

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
October 22, 2010**

TIME: 8:30 a.m.

LOCATION: Tallahassee City Hall Commission Chambers
300 South Adams Street
Tallahassee, FL

BOARD MEMBERS PRESENT:

Stuart Scharaga, Vice Chairman
Ken Fairman
Cliff Hardy
Lynn Hanfman
Len Tylka

CORPORATION STAFF PRESENT:

Stephen P. Auger
Wayne Conner
Rebecca DeLaRosa
Laura Cox
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Stephanie Sgouros
Kevin Tatreau
David Westcott

ADVISORS AND OTHERS PRESENT:

Junious Brown, Nabors, Giblin & Nickerson
Jan Carpenter, Shuffield Lowman
Anne Ray, Shimberg Center for Housing Studies

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

PRESENTATION OF 2010 RENTAL MARKET STUDY

Nancy Muller stated that the Florida SAIL Statute, Chapter 420 requires Florida Housing to have a rental market study prepared every three years to measure need and assist in setting priorities for use of SAIL funds. She introduced Anne Ray, of the Shimberg Center for Housing Studies, who presented the 2010 Rental Market Study, which the Shimberg Center prepared.

FINANCE

Item A, 2011 Draft Operating Budget. Barb Goltz presented the 2011 draft Operating Budget to the Board for their review before the December 10, 2010, Board Meeting, when it will be presented for approval.

Item B, 2010 Operating Budget. Steve Auger reminded the Board Members that when they approved the 2010 operating budget in December 2009, there was no pay increase for staff in that budget. He stated, however, that projections indicate there will be excess revenues at the end of the year, and because of how hard staff has worked this year, he asked the Board to authorize him to implement a modest salary increase and/or bonus program for staff (excluding him) using the approved 2010 salaries budget.

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

LEGAL

Item A, NOAH Development Corporation Petition for Waiver. Wellington Meffert asked the Board to deny NOAH Development Corporation's Petition for Waiver.

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

Item B, SAS Fountains at Pershing Park, Ltd., v. Florida Housing Finance Corporation.

Wellington Meffert asked the Board to adopt the recommended order, to adopt the conclusions of law and findings of fact as their own and issue a final order accordingly in the SAS Fountains at Pershing Park, Ltd., v. Florida Housing Corporation matter.

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

Mr. Meffert further recommended that the final order approve staff proceeding to closing based on the credit underwriting report as presented to the Board on July 30, 2010, amending the report to delete any negative recommendations related to the developer and negative recommendations for the exchange funding or housing credit allocation. In addition, under guarantees, mitigating factors, item one, page A6, and special conditions, item two, page B1 of the credit underwriting report would be deleted and replaced by the following:

The operating deficit guarantee of Florida Tax Holdings Limited and Michael J. Sciarrino, and Michael J. Sciarrino, Irrevocable Trust in amount of nine months of operating expenses inclusive of replacement reserves and nine months of debt

service or \$540,081 for the full 15 years of the compliance period. No other terms, conditions, or requirements applicable to other 2009 tax credit projects with exchange funding and which are applicable to SAS Fountains at Pershing Park Limited's closing would be waived.

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

Item C, Elmwood Terrace Limited Partnership v. Florida Housing Finance Corporation.

Wellington Meffert briefed the Board on the dismissal of the Elmwood Terrace Limited Partnership v. Florida Housing Finance Corporation matter.

MISCELLANEOUS

Item A, Tax Credit Exchange Program Funding. Kevin Tatreau asked the Board to approve the review committee's recommendation to approve its ranking list for RFP 2010-14 for Tax Credit Exchange Funding and authorize staff to proceed to issue the invitations to enter credit underwriting subject to funding availability with award amounts as provided in Section Five C.1.a of the RFP.

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

PROFESSIONAL SERVICES SELECTION (PSS)

Item A, Guaranteed Investment Contract (GIC) Broker Services Request for Qualifications

(RFQ). Barb Goltz asked the Board to approve the review committee's recommendation to direct staff to enter into contract negotiations with the top two offerors, BLX, LLC, and PK Securities, Inc., to provide guarantee investment contract broker services, contingent upon BLX, LLC, providing proof of error and omissions liability insurance and evidence that it is registered with the securities and exchange commission as a municipal adviser pursuant to requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The recommendation is also contingent upon PK Securities, Inc., providing proof of errors and omission liability insurance, evidence that such entity, not an affiliate of such entity, is licensed by FINRA, and that it is registered with the Securities and Exchange Commission as a municipal adviser pursuant to the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. She stated that if, after meeting the contingencies described above, contract negotiations fail with either BLX or PK Securities, the committee recommends that Florida Housing enter into contract negotiations with Grant Street Group; however, prior to entering into contract negotiations with Grant Street Group, it must provide evidence of errors and omissions insurance and evidence that it is registered with the Securities and Exchange Commission as a municipal adviser pursuant to the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

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

Item B, Special Counsel Services Request for Qualifications. Wayne Conner asked the Board to approve the review committee's recommendation for Florida Housing to enter into contract negotiations with the four firms that responded to the RFQ – Adorno & Yoss; Bryant, Miller and Olive; Lathum, Shukar; and Nabors, Giblin and Nickerson, for special and disclosure counsel for multifamily programs, and with Nabors, Giblin and Nickerson and Lathum, Shukar for single family programs for both special and disclosure counsel. He added that if contract negotiations fail for either one of these firms, Florida Housing would enter into contract negotiations with Adorno & Yoss. He also asked the Board to approve the review committee's recommendation to enter into contract negotiations with Nabors, Giblin and Nickerson as the primary special counsel for the Guarantee Fund, with Lathum, Shukar designated as the alternate special counsel for the Guarantee Fund, but if contract negotiations fail with Nabors, Giblin and Nickerson, Lathum, Shukar will be designated as a primary counsel for the Guarantee Fund.

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

Item C, Approval of Housing Counseling Agencies for the Hardest Hit Fund for Unemployment Mortgage Assistance and Mortgage Loan Reinstatement Programs. David Westcott asked the Board to authorize staff to enter into contract negotiations with Broward County Housing Authority, Lee County Housing Development Corporation and Solstice Consumer Services to provide counseling for the Hardest Hit Fund for Unemployment Mortgage Assistance and Mortgage Loan Reinstatement Programs. He further asked the Board to approve the review committee's recommendation that the requirements for evidence of adoption of the National Education Industry Standards and evidence of certification by the counselors be waived for the current offerors as well as previous offerors.

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

Mr. Westcott then updated the Board on the roll out of the Hardest Hit Program and the pilot program in Lee County.

UNIVERSAL APPLICATION CYCLE

Item A, 2011 Universal Application Cycle. Kevin Tatreau asked the Board to approve staff's recommendation for a review committee for the 2011 Universal Application cycle as follows: Kevin Tatreau, Wayne Conner, Barb Goltz and Laura Cox from Florida Housing, and Jack Gaskins from the Department of Community Affairs.

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

Item B, Approval of the 2011 Qualified Allocation Plan (QAP). Kevin Tatreau asked the Board to approve the 2011 QAP and authorize staff to submit it to the Governor for his approval.

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

CONSENT AGENDA

Lynn Hanfman asked to pull Special Assets Item F for discussion.

Laura Cox stated that Special Assets Item F was a request to purchase a first mortgage on Maxwell Manor, a 36 unit family development in St. Johns County which is funded with HOME dollars. She asked the Board to approve the purchase of the NLP note to preserve the HOME affordability restrictions and Florida Housing's investment in the development to allow staff time to restructure the debt to maintain affordability on the development.

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

Ms. Hanfman asked if Florida Housing or FHFC II would hold the note. Ms. Cox stated that Florida Housing would purchase the note and then likely transfer it to FHFC II.

Motion passed unanimously.

Steve Auger pulled Low Income Housing Tax Credits Item A for discussion. He stated that Cliff Hardy had a conflict of interest with Arbors at Ft. King and Howell Branch Cove, two of the developments requesting extensions, so there was not a quorum to vote on those items. He stated that they would be brought back to the Board in a telephonic meeting. He asked the Board to approve the remaining developments' extension requests.

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

Mr. Auger asked the Board to approve the remaining items on the Consent Agenda, including American Recovery and Reinvestment Act (ARRA) Item K, Paul Colton Villas, and Item L, Howell Branch Cove, and State Apartment Incentive Loan Program (SAIL) Item A, Hanna House, which were not in the bound portion of the Board Package, and removing Multifamily Bonds Item B, Landings at Timberleaf.

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

Hearing no further business, the October 22, 2010, Board of Directors' Meeting was adjourned at 11:28 a.m.