

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
August 25, 2005**

TIME: 9:00 a.m.

LOCATION: Tallahassee City Hall Commission Chambers
300 Adams Street
Tallahassee, Florida

BOARD MEMBERS PRESENT:

Terry Santini, Chairman
Lynn Stultz, Vice Chairman
Thaddeus Cohen
David Oellerich
Sandra Terry

CORPORATION STAFF PRESENT:

Orlando Cabrera, Executive Director
Steve Auger
Wayne Conner
Laura Cox
Sheila Freaney
Barbara Goltz
Esrone McDaniels
Wellington Meffert
Nancy Muller
Sunny Phillips

ADVISORS AND OTHERS PRESENT:

Jan Carpenter, Shuffield, Lowman
Mark Mustian, Nabors, Giblin & Nickerson

Chairman Santini called the Board of Directors' meeting to order at 9:20 a.m., and confirmed that a quorum was present.

MINUTES

Chairman Santini asked for a motion to approve the Minutes of the July 22, 2005, Board Meeting.

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

APPOINTMENT OF EXECUTIVE DIRECTOR

Chairman Santini recognized Orlando Cabrera to address the Board. Mr. Cabrera resigned as Executive Director of Florida Housing Finance Corporation effective September 12, 2005. Chairman Santini then recognized Secretary Cohen to nominate a new Executive Director. Secretary Cohen nominated Steve Auger as the new Executive Director.

Motion to approve the nomination of Steve Auger as Executive Director was made by Ms. Stultz with a second by Mr. Oellerich. Motion passed unanimously.

Chairman Santini recognized Wellington Meffert to address the Board. Mr. Meffert asked the Board to approve Resolution 2005-009 delegating signature authority to Steve Auger for routine documents and authorizing him to delegate other staff to sign documents.

Motion to approve the Resolution was made by Secretary Cohen with a second by Ms. Stultz. Motion passed unanimously.

Mr. Meffert asked the Board to approve Resolution 2005-010 delegating signature authority to Steve Auger and Barb Goltz to sign bonds on behalf of the corporation.

Motion to approve the Resolution was made by Secretary Cohen with a second by Ms. Stultz. Motion passed unanimously.

2005/2006 DOCUMENTARY STAMP TAX APPROPRIATION SPLIT

Chairman Santini recognized Barb Goltz to brief the Board on the 2005/2006 Documentary Stamp Tax Appropriation Split.

Ms. Goltz asked the Board to approve the staff recommendation to split the \$55,906,623 in the State Housing Trust Fund as follows:

- SAIL - \$48,411,461
- Guarantee Program - \$6,400,000
- Affordable Housing Study Commission - \$280,000
- Catalyst Program - \$672,800
- Housing Data Clearinghouse - \$142,362

Motion to approve the recommendation was made by Ms. Stultz with a second by Ms. Terry. Motion passed unanimously.

ELDERLY HOUSING COMMUNITY LOAN (EHCL) PROGRAM

Chairman Santini recognized Steve Auger to brief the Board on EHCL matters.

Item A, Request for Authority to Begin Rulemaking. Mr. Auger asked the Board to approve the staff's recommendation to begin the EHCL rule development process and schedule a rule development workshop.

Motion to approve the recommendation was made by Secretary Cohen with a second by Ms. Terry. Motion passed unanimously.

HOMEOWNERSHIP

Chairman Santini recognized Esrone McDaniels to brief the Board on Homeownership matters.

Item A, Pompano Beach Scattered Sites. Mr. McDaniels asked the Board to approve the staff's recommendation to de-obligate HAP funds for We Help Community Development Corporation in the amount of \$360,000, as the for-profit developer of the proposed 12 homes in Broward County pulled out of the deal.

Motion to approve the recommendation was made by Secretary Cohen with a second by Ms. Stultz. Motion passed unanimously.

Item B, Paradise Trails. Mr. McDaniels asked the Board to approve the staff's recommendation to grant a one-year completion date extension to the Ocala Housing Authority for Paradise Trails, a proposed 18-home development in Marion County, due to construction delays.

Motion to approve the recommendation was made by Mr. Oellerich with a second by Ms. Stultz. Motion passed unanimously.

Item C, Walker's Cove. Mr. McDaniels asked the Board to approve the staff's recommendation to allow the developer of Walker's Cove, a 25-home development in Miami-Dade County, relief from one unit under its commitment. He asked the Board to grant the relief and reduce the developer's allocation by \$26,900, which is the amount that would have been allotted to the one unit.

Motion to approve the recommendation was made by Ms. Stultz with a second by Ms. Terry. Motion passed unanimously.

Item D, Citrus County Scattered Sites III. Mr. McDaniels asked the Board to approve the staff's recommendation to allow Florida Low Income Housing to transfer a lot from a previous Florida Housing development to another Florida Housing development in Citrus County.

Motion to approve the recommendation was made by Secretary Cohen with a second by Ms. Stultz. Motion passed unanimously.

LEGAL

Chairman Santini recognized Wellington Meffert to brief the Board on legal matters.

Items A , Universal Cycle Appeals. Mr. Meffert stated that there were nine appeals filed in the 2005 Universal Cycle and that he would read each case caption, number and a brief description and ask the Board to accept the recommended order in its entirety, including all findings of fact and conclusions of law and recommendations.

Mr. Meffert asked the Board to approve the Recommended Order on the Post Master Associates, Ltd. vs. Florida Housing appeal.

Motion to approve the recommendation was made by Ms. Stultz with a second by Secretary Cohen. Motion passed unanimously.

Mr. Meffert asked the Board to approve the Recommended Order on the Pinnacle Park, Ltd. vs. Florida Housing appeal.

Motion to approve the recommendation was made by Secretary Cohen with a second by Ms. Stultz. Motion passed unanimously.

Mr. Meffert asked the Board to approve the Recommended Order on the Villa Aurora, LLLP vs. Florida Housing appeal.

Motion to approve the recommendation was made by Ms. Stultz with a second by Mr. Oellerich. Motion passed unanimously.

Mr. Meffert asked the Board to approve the Recommended Order on the State and Tire, Ltd. vs. Florida Housing appeal.

Motion to approve the recommendation was made by Ms. Stultz with a second by Secretary Cohen. Motion passed unanimously.

Mr. Meffert asked the Board to approve the Recommended Order on the Clermont RRH, Ltd./Sunny Hill Apartments vs. Florida Housing appeal.

Motion to approve the recommendation was made by Ms. Stultz with a second by Secretary Cohen. Motion passed unanimously.

Mr. Meffert asked the Board to approve the Recommended Order on the Island Horizon Housing, Ltd. Partnership vs. Florida Housing appeal.

Motion to approve the recommendation was made by Mr. Oellerich with a second by Ms. Stultz. Motion passed unanimously.

Mr. Meffert asked the Board to approve the Recommended Order on the Finley Interest 35, Ltd. vs. Florida Housing appeal.

Motion to approve the recommendation was made by Secretary Cohen with a second by Ms. Stultz. Motion passed unanimously.

Mr. Meffert asked the Board to approve the Recommended Order on the Villa Maria, LLC vs. Florida Housing appeal.

Motion to approve the recommendation was made by Secretary Cohen with a second by Ms. Stultz. Motion passed unanimously.

Mr. Meffert asked the Board to approve the Recommended Order except for conclusions of law six and seven and adopt of findings of fact and the recommendation on the Merry Place at Pleasant City Associates, Ltd. vs. Florida Housing appeal.

Motion to approve the recommendation was made by Ms. Stultz with a second by Ms. Santini. Motion passed unanimously.

Mr. Meffert asked the Board to deny the Petition of Park Richey Apartments, Ltd., for a rule waiver, as the rule they seek a waiver from is not a Florida Housing rule.

Motion to approve the recommendation was made by Secretary Cohen with a second by Ms. Stultz. Motion passed unanimously.

MULTIFAMILY BONDS

Chairman Santini recognized Wayne Conner to brief the Board on Multifamily Bond matters.

Item A, Ashley Lake Park Apartments, The Oaks at Mill Creek Apartments and Village Place Apartments. Mr. Conner asked the Board to approve the assignment of Dain Rauscher as remarketing agent for Ashley Lake Park, the Oaks at Mill Creek, and Village Place Apartments, and to allow the current approval and verifications by the credit underwriter, bond counsel, special counsel and Florida Housing staff after receiving confirmation from the current bondholder that it is willing to retain the bonds.

Motion to approve the recommendation was made by Ms. Terry with a second by Mr. Oellerich. Motion passed unanimously.

PROFESSIONAL SERVICES SELECTION (PSS)

Chairman Santini recognized Wayne Conner to brief the Board on PSS Item A.

Item A, Investment Banking Services. Mr. Conner asked the Board to approve the review committee's recommendation to accept all 13 offerors that submitted responses by the June 22, 2005, deadline to provide multifamily investment banking services; to accept the top four offerors, UBS Financial Services, RBC Dain Rauscher, CitiGroup and Bear Stearns, to provide single family investment banking services; to accept CitiGroup to provide investment banking services for the Guarantee Program; and require all offerors to provide proof of professional liability, errors and omissions insurance and evidence that they are authorized to do business in the State of Florida prior to entering into any contract negotiations.

Motion to approve the recommendation was made by Ms. Stultz with a second by Mr. Oellerich.

Ms. Stultz asked how the work was distributed among the four entities. Mr. Conner indicated that it was on a rotation basis unless a deal had certain attributes that a particular entity was better equipped to handle. Ms. Stultz asked why staff only recommended one entity for the Guarantee Fund. Mr. Conner stated that the Guarantee Fund is more involved and needs more consistent knowledge and expertise. Ms. Goltz added that rating agencies look for consistency of management when rating the Guarantee Program.

Motion to approve the recommendation was made by Ms. Stultz with a second by Mr. Oellerich. Motion passed unanimously.

Chairman Santini recognized Nancy Muller to brief the Board on PSS Item B.

Item B, Affordable Housing Locator Subscription Service. Ms. Muller stated that Florida Housing's website currently has a basic housing locator service that provides limited information on rental units. She stated that staff would like to provide an expanded website housing locator service that would include additional information, including rents, vacancies, security deposits, resident programs, etc., that would make it more useful to service providers, as well as potential renters. She asked the Board to authorize staff to begin the solicitation process to select one entity to provide affordable housing locator services and to authorize the Executive Director to establish a review committee.

Motion to approve the recommendation was made by Ms. Stultz with a second by Mr. Oellerich.

Secretary Cohen asked if the staff would bring this matter back to the Board before awarding a contract to a provider. Ms. Muller stated that the scope of services would be provided to Secretary Cohen for his review and that after reviewing proposals, staff would bring its recommendation back to the Board for final approval.

Motion to approve the recommendation was made by Ms. Stultz with a second by Mr. Oellerich. Motion passed unanimously.

Chairman Santini recognized Esrone McDaniels to brief the Board on PSS Item C.

Item C, Acquisition of Land by Community Land Trusts for Affordable Housing. Mr. McDaniels stated that staff determined that there is a need for affordable housing provided through community land trusts in order to preserve and maintain the affordability of housing for low to moderate income families. He stated that community land trusts (CLTs) are private, non-profit corporations created to acquire, hold and control land in trust for the benefit of the community, and that homeowners own the improvements on the land and enter into a 99-year ground lease with the CLT. He stated that in a CLT, if the home is sold, the requirement that it continue as affordable housing remains. He stated that it is expected that \$5 million in HOME funds would be used as the primary resource, with \$2 million targeted to the Florida Keys. He asked the Board to approve staff's recommendation to issue an RFP to solicit proposals from CLTs for acquisition of land for affordable housing and to authorize the Executive Director to establish a review committee.

Motion to approve the recommendation was made by Ms. Stultz with a second by Secretary Cohen.

Secretary Cohen expressed a concern that established CLTS with true capacity have an opportunity to participate in the program and are not overlooked. Mr. Auger said this would be possible to build into the RFP. Mr. Oellerich asked whether the RFP funds would be specifically used for land acquisition. Mr. McDaniels said that this would ultimately be the case, as the land would be held by the CLT in perpetuity. Mr. Oellerich asked what would happen if construction didn't happen within 12 months. Mr. McDaniels said that HOME program requirements prohibit land banking.

Motion to approve the recommendation was made by Ms. Stultz with a second by Secretary Cohen. Motion passed unanimously.

Chairman Santini recognized Wayne Conner to brief the Board on PSS Item D.

Item D, Refinancing and Rehabilitation of Elderly Properties Originally Financed by HUD Under its Section 202 Program. Mr. Conner stated that at the April 22, 2005, meeting, the Board authorized staff to solicit proposals for the refinancing and rehabilitation of elderly properties financed under HUD's Section 202 Program through the use of Florida Housing's bonds and HOME and/or other funds. He stated that six responses were received and the review committee met and ranked the developments and recommends that Florida Housing fund all six in the order they ranked, subject to positive credit underwriting and availability of funds. He added that subsequent to the ranking meeting, Casa del Pablo withdrew its proposal, so there were only five proposals being presented for approval.

Motion to approve the recommendation was made by Ms. Stultz with a second by Ms. Terry. Motion passed unanimously.

Chairman Santini recognized Barb Goltz to brief the Board on PSS Item E.

Item E, Auditing Services. Ms. Goltz stated that at the January 14, 2005, meeting, the Board authorized staff to issue an RFP for auditing services and establish a review committee. She stated that proposals were received and the review committee met and ranked the proposals and she asked the Board to approve the committee's recommendation to accept Deloitte & Touche to provide auditing services and to direct staff to enter into contract negotiations once all contingencies of the RFP are met, and in the event contract negotiations with Deloitte & Touche fail, to authorize staff to enter into negotiations with Clifton Gunderson, LLP, and if those negotiations fails, to begin negotiations with Resnick Group.

Motion to approve the recommendation was made by Ms. Stultz with a second by Secretary Cohen. Motion passed unanimously.

SINGLE FAMILY BONDS

Chairman Santini recognized Barb Goltz to brief the Board on Single Family Bond matters.

Item A, Single Family Homeownership Program. Ms. Goltz asked the Board to approve the issuance of a resolution to sell bonds for the Single Family Homeownership Program and approve a refunding issue in the total amount of \$130 million, and authorize staff to move forward with all appropriate documents and requirements to issue the bonds.

Motion to approve the recommendation was made by Ms. Stultz with a second by Secretary Cohen. Motion passed unanimously.

Ms. Goltz also asked the Board to authorize staff to commit approximately \$9 million for the purchase of loans out of the Single Family Resolution in the event the resolution proceeds run out before the new resolution becomes effective.

Motion to approve the recommendation was made by Ms. Stultz with a second by Secretary Cohen. Motion passed unanimously.

Chairman Santini recognized Steve Auger to brief the Board on Universal Cycle matters.

UNIVERSAL CYCLE

Item A, 2005 Universal Cycle Ranking. Mr. Auger noted that the current version of the Universal Cycle Application was first used in 2002 and can be submitted online. He added that the current application allows for flexibility in the targeting of resources and the diversification of the funding allocation throughout the state. Mr. Auger presented a synopsis of the process and methodology used to arrive at the final rankings that were being presented to the Board for its approval. He then asked the Board to approve the staff's recommendation to approve the final scores and ranking and direct staff to proceed with issuing invitations to credit underwriting and preliminary commitment letters to those applicants that are in the funding range.

Motion to approve the recommendation was made by Ms. Stultz with a second by Mr. Oellerich. Motion passed unanimously

CONSENT AGENDA

Chairman Santini asked the Board to approve staff recommendations on the Consent Agenda.

Motion to approve the items on the Consent Agenda was made by Ms. Terry with a second by Ms. Stultz. Motion passed unanimously.

Hearing no further business, Chairman Santini adjourned the August 25, 2005 Board of Directors' Meeting at 10:30 a.m.