

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
January 25, 2008**

TIME: 9:00 a.m.

LOCATION: Hyatt Regency Tampa
211 North Tampa Street
Tampa, FL 33602

BOARD MEMBERS PRESENT:

Lynn Stultz, Chairman
David Oellerich, Vice Chairman
Ken Fairman
Zully Ruiz
Stuart Scharaga
Sandra Terry

CORPORATION STAFF PRESENT:

Stephen P. Auger, Executive Director
Bill Aldinger
Wayne Conner
Laura Cox
Rob Dearduff
Rebecca DeLaRosa
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Stephanie Sgouros
David Westcott

ADVISORS AND OTHERS PRESENT:

Junious Brown, Nabors, Giblin & Nickerson
Jan Carpenter, Shuffield Lowman
Shannon Nazworth, Ability Housing of Northeast Florida/Florida Supportive Housing Coalition
Kathy Spearman, Volunteers of America in Florida
Ed Quill, Volunteers of America in Florida
Michael Cox, Biscayne Housing Group
Gary Cohen, Esq., Shutts and Bowen
Scott Culp, Atlantic Housing
David Deutch, Pinnacle Housing

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

MINUTES

Chairman Stultz asked for a motion to approve the Minutes of the December 7, 2007, Board Meeting.

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

ELECTION OF CHAIR AND VICE CHAIR

Chairman Stultz asked for nominations for Chairman of the Board of Directors of Florida Housing. David Oellerich nominated Lynn Stultz to serve as the next Chairman and Mr. Scharaga seconded the nomination. Lynn Stultz was unanimously elected Chairman. Chairman Stultz then asked for nominations for Vice Chairman. Ken Fairman nominated David Oellerich as Vice Chairman and Mr. Scharaga seconded the nomination. David Oellerich was unanimously elected Vice Chairman.

PRESENTATION

Chairman Stultz recognized Nancy Muller to address the Board. Ms. Muller introduced Bill Aldinger, Florida Housing's Supportive Housing Coordinator, Shannon Nazworth of Ability Housing of Northeast Florida and the Florida Supportive Housing Coalition, Kathy Spearman and Ed Quill of Volunteers of America in Florida, and Michael Cox of Biscayne Housing Group, and they each gave a short presentation on their perspective on supportive housing issues.

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

Chairman Stultz recognized David Westcott to brief the Board on CWHIP matters.

Item A, 2007 Community Workforce Housing Innovation Pilot Program (CWHIP) Review Committee. Mr. Westcott asked the Board to approve the proposed CWHIP review committee which includes Steve Auger, Barb Goltz, Nancy Muller, David Westcott and Nicole Gibson.

Motion to approve staff recommendation was made by Ms. Ruiz with a second by Mr. Scharaga. Motion passed unanimously.

HOMEOWNERSHIP LOAN PROGRAM

Chairman Stultz recognized David Westcott to brief the Board on Homeownership matters.

Item A, Request Approval for the Extension of the Construction Period for We Help Community Development Corporation for Abidjan Estates. Mr. Westcott stated that We Help Community Development Corporation, the developer of Abidjan Estates, asked for an extension of the construction period for one year. He stated that staff has worked closely with the developer to try to resolve outstanding issues, including making sure there is enough subsidy outside of Florida Housing so that potential homebuyers will be able to afford the units, and ensuring that an outstanding PLP loan can be repaid. Mr. Westcott asked the Board to approve the one year extension of the commitment period to September 2008.

Motion to approve staff recommendation was made by Ms. Ruiz with a second by Ms. Terry.

Mr. Scharaga recused himself from voting on this matter.

Mr. Oellerich expressed his concern that even if the extension were granted, all the units would not be completed in time. Mr. Westcott agreed that the completion of all the units by the end of the extension period was unlikely. Mr. Auger stated that staff is working with the developer and credit underwriter to work through the details of the completion schedule with an eye toward possibly reducing the total number of units.

Ms. Terry expressed her concern about the affordability of the units not being maintained due to possible per unit price increases. Mr. Westcott stated that the extension would provide more time for staff to work with the credit underwriter, technical assistance provider and developer to come up with a solution that will ensure that the units remain affordable.

Motion passed unanimously.

LEGAL

Chairman Stultz recognized Wellington Meffert to brief the Board on Legal matters.

Item A, DeSoto County Homeless Coalition and Hardee County Housing Authority v. Florida Housing. Mr. Meffert asked the Board to approve two final orders resulting from challenges to the Special Housing Assistance and Development Program (SHADP), Farmworker Housing Recovery Program (FHRP) funding cycle.

Mr. Meffert stated that the first recommended order is in regard to a challenge to the Catholic Charities' San Juan Bosco project, and recommends dismissal of the case, as the challenge was made to the SHADP, which is not the pool of money Catholic Charities applied for.

Motion to approve staff recommendation was made by Mr. Fairman with a second by Ms. Ruiz. Motion passed unanimously.

Mr. Meffert stated that the second recommended order is the disposition on the merits, which will result in the AIDS Help project being dropped to Group B, taking it out of the running and putting it on the wait list. He asked the Board to approve the recommended order and adopt the findings of fact and conclusions of law.

Motion to approve staff recommendation was made by Ms. Ruiz with a second by Mr. Fairman. Motion passed unanimously.

PROFESSIONAL SERVICES SELECTION (PSS)

Chairman Stultz recognized Cecka Green to address the Board regarding PSS Item A.

Item A, 2007 Media Planning and Buying Services RFQ. Ms. Green reminded the Board that at the October Board Meeting it authorized staff to enter into negotiations with Kid Group Communications to provide media planning and buying services, and stated that negotiations took place and they are now under contract. She added that the Board also authorized staff to issue another RFQ to solicit additional providers. She stated that the RFQ was issued, four responses

were received, and the review committee reviewed and scored each response. She asked the Board to authorize staff to begin negotiations with the top two scorers, and if negotiations breakdown with the top two, to enter into negotiations with the third highest scorer.

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

Item B, RFQ for Environmental Engineering/Consultant Services. Mr. Meffert asked the Board to authorize staff to issue a request for qualifications for environmental engineering consultant services.

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

STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM

Chairman Stultz recognized Nancy Muller to brief the Board on SHIP matters.

Item A, Approval of Revisions to Rule Chapter 67-37, Florida Administrative Code. Ms. Muller reminded the Board that at the July 2007 Board Meeting it approved staff's request to proceed with the rule development process for Rule 67-37 which governs the SHIP program. She stated that two public meetings were held to get input from the public, and that several Board Members took an active role in the process. She stated that a draft rule was presented to the Board at the December 2007 Board Meeting. She stated that if the Board approved the rule, it would be filed for adoption on February 1 with an effective date of February 21; however, if changes are made at this point, a notice of change would have to be published and that would delay the adoption of the rule by about one month. She asked the Board to approve Rule Chapter 67-37, Florida Administrative Code, as revised.

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

Mr. Scharaga expressed his concerns about SHIP funds in a second mortgage that is greater than the superior mortgage if a property should go into foreclosure. He suggested that Florida Housing should be proactive and put statutory safeguards in place in case it happens in the future. Chairman Stultz asked if Mr. Scharaga wanted to bring more control of the SHIP program back to the state level instead of the local level. Mr. Scharaga said yes because he heard a local government was considering raising the maximum amount to \$150,000, and he feels Florida Housing is obliged to protect the funds. Chairman Stultz asked if Mr. Scharaga wanted to amend the rule before it was adopted. He said he did not, he just wanted to be prepared for the future. Everyone agreed that the situation should be studied carefully to make sure Florida Housing's interests are protected.

Motion passed unanimously.

SPECIAL PROGRAMS

Chairman Stultz recognized Nancy Muller to brief the Board on Special Program matters.

Item A, Approval of the 2007 Farmworker Housing Recovery and Special Housing Assistance and Development Programs Application Ranking. Ms. Muller 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. She 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 staff's recommendation was made by Mr. Scharaga with a second by Ms. Ruiz. Motion passed unanimously.

UNIVERSAL CYCLE

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

Item A, Approval of 2008 Universal Cycle Application Rules. Mr. Auger stated that this item had been tabled during the January 11, 2008, telephonic Board Meeting. He stated that the first substantive change to the rule reduces the minimum number of units per building for bond-only deals from five to two in order to provide more flexibility in financing rehabs and preservation of older developments.

Mr. Auger stated the only other substantive change involved putting a cap on Miami-Dade's portion of SAIL funds at 22.33 percent of the large county set aside. This limitation is due to their opting out of contributing fully to the State Housing Trust Funds when they were created in 1992.

Mr. Auger asked the Board to approve the proposed underlying strike-through rules, Universal Application and QAP, and authorize staff to file the rule for adoption if a notice of change is not necessary, and if a notice of change is required, to authorize the Chair to determine if a notice of change makes material substantive changes to the rule chapters, and if she determines that it does not, approve such notice of change without the requirement of another Board Meeting. However, if the Chair determines that a notice of change does make material substantive changes to rules chapters, staff recommends that a telephonic board meeting be called to obtain Board approval for any required changes.

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

Chairman Stultz recognized Gary Cohen, of the law firm of Shutts and Bowen, to address the Board.

Mr. Cohen, who represents Miami-Dade affordable housing developers, presented his opinion on why there should not be a change to the cap on Miami-Dade's SAIL allocation, arguing that Miami-Dade should be eligible for the full 22.33 percent of the entire SAIL allocation.

Mr. Cohen stated that the developers were not aware of the proposed change until recently. Scott Culp, of Atlantic Housing, stated that everyone was aware of the proposed change through workshops, e-mails and the Florida Housing WebBoard. David Deutch, with Pinnacle Housing Group, stated that he only became aware of it in early January

Mr. Auger stated that Miami-Dade is statutorily eligible to receive up to 22.33 percent of the large county set aside portion of the total SAIL allocation, which amounts to 12.5 percent of the total SAIL allocation.

Motion passed unanimously.

CONSENT AGENDA

Mr. Auger stated Home Rental Consent Item A, a request to extend the HOME loan closing deadline for Casa San Marta, DeSoto Towers and Lutheran Apartments, was being pulled to amend the recommendation. He stated that the item as it appeared in the Consent Package asked for an extension until January 31, 2008, and it should have read February 29, 2008. He asked the Board to approve the borrower's request to extend the loan closing deadline to February 29, 2008.

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

Mr. Auger stated that RRLP Consent Item C, Morris Court Extension, was pulled from consideration.

Mr. Meffert stated that Legal Consent Item E, Maple Crest, was pulled from consideration.

Chairman Stultz 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. Scharaga with a second by Mr. Oellerich. Motion passed unanimously.

Mr. Auger stated that there would be a Homeownership Program rule development workshop immediately following the Board Meeting.

Mr. Auger reminded everyone that the Board would hold a one day retreat/strategic planning session in conjunction with the regular June 2008 Board Meeting in Fort Lauderdale, and asked the Board Members to start thinking about topics for discussion at the retreat.

Hearing no further business, the January 25, 2008, Board of Directors' Meeting was adjourned at 11:53 a.m.