

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
January 20, 2006**

TIME: 9:00 a.m.

LOCATION: Hyatt Regency Tampa
One Tampa City Center
Tampa, FL

BOARD MEMBERS PRESENT:

Terry Santini, Chairman
Lynn Stultz, Vice Chairman
James F. Banks, Jr.
David Oellerich
J. Luis Rodriguez
Sandra Terry

CORPORATION STAFF PRESENT:

Stephen P. Auger, Executive Director
Wayne Conner
Laura Cox
Rebecca DeLaRosa
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Vicki Robinson
Stephanie Sgouros
Ian Smith
David Westcott

ADVISORS AND OTHERS PRESENT:

Jan Carpenter, Shuffield, Lowman
Junious Brown, Nabors, Giblin & Nickerson
Bill Johnston, WLJ Capital/TIBOR Partners
Jaimie Ross, 1000 Friends of Florida
Stan Fitterman, Florida Housing Coalition
Lynn Washington, Holland and Knight
Nuri Dorra, Developer

Chairman Santini called the Board of Directors' meeting to order at 9:00 a.m., and confirmed that a quorum was present.

MINUTES

Chairman Santini asked for a motion to approve the Minutes of the December 9, 2005, Board Meeting.

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

Chairman Santini recognized Steve Auger to address the Board. Mr. Auger noted that at the Retreat held in December, the Board decided to include more policy discussions in Board Meetings to address issues the corporation and the affordable housing industry are facing. He introduced Nancy Muller, who gave a presentation on the history and evolution of state and federal homeownership housing policy and the roles housing finance agencies have played in that evolution. Ms. Muller then introduced Jaimie Ross, from 1000 Friends of Florida, who made a presentation to the Board on community land trusts and how they can be used to keep homeowner housing affordable in perpetuity, and Stan Fitterman, from the Florida Housing Coalition, who explained the use of shared equity by local governments.

ELDERLY HOUSING COMMUNITY LOAN (EHCL) PROGRAM/UNIVERSAL CYCLE

Chairman Santini recognized Stephanie Sgouros to address the Board regarding the selection of a lottery number for the EHCL and Universal Cycle.

Item A, EHCL/Universal Cycle Lottery Seed Number. Ms. Sgouros asked Chairman Santini to pick a seed number from Statement 4914, Interstate Commerce Commission, Appendix 81, Pages 1441 through 1445, Lines 1 through 300, Columns 1 through 14. Chairman Santini selected Page 1445, Column 9, Line Number 226, Number 10786.

LEGAL

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

Item A, Green Cay Village Apartments. Mr. Meffert stated that the Green Cay Village item was being withdrawn from consideration.

Mr. Meffert stated that two Legal items were being pulled from the Consent Agenda so he could provide additional information. He stated that Consent Items A and B, Fox Hollow Associates, Ltd., and Huntington Reserve Associates, Ltd., were both requests for rule waivers to extend the amortization period from 36 months to 60 months. He stated that staff recommended granting both requests as outlined in the Consent Agenda, but clarified that a bridge loan was not part of the financing as was stated in the Consent Agenda. He asked the Board to approve both rule waivers.

Motion to approve the recommendation on both Legal Consent Item A and Legal Consent Item B was made by Ms. Stultz with a second by Ms. Terry. Motion passed unanimously.

LEGISLATIVE

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

Mr. Meffert introduced Rebecca DeLaRosa, Florida Housing's new Legislative Director. He and Ms. DeLaRosa gave the Board a brief summary of legislative bills that are of interest to Florida Housing.

MULTIFAMILY BONDS

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

Item A, Sanctuary at Winterlakes. Mr. Conner asked the Board to approve a change to the credit enhancement for Sanctuary at Winterlakes from Financial Security Assurance, Inc., to Freddie Mac, subject to further verifications and approvals by the credit underwriter, bond counsel, special counsel and Florida Housing staff.

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

MULTIFAMILY PROGRAMS

Chairman Santini recognized Vicki Robinson to brief the Board on Multifamily Program matters.

Item A, Creation of a Regular, Competitive Funding Cycle to Fund Rental Housing for Special Needs Populations. Ms. Robinson stated that beginning in 2001, Florida Housing has carried out a series of demonstration developments to explore how to better provide funding to rental developments that don't fit within the parameters of the Universal Application Cycle. She noted that those developments tended to be smaller developments created to serve special needs such as people with disabilities, affordable assisted living facilities, homeless people and people at risk of becoming homeless. She stated that through these demonstration developments, staff concluded that Florida Housing should create a regular, competitive funding cycle to fund permanent rental housing targeted to those households. She stated that in its first year, the cycle would be administered through a request for proposals process, but thereafter a new application would be developed that will be incorporated in the 2007 rule development process. She asked the Board to approve staff's recommendation to create a regular, competitive funding cycle to fund permanent rental housing targeted to special needs populations; and, for 2006, approve the use of up to \$10 million in HOME funds to be awarded through the issuance of a request for proposals for the new cycle.

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

Mr. Oellerich asked what was learned from previous demonstration projects that would be incorporated into the new cycle to insure that Florida Housing gets paid back. Ms. Robinson indicated that staff has been able to evaluate the operating performance of the prior projects and has determined that the deals can support some debt. She stated that in demonstration loans, Florida Housing was not the only source of funding, as there was usually a first mortgage that had some debt service associated with it. She stated that staff expected that HOME funds will be the primary source of funding, and as such, would be structured as a loan to be repaid.

Motion passed unanimously.

PROFESSIONAL SERVICES SELECTION

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

Item A, Affordable Housing Locator Subscription Services Request for Proposals (RFP).

Ms. Muller reminded the Board that at the August 25, 2005, meeting, it authorized staff to begin the solicitation process to select an entity to provide affordable housing locator services. She stated that the RFP was issued on September 30, 2005, and responses were received from Bowman Systems, Domus Systems, Inc., and socialserve.com. She asked the Board to approve the Review Committee's recommendation to authorize staff to enter into contract negotiations with socialserve.com, and if negotiations fail with socialserve.com, authorize staff to enter into contract negotiations with Bowman Systems.

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

Chairman Santini recognized Ian Smith to brief the Board on PSS Item B.

Item B, Printing, Copying and Reproduction Services Request for Proposals (RFP).

Mr. Smith reminded the Board that it authorized staff to reissue the Printing, Copying and Reproduction Services RFP in order to increase the pool of eligible vendors. He stated that in October 2005, responses were received from Global Docugraphics and Pride Enterprises. He asked the Board to authorize staff to enter into contract negotiations with Global Docugraphics and Pride Enterprises.

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

Chairman Santini recognized Vicki Robinson to brief the Board on PSS Item C.

Item C, Development and Rehabilitation of Migrant Farmworker Housing Request for Proposals (RFP).

Ms. Robinson reminded the Board that at the June 10, 2005, meeting, it authorized staff to begin the solicitation process to use HOME funds in a Hurricane Housing Recovery Program targeted to migrant farmworkers. She stated that responses were received from Fellsmere Community Enrichment Program for a loan of up to \$3,429,840, and from Catholic Charities Housing Diocese of Venice, Inc., for a loan in the amount of \$6,639,840. She asked the Board to approve the Review Committee's recommendation to authorize funding of the proposals from Fellsmere Community Enrichment Program and Catholic Charities Housing Diocese of Venice, Inc.

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Chairman Santini recognized Vicki Robinson to brief the Board on SAIL matters.

Item A, Request Approval to Use Unallocated SAIL Funds. Ms. Robinson reminded the Board that in August 2005, it approved the final rankings for the 2005 Universal Cycle, which resulted in the award of over \$63 million in SAIL funds. She stated that subsequently, several of the applications that were awarded funding were withdrawn, and pursuant to Rule 67-48, those funds became available to the next highest-ranked applications. She stated that after funding all eligible applications, \$6,496,000 was left, and Rule 67-48 states that any funds remaining after all eligible applications have been funded may be allocated in a supplemental cycle or as the Board deems appropriate. Accordingly, she asked the Board to approve staff's request to begin the request for proposals process to allocate the available SAIL funds to maintain the economic viability of the 2005 developments located in counties hit by Hurricane Wilma in 2005 that have been successful in receiving an allocation of low income tax credits through the 2005 Universal Application Cycle.

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

Mr. Auger commented that it was unusual to have left-over SAIL funds, but due to rising construction and land costs, and despite working hard in the rule development process to ensure subsidy requests are appropriate and the developments are in good shape so the deals are sound when applications are submitted, recently, applications that were allocated funds are being withdrawn. He stated that in order to reinforce the strength of the tax credit deals in the counties affected by Wilma, where housing is so desperately needed, staff would like to make the leftover SAIL funds available to those tax credit deals instead of putting it into the SAIL pot for next year.

Motion passed unanimously.

CONSENT AGENDA

Chairman Santini asked the Board to approve staff recommendations on the Consent Agenda. Ms. Robinson stated that SAIL Consent Item B was being withdrawn. She also stated that she needed to read the recommendation of SAIL Consent Item A regarding Ochlockonee Pointe into the record, as it was inadvertently omitted from the hard copy Board Package. She stated that staff's recommendation was to approve the developer's request to increase the loan amount of the existing first mortgage.

Motion to approve the recommendation on SAIL Consent Item A regarding Ochlockonee Pointe was made by Mr. Rodriguez with a second by Ms. Stultz. Motion passed unanimously.

Motion to approve the items on the Consent Agenda with the exception of Legal Items A and B and SAIL Items A and B was made by Ms. Stultz with a second by Mr. Banks. Motion passed unanimously.

ELECTION OF CHAIR AND VICE CHAIR FOR 2006

Steve Auger opened the floor for nominations for Chair for 2006. Ms. Stultz made a motion to nominate Terry Santini as the Chairman of the Board of Directors, with a second by Mr. Banks. Mr. Auger asked for other nominations, and hearing none, asked for a vote on Terry Santini as Chairman for 2006. Ms. Santini was elected unanimously.

Mr. Auger then asked for nominations for a Vice Chair for 2006. Mr. Oellerich nominated Lynn Stultz as the Vice Chair of the Board of Directors. Mr. Auger asked for other nominations, and hearing none, asked for a vote on Lynn Stultz as Vice Chair for 2006. Ms. Stultz was elected unanimously.

PUBLIC COMMENT

Steve Auger noted that at the Retreat held in Tampa in December, the Board talked about allowing more opportunities for public comment during Board Meetings, as long as the comments were not deal specific and concerned broader policy issues. Mr. Meffert echoed Mr. Auger's comments and added that the comments should not concern a specific item that would be coming back to the Board for consideration, and that the time limit was at the discretion of the Board.

Lynn Washington, an attorney with Holland and Knight, introduced Nurri Dora, a developer in South Florida. Mr. Meffert outlined the general issue of converting the market rate properties with affordability periods remaining, and, in some cases, not maintaining the affordability in a specific development, but replacing the affordability with other units. Mr. Washington added that the replacement would be two units for one lost in the same county and locality. Mr. Meffert said that staff would like direction from the Board in general on these sorts of deals, because these kinds of proposals are coming to staff more frequently. Mr. Auger stated some initial concerns with condo conversion taking rental units that were not restricted as affordable, but just by market forces, because they were older buildings or older properties, would have been available for rental at close to affordable rates, causing the dwindling of affordable rental stock in many markets, specifically places like Southeast Florida. He stated that it has caused concern about letting go any sort of rental units that have any kind of affordability restrictions. Ms. Stultz stated that the school districts should not be changed in the swap. Chairman Santini stated that because so many units have been lost, if a two for one swap could be worked out, it would have a huge impact, especially in areas of great need.

Hearing no further business, Chairman Santini adjourned the January 20, 2006, Board of Directors' Meeting at 11:42 a.m.