

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
November 2, 2012**

TIME: 8:30 a.m.

LOCATION: Tallahassee City Hall Commission Chambers
300 South Adams Street
Tallahassee, FL 32301

BOARD MEMBERS PRESENT:

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

CORPORATION STAFF PRESENT:

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

ADVISORS AND OTHERS PRESENT:

Junious Brown, Nabors, Giblin & Nickerson
Jan Carpenter, Shuffield Lowman
Bill Johnston, WLJ Partners/Tibor Capital
Lynn Hearn, Esq., Meyer, Brooks, Demma and Blohm

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

Steve Auger recognized outgoing Board Member Lynn Hanfman and thanked her for her nearly ten years of service to Florida Housing. Ms. Hanfman expressed her appreciation for the hard work done by staff and stakeholders and thanked everyone for the opportunity to serve and learn so much during her tenure.

MINUTES

Item A, Approval of Minutes of September 7, 2012, Board Meeting. Chairman Tylka asked for a motion to approve the Minutes of the September 7, 2012, Board Meeting.

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

FISCAL

Item A, 2013 Draft Operating Budget. Barb Goltz presented the 2013 draft Operating Budget to the Board for review before the December 7, 2012, Board Meeting, when it will be presented for approval. She directed the Board to contact her with any questions prior to the December meeting.

HOUSING CREDITS

Item A, Request Approval to Minimally Exceed Subcontract Cost Limit for Hampton Village Apartments. Kevin Tatreau asked the Board to approve staff's recommendation to approve the request to allow the 20 percent subcontractor limit to be exceeded for the Hampton Village Apartments.

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

LEGAL

Item A, Brickell View Terrace Apartments v. Florida Housing Finance Corporation. Wellington Meffert asked the Board to approve staff's recommendation to approve the consent agreement, to enter a final order adopting the terms of the consent agreement, including the stipulated disposition, in the Brickell View Terrace Apartments matter, resulting in the allocation of the requested housing credits to the petitioner.

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

Item B, City Crossings v. Florida Housing Finance Corporation. Wellington Meffert asked the Board to approve staff's recommendation to approve the consent agreement, to enter a final order adopting the terms of the consent agreement, including the stipulated disposition, in the City Crossings matter, resulting in the allocation of the requested housing credits to the petitioner.

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

Item C, Madison Heights v. Florida Housing Finance Corporation. Wellington Meffert asked the Board to approve staff's recommendation to approve the consent agreement, to enter a final order adopting the terms of the consent agreement, including the stipulated disposition, in the Madison Heights matter, resulting in the allocation of the requested housing credits to the petitioner.

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

Item D, SP Central Court 2012 v. Florida Housing Finance Corporation. Wellington Meffert asked the Board to approve staff's recommendation to approve the consent agreement, to enter a final order adopting the terms of the consent agreement, including the stipulated disposition, in the SP Central 2012 matter, resulting in the allocation of the requested housing credits to the petitioner.

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

Item E, Jack Orr Preservation One v. Florida Housing Finance Corporation. Wellington Meffert asked the Board to approve staff's recommendation to adopt the findings of fact and conclusions of law in the recommended order as its own and issue a final order accordingly in the Jack Orr Preservation One matter.

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

Item F, Collins Park Apartments v. Florida Housing Finance Corporation. Wellington Meffert asked the Board to approve staff's recommendation to adopt the findings of fact and conclusions of law in the recommended order as its own and issue a final order accordingly in the Collins Park Apartments matter.

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

Item G, Heritage Village Commons v. Florida Housing Finance Corporation. Wellington Meffert asked the Board to approve staff's recommendation to adopt the findings of fact and conclusions of law in the recommended order as its own and issue a final order accordingly in the Heritage Village Commons matter.

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

Item H, Lulav Square Apartments Limited Partnership v. Florida Housing Finance Corporation. Wellington Meffert asked the Board to approve staff's recommendation to adopt the findings of fact and conclusions of law in the recommended order as its own and issue a final order accordingly in the Lulav Square Apartments Limited Partnership matter.

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Item A, SAIL Funding Under RFP 2012-04 for Developments that Commit to Provide Set-Aside Units for Extremely Low Income (ELI) Households. Kevin Tatreau asked the Board to approve staff's recommendation to waive Noah's Landing's financial arrearages for purposes of Section 6A of the RFP due to the de minimus nature, expedited payment and receipt of fees. He also asked the Board to approve the Review Committee's recommendation to approve the first eight proposals, as per the ranking, subject to the verification of the statutory requirements that shareholders, members or partners of the development's owner entity have funded deficits in an amount not less than 20 percent of the applicant's SAIL loan no later than closing of any financing under the RFP and authorize staff to proceed to issue invitations into credit underwriting with award amounts as provided in Section 4D3 of the RFP, subject to funding availability.

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

UNIVERSAL CYCLE

Item A, Returned Low Income Housing Tax Credits (2012 Qualified Allocation Plan). Kevin Tatreau asked the Board to approve staff's recommendation to extend the deadline established in Section 8 of the 2012 QAP from October 1, 2012, to December 15, 2012, and allow the continued funding of any return allocation authority as provided in Section 7 of the QAP through December 15, 2012.

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

Item B, 2013 Universal Cycle Update. Steve Auger informed the Board Members that staff was working on draft rules that would be presented at the December meeting for approval.

CONSENT AGENDA

Chairman Tylka asked for a motion to approve staff recommendations on the items on the Consent Agenda with the exception of SAIL Items A, B and C, which Mr. Smith would like to take up separately.

Motion to approve staff's recommendations on the items on the Consent Agenda with the exception of SAIL Items A, B and C was made by Mr. Sanchez with a second by Ms. Carl. Motion passed unanimously.

Chairman Tylka called a ten minute recess.

The meeting reconvened.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Chairman Tylka recused himself from voting on the SAIL items, and turned the meeting over the Vice Chairman Cliff Hardy.

Barney Smith asked that the three Creative Choice items pulled from the Consent Agenda, all of which are extension requests, be deferred until the December 7 Board Meeting pending further analysis of the Creative Choice portfolio and their past due status.

Motion to defer SAIL Consent Items A, B and C was made by Mr. Smith with a second by Mr. Sanchez. Motion passed unanimously.

Vice Chairman Hardy turned the meeting back over to Chairman Tylka.

PROCEDURES COMMITTEE DISCUSSION

Procedures Committee Chairman Joe Sanchez stated that the Committee, with the aid of General Counsel Wellington Meffert, developed written operational procedures for the Board. Mr. Meffert provided copies of the written procedures to the Board and stated that a vote would be taken to adopt the procedures at the December Board Meeting.

Mr. Sanchez presented the staff and Board Member evaluations of the Executive Director to Chairman Tylka for review. He stated that the Committee needed additional time to evaluate the Inspector General, as there was some difficulty using the original form provided, so another Committee meeting would be scheduled to address that issue.

AUDIT COMMITTEE DISCUSSION

Audit Committee Chairman Cliff Hardy briefed the Board on the Auditor General's Report and asked the Board to approve the Committee's recommendation to adopt and accept the audit subject to receiving the staff's response to all items in the audit and in the event any comments from Board Members on the response warrant changes, to authorize Cliff Hardy to make the determination if the changes need to go back to the Committee for approval.

Motion to approve the Audit Committee's recommendation was made by Ms. Munilla with a second by Mr. Smith. Motion passed unanimously.

Mr. Hardy reported on the status of the OPPAGA audit, as well as the completed audit of the HOME program by HUD.

DISCUSSION OF GENERAL PARTNERSHIP TRANSFERS TO NON-PROFITS

Steve Auger directed the Board Members' attention to the Special Assets Informational item in the printed Board Package that outlines Florida Housing's Florida Housing's parameters for reviewing general partnership transfers to non-profits as it relates to Senate Bill 360 that passed in 2009 allowing exemption from ad valorem tax in transactions where the general partner is a non-profit.

Mr. Hardy expressed his dissatisfaction with the legislation due to the loss of revenue to local governments and how that will affect affordable housing in the future.

Mr. Meffert explained that there was no direct cost effect to Florida Housing, as Florida Housing does not collect or participate in ad valorem taxes.

Lynn Hearn, of the law firm of Meyer, Brooks, Demma and Blohm, representing CED Companies spoke to the Board in support of the legislation and offered her suggestion for how Florida Housing should move forward with the requests based on what is set forth in the loan documents for each transaction. She stated that the loan documents for some older transactions do not require Florida Housing's approval to change the general partner, but the newer transactions do require that approval.

Lynn Hanfman expressed her desire to move expeditiously to approve the requests wherein the loan documents do not require Florida Housing's approval for the change, but suggested further review of procedures for the remaining requests.

Chairman Tylka stated that the item would be back on the agenda for the December 7 meeting in Orlando.

PUBLIC COMMENT

There was no public comment.

Hearing no further business, Chairman Tylka asked for a motion to adjourn the November 2, 2012, Board of Directors' Meeting at 10:57 a.m.

Motion to adjourn was made by Mr. Hardy with a second by Mr. Smith. Motion passed unanimously.

The meeting was adjourned.