

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
April 26, 2013**

TIME: 8:30 a.m.

LOCATION: Tallahassee City Hall
300 South Adams Street
Tallahassee FL 32301

BOARD MEMBERS PRESENT:

Len Tylka, Chairman
Cliff Hardy, Vice Chairman
Natacha Munilla
Ken Reecy
Barney Smith

CORPORATION STAFF PRESENT:

Stephen P. Auger
Wayne Conner
Laura Cox
Marvin Doyal
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Kevin Tatreau
David Westcott

ADVISORS AND OTHERS PRESENT:

Junious Brown, Nabors, Giblin & Nickerson
Jan Carpenter, Shuffield Lowman
Bill Johnston, WLJ Partners/Tibor Capital

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

MINUTES

Item A, Approval of Minutes of March 15, 2013, Board Meeting. Chairman Tylka asked for a motion to approve the Minutes of the March 15, 2013, Board Meeting.

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

FISCAL

Item A, Investment Guidelines. Barb Goltz stated that the corporation's investment guidelines had been in place for quite some time, but were recently reformatted and clarified. She stated that Florida Housing is required to follow Chapter 215.47, Florida Statutes, which sets forth all of the securities available for purchase, as well as the parameters within which they may be purchased. She stated that Florida Housing further articulated that the primary investment objective is to preserve the principal balance, and while rate of return is important, risk parameters were set to achieve that objective.

Ms. Goltz added that due to Florida Housing's variety of financial needs over the course of time the money is invested, the portfolios are very diversified to allow for immediate need as well as longer term need. She stated that the breakdown is included in the guidelines. She stated that the Auditor General requested that an investment downgrade process be added to the guidelines, so that has been added as well.

Ms. Goltz asked the Board to ratify the investment guidelines as presented.

Cliff Hardy stated that the Audit Committee met and reviewed the guidelines and recommends approval.

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

Item B, Unrestricted Net Assets. Barb Goltz stated that in the past, as part of the financial statements, the Board was presented with a total amount of unrestricted net assets held by the corporation; however, going forward staff will provide individual amounts designated for each category. She stated that these would be designations, not restrictions, and could be changed at any time. She asked the Board to approve the designation of unrestricted net assets as presented by staff.

Cliff Hardy stated that the Audit Committee met and reviewed the recommendation and recommends approval.

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

LEGAL

Item A, Pearl Apartments v. Florida Housing. Wellington Meffert stated that the Pearl Apartments v. Florida Housing case involved an issue of rule interpretation regarding whether or not the ranking instructions for Florida Housing's 2011 Universal Cycle provided that a project funded in one category could bump a project further down the list in another category. He stated that the rules state that should happen, but the Hearing Officer disagreed and recommended that Pearl Apartments be funded.

Mr. 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 adopt the recommendation of the recommended order.

Motion to approve the recommended order was made by Mr. Hardy with a second by Ms. Munilla.

Barney Smith asked if this was the last of the but-for petitions. Mr. Meffert stated that there was one more case, but he did not think it would move forward.

Motion passed unanimously.

LEGISLATIVE REPORT

Wellington Meffert updated the Board on the ongoing legislative session and how it might impact Florida Housing.

MULTIFAMILY PROGRAMS

Item A, Multifamily Mortgage Revenue Bonds and Non-Competitive Housing Credits Rulemaking. Kevin Tatreau pointed out a correction to Rule Chapter 67-21. He indicated that the first paragraph on the last page of the instructions stated that an applicant waived their right to have a qualified contract after year 14, but that is only the case if an affordability period of longer than 30 years was selected, so that change was made. Mr. Auger stated that has always been the case, and the language was just being corrected to reflect that.

Mr. Tatreau also pointed out that the last two pages of the rule package (67-21.031) related to qualified contracts, were being replaced. He stated that there is a process for going through the qualified contract method wherein the assessed value from the property appraiser was used. He stated that an additional option has been added to allow the use of a real estate appraiser at the owner's option and expense.

Mr. Tatreau stated that the bond rule has been combined with the portion of Rule Chapter 48 which applies to the non-competitive housing credits or the four percent credits.

Mr. Tatreau asked the Board to approve staff's recommendation to approve the proposed rule and application and authorize staff to file the rule for adoption if a notice of change is not required; however, if a notice of change is required, to authorize the Chair to determine whether a notice of change makes material, substantive changes to the rule or chapter, and if it

does not, staff recommends that the Board approve such notice of change without the requirement of another Board Meeting. He stated that in the alternative, if the Chair determines a notice of change does make material or substantive changes to the rule or chapter, staff recommends that a telephonic Board Meeting be called to obtain Board approval of any required changes with such changes ratified at the next regularly scheduled Board Meeting.

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

Cliff Hardy asked if this began the process of revising the competitive process for allocations. Steve Auger stated that it was and pointed out that in the past, bonds were very competitive, but have not been for the last few years, so Florida Housing, as well as local housing authorities, have been trying to make the process as easy to navigate as possible. He stated that in the last set of rules, some changes were made with non-competitive credits to make them more predictable for local bond deals.

Barney Smith asked if SAIL will be offered with the bonds, and if so, when would the SAIL money be available. Mr. Meffert stated the appropriation would be effective July 1, or when the \$200 million plus from the settlement funds from the attorney general gets deposited into the state treasury.

Mr. Smith asked when Florida Housing would be able to offer the SAIL funds. Mr. Auger stated that once legislative session was over and it is known exactly what Florida Housing will receive and what the terms are, staff will be able to make a recommendation at the June Board Meeting.

Len Tylka asked if everything would be offered as one package, or would the funds be offered as several packages over a period of time. Mr. Auger stated that staff expected to do four or five requests for proposals to offer the 2014 credits. He said they would be mainly broken down into small, medium and large county and geographic pots, as well as other specialized areas, such as preservation and special needs. He stated that staff hoped to stagger the RFPs over time.

Motion passed unanimously.

PROFESSIONAL SERVICES SELECTION (PSS)

Item A, Request Permission to Issue a Request for Proposals for State Housing Initiatives Partnership (SHIP) Program Compliance Monitoring Services. Laura Cox asked the Board to approve staff's recommendation to begin the solicitation process for SHIP program compliance monitoring services and authorize the executive director to establish a review committee to review responses and make a recommendation to the Board.

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

Item B, Request Permission to Issue a Request for Proposals for Compliance Administration for Single Family Programs. David Westcott asked the Board to approve staff's recommendation to begin the solicitation process for compliance administration for the single family homebuyer program.

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

Item C, Request Permission to Issue a Request for Qualifications for Management Company Services. Laura Cox asked the Board to approve staff's recommendation to begin the solicitation process for qualified firms to perform management company services to supplement the current list of management companies and authorize the executive director to establish a review committee to review responses and make a recommendation to the Board.

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

Item D, Request Approval of Request for Proposals Response for Affordable Housing Catalyst Program Services. Nancy Muller asked the Board to approve the review committee's recommendation to enter into contract negotiations with the Florida Housing Coalition, the only respondent to the RFP for Catalyst Training and Technical Assistance and the current provider of said services, to determine the scope of services and fees based on funding that is available through a legislative appropriation or other Florida Housing sources.

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

Item E, Request Approval of Request for Qualifications Response from Housing Counseling Agencies to Provide Counseling Services for the Foreclosure Counseling Program. Nancy Muller stated that an RFQ was issued for housing counseling agencies for the implementation of a new foreclosure counseling program which is one of the programs funded through the National Mortgage Settlement, and on March 12, 49 responses were received. She asked the Board to approve the review committee's recommendation to approve all 49 agencies that responded to provide counseling services under the foreclosure counseling program contingent upon all needed documentation being submitted to Florida Housing, and allow staff to notify each counseling agency and issue contracts to those that meet all requirements.

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

Barney Smith asked if the contracts could be terminated at any time or if they were set one-year contracts. Ms. Muller stated that they could be terminated if needed. Mr. Auger added that they would be similar to the contracts for agencies currently working in the Hardest-Hit Program.

Len Tylka asked if the RFQ was now complete, or if new agencies could respond in the future. Ms. Muller stated that this, too, was similar to the process used to secure housing counseling agencies for the Hardest-Hit Program in that it would be a rolling RFQ to allow for additional respondents.

Motion passed unanimously.

Item F, Request Approval of Request for Proposals Responses for Permanent Loan Servicing Software. Barb Goltz asked the Board to approve the review committee's recommendation to enter into contract negotiations to purchase required permanent loan servicing software from Benedict Group, Inc., and if negotiations with Benedict Group, Inc., fail, to begin contract negotiations with The Mitas Group.

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

Item G, Request Approval of Request for Proposals Response for the Provision of Training, Technical Assistance and Counseling Evaluation Services for the Foreclosure Counseling Program. Nancy Muller asked the Board to approve the review committee's recommendation to enter into contract negotiations with Florida Housing Counseling Network to provide training, technical assistance and counseling evaluation services under the foreclosure counseling program, and if contract negotiations with Florida Housing Counseling Network fail, to enter into contract negotiations with the Florida Housing Coalition.

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

RATIFICATION OF COMMITTEE ACTIONS

Cliff Hardy reported that the Audit Committee met on Thursday, April 25, but had nothing to ratify, as no actions were taken.

INTRODUCTION OF NEW INSPECTOR GENERAL

Steve Auger introduced Marvin Doyal, Florida Housing's new Interim Inspector General, and welcomed him to the corporation.

CONSENT AGENDA

Chairman Tylka stated that Special Assets Item C was pulled from the Consent Agenda, and then asked for a motion to approve staff recommendations on the remaining items on the Consent Agenda.

Motion to approve staff's recommendations on the remaining Consent Agenda items was made by Mr. Smith with a second by Ms. Munilla. Motion passed unanimously.

Hearing no further business, Chairman Tylka asked for a motion to adjourn the April 26, 2013, Board of Directors' Meeting.

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

Chairman Tylka adjourned the meeting at 9:19 a.m.