

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
February 1, 2013**

TIME: 8:30 a.m.

LOCATION: Hyatt Regency Jacksonville
225 East Coastline Drive
Jacksonville, FL 32205

BOARD MEMBERS PRESENT:

Len Tylka, Chairman
Cliff Hardy, Vice Chairman
Mary Demetree
Natacha Munilla
Ken Reecy
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
David Westcott

ADVISORS AND OTHERS PRESENT:

Junious Brown, Nabors, Giblin & Nickerson
Jan Carpenter, Shuffield Lowman
Bill Johnston, WLJ Partners/Tibor Capital
Jason Larson, Creative Choice
Laurel Robinson, West Palm Beach PHA
Oliver Pfeffer, Landmark Companies
Bill Lazar, St. John's Housing Partnership
Carrie Davis, Wealth Watchers in Jacksonville
Marcus Goodson, Housing Authority of Fort Myers/Lee County

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

Chairman Tylka introduced Rep. Daniel Davis from Jacksonville.

MINUTES

Item A, Approval of Minutes of November 2, 2012, Board Meeting. Chairman Tylka asked for a motion to approve the Minutes of the November 2, 2012, Board Meeting.

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

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

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

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

Item A, Request Approval to De-obligate CWHIP funding for Village Green at Ten Oaks. David Westcott asked the Board to approve staff's recommendation to de-obligate the CWHIP funding for Village Green at Ten Oaks, a 2007 CWHIP deal that lost funding when the Legislature called back funds in 2008, but remained in the program until funds became available again, only to be hobbled by the Legislature's temporary moratorium on new construction. He stated that the extended deadline to complete credit underwriting is February 5, and due to the Pasco County Board of County's Commissioners' unexpected withdrawal of \$450,000 committed to the project, the developer will not be able to meet that deadline and has asked that the CWHIP funds be de-obligated from the project.

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

Barney Smith asked if the de-obligated funds would have to go back into the CWHIP pot, or if they could be transferred to another program. Mr. Westcott stated that there are no other CWHIP deals waiting for funding. Wellington Meffert stated that there was no provision in the CWHIP statute requiring that deobligated funds be cycled back into the CWHIP program, so the Board can allocate the funds to any other program.

Motion passed unanimously.

FISCAL

Item A, Travel Reimbursement Policy. Barb Goltz asked the Board to authorize staff to make changes to Florida Housing's travel policy to conform to the State's travel policy as outlined in statute, effective April 1, 2013. She stated that the request was prompted by the Auditor General's report that stated Florida Housing was subject to the State travel law.

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

FORECLOSURE COUNSELING PROGRAM

Item A, Overview of New Foreclosure Counseling Program and Request for Approval to Issue Solicitations to Implement the Program. Nancy Muller stated that the Legislative Budget Commission appropriated \$10 million from the national mortgage settlement to Florida Housing for foreclosure counseling services. She stated that the purpose of the program is to help prevent homeowners from going into foreclosure and to provide at-risk homeowners with good financial management education to help ensure they stay out of mortgage trouble in the future. She added that the program parameters were still being developed, but the current timeline indicates foreclosure counseling services would begin to be provided to homeowners in June 2013. She asked the Board to authorize staff to issue a request for qualifications to housing counseling agencies and a request for proposals to contract with experienced technical assistance and training providers. She also asked the Board to authorize staff to go out with a solicitation for data services for the program, if necessary. She also asked the Board to authorize the Executive Director to establish a review committee for each solicitation to review the responses and make recommendations to the Board.

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

Chairman Tylka expressed his desire to strongly promote the program to the public so the people in need of the counseling are aware of it. Mr. Auger stated that the Attorney General and the Governor's office were equally concerned about getting the word out and held a press conference to announce the program and Florida Housing staff will continue to work with both the Attorney General and the Governor's office to promote it. Ms. Muller added that the Attorney General's staff indicated that Attorney General Bondi was interested in doing public service announcements herself to promote the program.

Natacha Munilla asked how the program was different from the Hardest-Hit Fund. David Westcott stated that the Hardest-Hit Fund prohibits the use of funds for housing counseling. He added that Florida Housing does pay housing counseling agencies to do eligibility determinations for Hardest-Hit Fund applicants, but not for counseling the applicants.

Barney Smith asked how quickly the money would get out to the public. Ms. Muller stated that staff hopes to have the program up and running in June 2013, and once staff develops further guidelines and policies, they would be brought back to the Board for approval.

Motion passed unanimously.

HOUSING CREDITS

Item A, 2013 Low-Income Housing Tax Credit Allocation Authority – Request for Applications.

Kevin Tatreau asked the Board to authorize staff to begin the request for applications competitive process to offer up to 10 percent of Florida Housing's annual tax credit allocation for high priority developments, specifically those for special needs populations with the preference for a development for veterans with special needs and the rehabilitation or revitalization of Public Housing Authority developments with a preference for developments in small or medium counties with strong leveraging positions as well as to establish a review committee to make recommendations to the Board.

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

Ms. Smith asked how much money that would involve. Mr. Tatreau stated that the 2013 annual credit allocation is \$43 million, so up to \$4.3 million. Mr. Smith asked how many deals that would fund. Mr. Tatreau stated that the hope is for two in each class for a total of four. Mr. Auger added that the expectation is that the PHA redevelopment deals would be medium or small county deals.

Motion passed unanimously.

HOME RENTAL

Item A, Request Approval to Temporarily Waive the Farmworker Demographic Set-Aside for Three Years for Mira Verde Apartments. David Westcott asked the Board to approve staff's recommendation to approve the request to temporarily waive the farmworker demographic set-aside for Mira Verde Apartments for three years and authorize staff to amend the land use restriction agreement (LURA) to reflect the change. He added that during the temporary three-year waiver period, the developer must give preference to farmworker applicants over non-farmworker applicants if there is a unit available and there are two competing applications.

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

Item B, Request Approval to Replace the Migrant Farmworker RFP Definition with the Farmworker Definition in Section 420.503(18) F.S., for Casa San Juan Bosco. David Westcott asked the Board to approve staff's recommendation to approve the request to replace the Migrant Farmworker RFP definition with the Farmworker definition in Section 420.503(1), F.S., and authorize staff to amend the LURA for Casa San Juan Bosco accordingly.

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

LEGISLATIVE REPORT

Jacqui Sosa updated the Board on the ongoing legislative session and how it might impact Florida Housing.

MISCELLANEOUS

Item A, 2013 Competitive Funding Lottery Seed Number Selection. Ms. Sgouros asked Chairman Tylka 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 Tylka selected Page 1444, Column 9, Line Number 171, Number 48189.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Item A, Request Approval to Reallocate Uncommitted Predevelopment Loan Program Funds to the State Apartment Incentive Loan Program. Nancy Muller stated that while the Predevelopment Loan Program has been quite successful in its 20-year history, recently, there have been fewer applications as access to credit and construction financing has dried up. She stated that consequently, there is approximately \$10.4 million in uncommitted PLP funds available, and staff has determined that \$8.4 million of those funds will remain unused over the next three years. She asked the Board to approve the staff's recommendation to reallocate \$5 million from the Predevelopment Loan Program fund to the SAIL program for use as gap funding for special needs transactions financed with low income housing tax credits.

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

PROFESSIONAL SERVICES SELECTION (PSS)

Item A, Request Permission to Issue a Request for Proposals (RFP) for the Administration of the Affordable Housing Catalyst Program. Nancy Muller asked the Board to authorize staff to begin the solicitation process to obtain responses from qualified entities to deliver affordable housing training and technical assistance under the Catalyst Program subject to funding availability. She also asked the Board to authorize the Executive Director to establish a review committee to review the RFP 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 B, Permanent Loan Servicing Software Request for Proposals (RFP). Barb Goltz asked the Board to authorize staff to begin the solicitation process to select a permanent loan servicing software package for the Hardest-Hit Fund and to authorize the Executive Director to establish a review committee to review the RFP responses and make a recommendation to the Board.

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Item A, Request Approval of Loan Closing Extension for Vista Palms. Kevin Tatreau asked the Board to deny the request for a 120-day loan closing extension for Vista Palms and de-obligate the \$900,000 SAIL ELI award.

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

Jason Larson, with Creative Choice, the developer of Vista Palms, asked the Board to approve the loan closing extension based on the current 93 percent occupancy rate. Laura Cox stated that staff calculated the economic occupancy of the development to be 73 percent. Steve Auger stated that the staff recommendation to deny the extension stood as presented.

Motion passed unanimously.

Item B, Request Approval of Loan Closing Extension for Preserve at Oslo (f/k/a Woods at Vero).

Kevin Tatreau asked the Board to approve the request for a loan closing extension to September 1, 2013, for the Preserve at Oslo (f/k/a Woods at Vero), subject to 1) the payment of a loan closing fee of one-half of one percent of the loan amount pursuant to Rule Chapter 27-48, Florida Administrative Code and RFP 2011-05; 2) receipt and satisfactory review by First Housing of a firm commitment for the refinancing of the first mortgage loan on Peacock Run to effectively remove it from the Guarantee Program portfolio; and 3) full restoration of all of the down units at Tuscan Isle (f/k/a Heron Cove) to suitable for occupancy status as verified by a 100% unit inspection performed by First Housing as directed by the Guarantee Program. He also asked the Board to approve staff's recommendation that the closing and funding of the SAIL ELI loan be simultaneous with the closing of the refinance of the first mortgage, effectively removing the development from the Guarantee Program portfolio and repayment in full of the Subordinate Mortgage Initiative Loan.

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

Jason Larson stated that he was fine with the conditions.

Motion passed unanimously.

Item C, Request Approval of Loan Closing Extension for Peacock Run. Kevin Tatreau asked the Board to approve the request for a loan closing extension to September 1, 2013, for Peacock Run, subject to the payment of a loan closing fee of one-half of one percent of the loan amount pursuant to Rule Chapter 27-48, Florida Administrative Code and RFP 2011-05. He also asked the Board to approve staff's recommendation that the closing and funding of the SAIL ELI loan be simultaneous with the closing of the refinance of the first mortgage, effectively removing the development from the Guarantee Program portfolio and repayment in full of the Subordinate Mortgage Initiative Loan.

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

Jason Larson stated that he was fine with the conditions.

Motion passed unanimously.

UNIVERSAL APPLICATION CYCLE

Item A, Request Approval to Award 2013 Low Income Housing Tax Credits to Applicants on the List of Eligible Unfunded Applications from the 2011 Universal Application Cycle (UAC). Kevin Tatreau asked the Board to approve staff's recommendation to award any unallocated 2013 Low Income Housing Tax Credits prior to calendar year end 2013 by funding the next highest scoring, eligible Application based on total score and the Option 1 Tie-Breaker Order outlined in Section 6.a. of the Ranking and Selection Criteria section of the Universal Application Instructions, regardless of the Development Category selected at Part III.A.3.a. of the Application, subject to existing Set-Aside Unit Limitations (SAUL) remaining in effect at that SAUL Stage, using the eligible unfunded list from the 2011 Universal Application Cycle.

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

CONSENT AGENDA

Chairman Tylka asked for a motion to approve staff recommendations on the items on the Consent Agenda. Cliff Hardy asked that Special Assets Items B and C be pulled from the Consent Agenda and addressed separately.

Motion to approve staff's recommendations on the Consent Agenda items, excluding Special Assets Items B and C, was made by Mr. Reecy with a second by Mr. Hardy. Motion passed unanimously.

SPECIAL ASSETS CONSENT ITEMS

Item B, Request Approval of Transfer of General Partnership Interest for Fox Hollow Apartment. Laura Cox asked the Board to approve staff's recommendation to approve the non-profit general partner transfer for Fox Hollow Apartments.

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

Cliff Hardy asked if the property was stressed. Laura Cox said it was and was a rehab of a development that was a new construction property in Florida Housing's portfolio approximately 20 years ago. Mr. Auger stated that the non-profit general partner to be substituted was formed in 1994, not newly formed to take advantage of the tax abatement, and Centerline has used them before as a general partner.

Motion passed unanimously.

Item C, Request Approval of Transfer of General Partnership Interest for Huntington Reserve Apartments. Laura Cox asked the Board to approve staff's recommendation to approve the non-profit general partner transfer for Huntington Reserve Apartments.

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

Barney Smith commented that he believes the part of the housing credits rule regarding minimally exceeding subcontractor costs should be changed. Chairman Tylka agreed and asked Steve Auger to modify the language and bring it back to the Board for approval. Mr. Auger stated that staff was currently working on language to address that issue.

Cliff Hardy asked if reducing nine percent interest rates to three percent rates was being done across the board. Steve Auger indicated that there was a provision in a conforming bill that passed in the 2012 session for that to happen, so the expectation is that many of the old nine percent rates will want to convert to the three percent rates, which would generate SAIL income for Florida Housing.

PUBLIC COMMENT

Laurel Robinson, Executive Director of the West Palm Beach Housing Authority, thanked the Board for considering PHAs in the next round of funding for special needs. She asked that the Board further consider not just the size of the county, but the size of the PHA, as well as PHAs that are trying to rehab very old (70 years plus) units.

Oliver Pfeffer, with Landmark Companies, echoed Ms. Robinson's comments.

Bill Lazar, with St. John's Housing Partnership, asked the Board to be supportive of green building training throughout the affordable housing community. Chairman Tylka echoed his comments.

Carrie Davis, with Wealth Watchers in Jacksonville, expressed her appreciation for David Westcott and his staff for their diligent work on the different foreclosure prevention programs.

Marcus Goodson, with the Housing Authority of Fort Myers/Lee County, thanked Steve Auger and his staff for including a category for public housing in the upcoming RFA.

Hearing no further business, Chairman Tylka asked for a motion to adjourn the February 1, 2013, Board of Directors' Meeting.

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

The meeting was adjourned at 9:54 a.m.