concept, and stated that Florida Housing recently hired a supportive housing coordinator to help move forward with such issues.

Hearing no further business, Chairman Stultz adjourned the March 16, 2007, Board of Directors' Meeting at 10:05 a.m.