

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
April 25, 2014**

TIME: 8:30 a.m.

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

BOARD MEMBERS PRESENT:

Barney Smith, Chairman
Natacha Munilla, Vice Chair
Ray Dubuque
John Hawthorne
Brian Katz
Bill Killingsworth
Len Tylka
Howard Wheeler

CORPORATION STAFF PRESENTING:

Stephen P. Auger
Laura Cox
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Ken Reecy

OTHERS PRESENTING:

Mark Hendrickson

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

MINUTES

Item A, Approval of Minutes of the March 14, 2014, Board Meeting. Chairman Smith asked for a motion to approve the Minutes of the March 14, 2014, Board Meeting.

Motion to approve the Minutes was made by Mr. Hawthorne with a second by Mr. Dubuque. Motion passed unanimously.

FISCAL

Item A, Unrestricted Net Assets. Barb Goltz asked the Board to approve the designation of unrestricted net assets as set forth in the Board Package item.

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

HARDEST-HIT FUND

Item A, Request Approval to Expand the Loan Pools Allowed in the Modification Enabling Pilot (MEP) Program Strategy of the Hardest-Hit Fund (HHF). David Westcott updated the Board on the progress of the Modification Enabling Pilot Program. He then asked the Board to approve the expansion of the allowable loan pools allowed in the Modification Enabling Pilot Program to include any further HUD DASP (Distressed Asset Sales Program) sales involving Florida loans through the end of calendar year 2015. He also asked the Board to authorize staff to begin the process of amending the MEP term sheets with the US Treasury and to amend the contract with National Community Capital to allow for the additional pools subject to further approvals and recommendations from Florida Housing's counsel, financial advisor, US Treasury or other Florida Housing staff.

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

Len Tylka asked staff to provide the Board with an update prior to each Board Meeting outlining the funds allocated in each of the Hardest-Hit programs. Steve Auger agreed to provide that starting with the June meeting.

Motion passed unanimously.

LEGISLATIVE

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

MULTIFAMILY PROGRAMS

Item A, Request De-Obligation of Funding for Riverbend Apartments. Ken Reecy stated that Riverbend Apartments was awarded funding through Request for Applications 2013-006, and subsequently asked for an extension of the initial due date to provide the ability to proceed forms required under the RFA due to a pending zoning lawsuit filed by the applicant against the City of Fort Lauderdale. He stated that the judge ruled against the applicant in the lawsuit, and as a result, the applicant was not able to provide the necessary documentation to complete the underwriting process. He asked the Board to approve staff's recommendation to deobligate the funding awarded to Riverbend Apartments under RFA 2013-006 and award the deobligated funds to the highest ranking eligible applicant under RFA 2014-101 which was approved at the March Board Meeting.

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

Item B, Request for Applications (RFA) 2014-104 for the Preservation of Existing Affordable Housing Developments. Ken Reecy stated that Request for Applications 2014-104 was for the financing of the preservation of existing affordable housing developments. He stated that 33 applications were received by the March 7, 2014, deadline, and were subsequently scored by the review committee, and on April 23, 2014, the committee members met, presented their scores and carried out the funding selection process in accordance with the RFA. He asked the Board to approve the committee's recommendation to adopt the scoring results as set out in Exhibit A and authorize the tentative selection of the 6 applications set out in Exhibit B for funding and invitation into credit underwriting, after which an unallocated balance of \$21,000+ will remain. He stated that that RFA dictates that any remaining funds will be distributed as approved by the Board. He stated that if no notice of protest or formal written protest is filed in accordance with Section 120, Florida Statutes, staff will proceed to issue an invitation to enter credit underwriting to the 6 applications in Exhibit B; however, if a notice of protest or formal written protest is filed, at the completion of all litigation, staff will present all recommended orders to the Board for approval prior to issuing the invitations to enter credit underwriting to those applicants.

Motion to approve staff's recommendation was made by Mr. Killingsworth with a second by Mr. Dubuque.

Ray Dubuque asked that staff provide the information on funding allocations to the Board Members at least a week in advance of the Board Meetings to allow them time to review everything before voting. Steve Auger stated that staff would make every effort to get the information out in a timely manner.

Motion passed unanimously.

Item C, Request for Applications (RFA) 2014-101 to Provide Financing to Transform Elderly Properties in Florida Housing's Portfolio into Properties that Allow Elders to Age in Place with Supports. Ken Reecy asked the Board to authorize staff to issue an RFA to provide financing to transform elderly properties in Florida Housing's portfolio into properties that allow elders to age in place with supports.

Motion to approve staff's recommendation was made by Mr. Dubuque with a second by Mr. Hawthorne.

Chairman Smith stated that he felt things were moving too fast with the proposed issuance of an RFA without having all the information about the amount being offered, etc. Mr. Auger suggested an amendment to the motion to authorize staff to proceed with developing, but not issuing, an RFA or whatever model might be deemed appropriate, and then come back to the Board for authorization to actually issue the RFA.

Mr. Dubuque and Mr. Hawthorne accepted the amendment. Motion passed unanimously.

Item D, Request for Applications (RFA) 2014-105 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities. Ken Reecy stated that RFA 2014-105 was for financing to build or rehabilitate smaller permanent supportive housing properties for persons with developmental disabilities. He stated that Florida Housing received an appropriation of \$10 million in non-recurring grant funds by the 2013 legislature to finance housing for persons with developmental disabilities. He stated that 17 applications were received and scored by the review committee, and on April 23, 2014, the committee members met, presented their scores and carried out the funding selection process in accordance with the RFA. He asked the Board to approve the committee's recommendation to adopt the scoring results as set out in Exhibit C and authorize the tentative selection of the 12 applications set out in Exhibit D for funding and invitation into credit underwriting. He stated that if no notice of protest or formal written protest is filed in accordance with Section 120, Florida Statutes, staff will proceed to issue an invitation to enter credit underwriting to the applications in Exhibit D; however, if a notice of protest or formal written protest is filed, at the completion of all litigation, staff will present all recommended orders to the Board for approval prior to issuing the invitations to enter credit underwriting to those applicants in the funding range.

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

PROFESSIONAL SERVICES SELECTION

Item A, Arbitrage Rebate Services. Barb Goltz stated that arbitrage rebate services are used because Florida Housing issues tax exempt bonds which require that Florida Housing cannot make a profit through the interest rate charged or paid, or the funds that are invested; and therefore, Florida Housing does arbitrage rebate analysis each year for the tax exempt bonds.

She stated that the Board approved an Request for Qualifications at the January 2014 meeting, four responses were received, and the review committee recommends selecting the two highest scorers, BLX Group, LLC, and Hawkins, Delafield & Wood, LLP, to provide arbitrage rebate services.

Motion to approve the review committee's recommendation was made by Mr. Hawthorne with a second by Ms. Munilla. Motion passed unanimously.

Item B, Request for Proposals (RFP) for Approved Energy Consumption Providers. Wellington Meffert asked the Board to extend the contracts which expire on June 30, 2014, for the current pool of approved energy consumption providers, 2RW Consultants, Inc.; Diamond Property Consultants, Inc., with DCR Engineering Services, Inc.; KN Consultants, LLC; Matern Professional Engineering, Inc.; and University of Central Florida, Florida's Solar Energy Center; and authorize staff to begin the solicitation process to select a new pool of energy providers.

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

SINGLE FAMILY

Item A, Request Permission to Amend the Existing Memorandum of Understanding with Florida's Local Housing Finance Agencies to Allow the Use of Additional Funding from the Mortgage Settlement Agreement. David Westcott asked the Board to approve staff's request to amend the existing Memorandum of Understanding with Florida's local housing finance agencies to allow the use of up to an additional \$1 million of the \$35 million Florida Housing received from the Florida legislature as part of the Attorney General's Mortgage Settlement Agreement. He stated that in March 2013, the Board initially authorized \$5 million for use by the local housing finance agencies, and in December 2013 authorized an additional \$3 million.

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

Mark Hendrickson, Director of the Florida Association of Local Housing Finance Agencies (ALHFA), thanked the Board for funding the program and praised the staff for their work in moving the money out efficiently.

CONSENT AGENDA

Chairman Smith stated that Legal Consent Item A, Independence Village was being pulled for discussion.

Wellington Meffert stated that Independence Village is a 24-unit development in Bay County that requested a rule waiver to create a management unit and to reduce the number of set-aside units from 12 to 8. He stated that the developer reported having trouble filling the units with youth aging out of foster care and asked to be allowed to change the demographic to include

adults between the ages of 16 and 22, including homeless pregnant women and women with a baby six months old or less, and to provide residential services for youth between the ages of 18 and 21 who have aged out of traditional foster care but do not meet the youth aging out of foster care demographic. He asked the Board to approve the rule waiver.

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

Ray Dubuque stated that he sits on the Panama City Planning Board and when he brought this item to the planner for the city, was informed that they were not aware of the requested demographic change. Therefore, he asked when a petitioner requests a demographic change that the governing municipality should receive a copy of the petition from the petitioner when it is submitted to Florida Housing. Steve Auger stated that going forward, petitioners will be required to notify the local government of the request.

Motion passed unanimously.

Chairman Smith asked for a motion to approve the remaining items on the Consent Agenda.

Motion to approve the remaining items on the Consent Agenda was made by Mr. Tylka with a second by Ms. Munilla. Motion passed unanimously.

STRATEGIC PLAN

Chairman Smith asked the Board Members to review the proposed Strategic Plan framework provided and respond with written input. He also asked stakeholders to provide their comments to the Board.

Mr. Auger stated that a draft strategic plan would be brought to the Board in June.

PUBLIC COMMENT

No public comments were offered.

Chairman Smith adjourned the meeting at 10:10 a.m.