

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
December 12, 2014**

TIME: 8:30 a.m.

LOCATION: Hyatt Regency Orlando Airport
9300 Jeff Fuqua Blvd.
Orlando, FL

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
Barbara Goltz
Ken Reecy
David Westcott

OTHERS PRESENTING:

Allison Colvard, Promise in Brevard
Betsy Farmer, Promise in Brevard

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

MINUTES

Item A, Approval of Minutes of the October 30, 2014, Board Meeting. Chairman Smith asked for a motion to approve the Minutes of the October 30, 2014, Board Meeting.

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

FINANCE

Item A, Approval of 2015 Operating Budget. Barb Goltz asked the Board to approve the 2015 Operating Budget.

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

HARDEST-HIT FUND

Item A, Request Approval to Change Certain Criteria for the Hardest-Hit Fund (HHF) Unemployment Mortgage Assistance Program (UMAP) and the Mortgage Loan Reinstatement Program (MLRP). David Westcott reminded the Board that in April 2011 it authorized the use of approximately \$417 million for the Unemployment Assistance Program and the Mortgage Loan Reinstatement Program. He stated that both programs meet the Treasury imposed requirement on all states that a certain amount of the Hardest-Hit allocation be used for qualified unemployment programs, and Florida Housing passed that \$238 million threshold. He stated that consequently, Florida Housing was free to expand the criteria to include other non-employment related hardships and staff found that the three most common hardships borrowers are experiencing are death, divorce and permanent disability. He asked the Board to authorize staff to begin the process of amending Florida Housing's term sheets with Treasury and to open the rulemaking process to add the three additional hardships into both programs.

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

Chairman Smith asked how long it would take to incorporate the three new hardships. Mr. Westcott stated that the process should be completed by mid-February. He added that applicants that had previously been denied for not having a qualifying hardship would be contacted to let them know the criteria had changed and to encourage them to apply again.

Motion passed unanimously.

HOUSING CREDITS

Item A, The Verandas of Punta Gorda, LLP; Item B, Renaissance Preserve IV; Item C, Janie Poe Associates 3. Ken Reecy stated that the three Housing Credit items were nearly identical petitions requesting a variance in total development cost limitations, and all three developments are on public housing authority land. He stated that Verandas of Punta Gorda was awarded an allocation of low-income housing credits to finance a development in Charlotte County on a site owned by Punta Gorda Housing Authority. He stated that Florida Housing limits the total development costs per unit for all developments by construction type as indicated by the applicant in the RFA. He stated that the maximum amounts are provided on the TDC per unit limitation chart. He stated that the applicant requested that the TDC limitation as it applies to its development be increased from \$165,900 to \$170,900. He stated that the petition cites development cost increases due to Davis-Bacon, which Florida Housing subsequently added to RFAs to recognize it as a cause for potential cost increases. He asked the Board to approve staff's recommendation to grant the applicant's request for a variance from the TDC limitation of the RFA to increase the TDC limits on its new construction units from \$165,900 to \$170,900.

Mr. Wheeler asked to have all three Housing Credits items tabled and deferred to a later meeting and made a motion to table the items pending receipt of additional information from staff.

Motion to table all three Housing Credits items was made by Mr. Wheeler with a second by Ms. Munilla. Motion passed by a vote of 7 to 1 with Mr. Hawthorne casting the dissenting vote.

LEGAL

Item A, Request for Applications 2014-111 – Distribution of Returned Allocation. Wellington Meffert stated that the Board approved SAIL funding for RFA 2014-111 in September 2014, after which three petitions challenging the awards were received, all of which were subsequently withdrawn. He asked the Board to accept the withdrawal of those petitions, close the cases, award funding to Application 2014-416S, Lakesworth Commons (SP BP Apartments), and return any remaining allocation to Florida Housing for future award.

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

MULTIFAMILY PROGRAMS

Item A, Request Approval of the Credit Underwriting Letter for Lake Butler Senior Living. Ken Reecy stated that an application was received from Lake Butler Senior Living requesting \$11 million in multifamily tax exempt bonds and \$293,787 in four percent housing credits, and staff issued an invitation to credit underwriting on March 10, 2014. He stated that staff received a credit underwriting report in November indicating that there was not sufficient demand for affordable rental housing in the Union County market, and the credit underwriter, Amerinational, recommended that the applicant not proceed due to insufficient demand. He asked the Board to approve the credit underwriting recommendation and direct staff not to proceed with issuance of the multifamily tax exempt bonds or housing credits.

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

Item B, Request Approval of the Credit Underwriting Letter for Avery Way Senior Living. Ken Reecy stated that an application was received from Avery Way Senior Living for multifamily tax exempt bonds and four percent housing credits. He stated that staff received a credit underwriting report indicating that the market does not support the applicant's request. He asked the Board to approve the credit underwriting recommendation and direct staff not to proceed with issuance of the multifamily tax exempt bonds or housing credits.

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

Item C, Request Approval of the Credit Underwriting Letter for Grace Estates Senior Living. Ken Reecy stated that an application was received from Grace Estates Senior Living for multifamily tax exempt bonds and four percent housing credits. He stated that staff received a credit underwriting report indicating that the market does not support the applicant's request. He asked the Board to approve the credit underwriting recommendation and direct staff not to proceed with issuance of the multifamily tax exempt bonds or housing credits.

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

Item D, Request for Applications (RFA) RFA 2014-110 – Multifamily Energy Retrofit Program (MERP). Ken Reecy stated that on October 29, 2014, Florida Housing issued an RFA to offer more than \$7.5 million in financing to applicants proposing to retrofit older multifamily developments in Florida Housing's portfolio that were completed prior to December 31, 1999. He stated that the funding would be used to pay for the retrofit of building components with energy efficient components and other improvements that reduce energy and water costs. He stated that while there was interest expressed by some property owners, no applications were received, and staff was in the process of contacting interested owners to find out what the reason was for no applications. He asked the Board to authorize Florida Housing staff to issue a new MERP RFA and authorize the executive director to establish a review committee to review and score responses and make recommendations to the Board.

Mr. Auger indicated that at the January meeting staff would report on the findings and any changes planned.

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

Item E, Request for Applications (RFA) RFA 2014-113 – Financing to Build Larger Permanent Supportive Housing Properties for Persons with Developmental Disabilities. Ken Reecy stated that Florida Housing received an appropriation of \$10 million in grant funding by the 2014 legislature for housing for persons with developmental disabilities. He stated that Florida Housing split the appropriation into two RFAs; one for smaller developments and one for this RFA with grant funding made available for larger multifamily properties. He stated the RFA was issued on October 17 and made \$3 million in grant money, \$3 million in additional loan funds and \$2.3 million of competitive housing credit allocation available for award. He stated the deadline for responses was November 14, 2014, and four

applications were received. He stated that the review committee appointed by the Executive Director independently evaluated and scored their assigned portions of the applications and met on December 2 to compile their scores and prepare a recommendation for the Board. He asked the Board to approve the committee's recommendation to adopt the scoring results of the four applications and authorize the tentative selection of the four applications for funding and invitation to credit underwriting. He stated that if no notice of protest or formal written protest is filed, staff would proceed to issue invitations to enter credit underwriting to the applicants; however, if a notice of protest or formal written protest is filed, at the completion of all litigation, staff will present all recommended orders for Board approval prior to issuing invitations to enter credit underwriting.

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

PROFESSIONAL SERVICES SELECTION (PSS)

Item A, Request for Qualifications (RFQ) 2014-10, for Real Estate Brokerage Services. Laura Cox stated that an RFQ for real estate brokerage services was issued on October 14, 2014, and one response was received. She stated that the review committee met on November 12 to compile their scores and prepare a recommendation for the Board. She asked the Board to approve the review committee's recommendation to authorize Florida Housing to enter into an agreement with CBRE, Inc., for real estate brokerage services.

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

CONSENT AGENDA

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

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

ELECTION OF CHAIR AND VICE CHAIR

Chairman Smith asked for nominations for Chairman and Vice Chairman of the Board of Directors.

Motion to nominate Barney Smith as Chairman was made by Mr. Tylka and seconded by Mr. Killingsworth. There were no other nominations. Motion passed unanimously.

Chairman Smith nominated Natacha Munilla as Vice Chair and Mr. Wheeler seconded his motion. There were no other nominations. Motion passed unanimously.

PUBLIC COMMENT

Allison Colvard, housing consultant for Promise in Brevard, expressed her appreciation for the Board's approval of the awards for permanent supportive housing for persons with developmental disabilities. She also praised Florida Housing staff for the efforts.

Chairman Smith adjourned the meeting at 9:04 a.m.

Subsequent to adjournment, Betsy Farmer and other representatives from Promise in Brevard, which received an award in the RFA for permanent supportive housing for persons with developmental disabilities, arrived to express their appreciation and gratitude to the Board and staff for their efforts. Steve Auger expressed his thanks to them, as well, for their passion and persistence as partners in the endeavor.

For ceremonial purposes, Ken Reecy again made the recommendation to the Board to approve the committee's recommendation to adopt the scoring results of the four applications and authorize the tentative selection of the applications for funding and invitation to enter credit underwriting. Mr. Tylka made the ceremonial motion with a second by Mr. Killingsworth and the motion was passed unanimously.

Chairman Smith re-adjourned the meeting at 9:15 a.m.