

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
September 1, 2011**

TIME: 8:30 a.m.

LOCATION: Hyatt Regency Miami
400 SE Second Avenue
Miami, FL 33131

BOARD MEMBERS PRESENT:

Len Tylka, Chairman
Cliff Hardy, Vice Chairman
Marilyn Carl
Mary Demetree
Lynn Hanfman
Natacha Munilla
Joe Sanchez
Barney Smith

CORPORATION STAFF PRESENT:

Stephen P. Auger
Wayne Conner
Laura Cox
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Stephanie Sgouros
Jacqui Sosa
Kevin Tatreau

ADVISORS AND OTHERS PRESENT:

Junious Brown, Nabors, Giblin & Nickerson
Jan Carpenter, Latham, Shuker, Eden & Beaudine
Steve Frick, Vestcor Companies
Ben Johnson, Seltzer Management
Brian McDonough, Stearns, Weaver and Miller
Jonathan Wolfe, Wendover Housing

Chairman Tylka called the meeting to order at 8:30 a.m.

MINUTES

Item A, Approval of Minutes of June 10, 2011, Board Meeting. Chairman Tylka asked for a motion to approve the Minutes of the June 10, 2011, Board Meeting.

Motion to approve the Minutes was made by Mr. Hardy with a second by Mr. Sanchez.
Motion passed unanimously.

Item B, Approval of Minutes of July 22, 2011, Telephonic Board Meeting. Chairman Tylka asked for a motion to approve the Minutes of the July 22, 2011, Telephonic Board Meeting.

Motion to approve the Minutes was made by Mr. Hardy with a second by Mr. Sanchez.
Motion passed unanimously.

PROFESSIONAL SERVICES SELECTION (PSS)

Item A, Invitation to Negotiate (ITN) for Business Insurance. Wellington Meffert asked the Board to authorize staff to begin the ITN process for an insurance agent to provide Florida Housing general liability, directors' and officers' liability, employment practices and fiduciary liability insurance policies.

Motion to approve staff's recommendation was made by Mr. Sanchez with a second by Mr. Hardy. Motion passed unanimously.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Item A, Request to Use Remaining State Apartment Incentive Loan Program (SAIL) Funding. Kevin Tatreau asked the Board to approve staff's recommendation to authorize staff to allocate \$29 million of uncommitted SAIL funds through a request for proposals process.

Motion to approve staff's recommendation was made by Ms. Hanfman with a second by Ms. Carl.

Barney Smith outlined four proposed revisions to the RFP:

- Include a preference for non-HUD risk-sharing deals;
- Target the middle band of deals below 1.0 debt service coverage, but not the bottom 20
- Is the ELI set-aside period too long and could we provide the option of a five-year set-aside for a loan of "Y" dollars;
- Should we target the entire \$29 million on this SAIL ELI RFP?

Mr. Auger stated that the money has to stay specifically with SAIL because it is SAIL program income and the legislature also passed the law for no new construction, so they are not looking for a lot of new units.

Mr. Hardy stated that a priority should be on the Guarantee Fund with the money and not new construction.

Mr. Carl asked how many of the deals listed in the refinance list would actually be able to refinance. Ms. Cox stated that they have to have 95% occupancy for six months and have at least a 1.15 debt service coverage.

Steve Frick, with Vestcor Companies, stated that Vestcor is refinancing two deals and subordinating the SAIL mortgage. He added that they were probably at 1.25 debt service coverage and 85% economic occupancy for a certain period of time. Ms. Cox asked if the ELI on the deal hurt Vestcor's changes for a refinance. Mr. Frick said it did not, they simply looked at the total income generated.

Jonathan Wolfe, with Wendover Housing, stated that lenders say they would love to do the refinance, but there is still a gap.

Chairman Tylka asked Barb Goltz what the impact would be to Florida Housing's ratings as the Guarantee Fund is reduced. Ms. Goltz said that it's difficult to predict what the rating agencies will do, but the support Florida Housing has provided to the Guarantee Fund to move in the direction of getting these deals out of the portfolio or to make them healthier is very significant and should be a positive factor.

Motion passed unanimously.

SPECIAL ASSETS

Item A, Request Approval of the Workout of the Community Workforce Housing Innovation Pilot Program (CWHIP) Loan to Boynton Village LLC for The Preserve at Boynton Beach (CWHIP 06-05). Laura Cox asked the Board to approve staff's recommendation to approve the renegotiated terms of the CWHIP loan to Boynton Village LLC for The Preserve at Boynton Beach, subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities.

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

Brian McDonough, with Stearns Weaver Miller, representing the developer, spoke in support of the renegotiated terms.

Ben Johnson, with Seltzer Management, the credit underwriter for the deal, answered questions for the Board.

Motion passed unanimously.

CONSENT AGENDA

Chairman Tylka asked the Board to approve the items on the Consent Agenda.

Motion to approve staff's recommendations for the items on the Consent Agenda was made by Ms. Hanfman with a second by Mr. Sanchez. Motion passed unanimously.

Nancy Muller briefed the Board on the results of the economic benefit analysis carried out earlier in the year to project job creation related to multifamily rental development. She told the Board that through a contract with the Shimberg Center and Dr. Alan Hodges, Florida Housing is getting economic benefit projections across all programs.

Stephanie Sgouros briefed the Board on Hardest-Hit Fund investigations done by the Internal Audit staff.

Chairman Tylka called a brief recess.

Board members and staff discussed the possible formation of committees.

Hearing no further business, the September 1, 2011, Board of Directors' Meeting was adjourned at 11:09 a.m.