

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
May 8, 2015**

TIME: 8:30 a.m.

LOCATION: Hyatt Regency
225 E. Coastline Drive
Jacksonville, FL

BOARD MEMBERS PRESENT:

Barney Smith, Chairman
Natacha Munilla, Vice Chair
Renier Diaz de la Portilla
Ray Dubuque
John Hawthorne
Brian Katz
Bill Killingsworth
Len Tylka

CORPORATION STAFF PRESENTING:

Stephen P. Auger
Nancy Muller
Jacqui Peters
Ken Reecy
Wellington Meffert

OTHERS PRESENTING:

Shannon Nazworth, Supportive Housing Coalition
Sean Wilson, Blue Sky Communities

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

LEGISLATIVE UPDATE

Jacqui Peters updated the Board on the recently concluded legislative session, and noted that the legislators would be back in Tallahassee for a special session in June, as a budget was not approved during the regular session.

MINUTES

Item A, Approval of Minutes of the March 20, 2015, Board Meeting. Chairman Smith asked for a motion to approve the Minutes of the March 20, 2015, Board Meeting.

Motion to approve the Minutes was made by Mr. Hawthorne with a second by Mr. Killingsworth.
Motion passed unanimously.

MULTIFAMILY ENERGY RETROFIT PILOT (MERP)

Item A, Request Approval of Revisions to Program Parameters and Terms for the Multifamily Energy Retrofit Program. Ken Reecy stated that in February 2013, the State Energy Office within the Florida Department of Agriculture (DACS) proposed the use of State Energy Program funds to establish a revolving loan fund administered by Florida Housing to finance energy retrofits in older affordable housing. He stated that in August 2013, the Board authorized staff to execute an agreement with DACS, approved the program parameters and directed the staff to implement the program. He stated that \$8.3 million was made available in a revolving loan fund and Florida Housing executed an agreement with EMG Holdings, Inc., to provide the energy audits required by the program. He stated that Florida Housing also executed an agreement with the University of Florida to provide data collection and analysis as required. He stated that an RFA was issued on October 29, 2013, to solicit property owners interested in carrying out the energy retrofits, and there were no responses, so Florida Housing staff met with developers, property owners, DACS, other entities across the country which have implemented similar programs, and utility providers to learn how to restructure the MERP program to be more inviting to property owners. He stated that the challenges faced by stakeholders included the Davis Bacon Act, no developer fee, the ineligibility of individually metered properties served by the three investor-owned utilities, the high savings to investment ratio required, and the loan terms of the RFA, which required annual payment based on energy savings.

Mr. Reecy asked the Board to authorize staff to proceed with the revised Multifamily Energy Retrofit Pilot to offer loan and grant funds to eligible properties for energy retrofits based on the terms on Exhibit A, and authorize staff to accept and process the first applications to send to credit underwriting. He also asked the Board to authorize the executive director to execute an amendment to the agreement with the Florida Department of Agriculture and Consumer Services to implement MERP. He also asked the Board to authorize staff to amend the agreements with the University of Florida for data collection and analysis and EMG for performance of energy audits to eligible properties.

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

John Hawthorne asked if Duke Energy was willing to participate. Nancy Muller stated they were not, but they were also not participating in similar programs in other states due to the liability around tenant information. She stated that other investor-owned utilities addressed this concern by having tenants sign waivers allowing their data to be provided and used for evaluation of savings.

Len Tylka asked if the 15 percent grant has been evaluated in regard to Davis Bacon requirements. Mr. Reecy stated that it had been evaluated, as that was part of the problem in the initial RFA. Ms. Muller added that staff talked to developers about their costs and 15 percent was the figure that they arrived at that would work with the Davis Bacon requirements.

Motion passed unanimously.

MULTIFAMILY PROGRAMS

Item C, Request for Applications (RFA) 2015-102 Elderly Housing Community Loan. Ken Reecy stated that on January 23, 2015, RFA 2015-102 was issued to solicit applications for approximately \$3.6 million of EHCL program funding to applicants proposing to provide life safety, building preservation, health, sanitation or security-related repairs or improvements to developments currently serving elderly residents age 62 or older. He stated that three applications were received. He asked the Board to approve the review committee's recommendation to adopt the scoring results for the three applications and authorize the tentative selection of the two applications in Exhibit F for funding and invitation into credit underwriting. He stated that the remaining balance of \$2.1 million in the large county geographic category will be distributed by the Board. He also asked the Board to approve the funding of the one eligible unfunded medium county application from the remaining balance.

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

Item B, Request for Applications (RFA) 2014-116 for Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County. Ken Reecy stated that RFA 2014-116 was issued on November 21, 2014, to solicit applications for approximately \$6.9 million in housing credits, plus an estimated \$4.6 million in SAIL funding and \$4.3 million for the elderly demographic set-aside. He stated that 53 applications were received. He asked the Board to approve the review committee's recommendation to adopt the scoring results for the 53 applications and authorize the tentative selection of the three applications set out in Exhibit D for funding and invitation into credit underwriting. He stated that would leave an unallocated balance of \$381,000 of housing credits and \$383,000 of SAIL funding remaining from the homeless demographic set-aside, which may be distributed as approved by the Board.

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

Item A, Request for Applications (RFA) 2014-115 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties.

Ken Reecy stated that RFA 2014-115 was issued to solicit applications for housing credit financing for Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties. He stated that the RFA was issued on November 21, 2014, and made \$15.5 million of house credits available to the six counties broken down as follows: Homeless set-aside - \$2.5 million in housing credits; \$4.7 million in SAIL

funding; \$13 million for Family and Elderly demographics. He stated that 58 applications were received. He asked the Board to approve the review committee's recommendation to adopt the scoring results for the 58 applications and authorize the tentative selection of eight applications for funding and invitation into credit underwriting. He stated that would leave a balance of \$1.5 million in housing credits, \$402,000 from the Family and Elderly demographic set-aside, \$1.1 million from the Homeless demographic set-aside and \$183,000 in SAIL funding from the Homeless demographic set-aside, which may be distributed as approved by the Board.

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

Ms. Munilla noted that there was funding left over from this RFA, as well as other recent RFAs, and asked what would be done with that money.

Mr. Auger recommended that the remaining SAIL Farmworker Funds, \$5,441,000, and the remaining SAIL Elderly Housing Community Loan Funds, \$1,403,200, be reallocated to the SAIL Homeless demographic set-aside funds in RFA 2014-115. He further recommended that the remaining housing credits from the following RFAs be reallocated to add to the remaining \$1,101,000 in the Homeless demographic set-aside in RFA 2014-115: \$94,972 from RFA 2014-114 (the Medium/Small county housing credit RFA); the remaining funds from the Family and Elderly demographic set-aside in RFA 2014-115, which was \$402,148; and \$381,000 in remaining Homeless demographic set-aside credits from 2014-116, the Miami-Dade RFA. He asked the Board use this funding to approve staff's recommendation to authorize the tentative selection of the next two highest ranked eligible unfunded applications that qualified for the Homeless demographic goal in RFA 2014-115 for funding and invitation into credit underwriting, and that the Board to authorize a binding commitment of future housing credits to fully fund the request amount of the second application, if necessary, and that any remaining SAIL funds be utilized in a future RFA.

Mr. Auger said that from a policy perspective, using this funding for additional Homeless developments would be the highest and best use of the funds when considering the need for housing for homeless people. He also outlined the goals of the remaining RFAs to finance preservation and revitalization developments.

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

Item D, Rule Development – Rule Chapter 67-21, F.A.C. Ken Reecy asked the Board to authorize staff to proceed with the rule development process for Rule Chapter 67-21, Florida Administrative Code, as pertains to the non-competitive application.

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

LEGAL

Legal Item A, Resolution. Wellington Meffert asked the Board to adopt a resolution to transfer signature authority to Hugh Brown, Florida Housing's new General Counsel.

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

Steve Auger presented a plaque to Wellington Meffert on his retirement and thanked him for his years of service to Florida Housing as its General Counsel.

Mr. Meffert thanked Mr. Auger and the Board of Directors.

Len Tylka also expressed his thanks and good wishes to Mr. Meffert on his retirement.

CONSENT AGENDA

Chairman Smith then asked for a motion to approve the items on the Consent Agenda with the exception of SAIL Consent Item A, Residence at Crystal Lake, which was pulled from consideration.

Motion to approve the remaining items on the Consent Agenda was made by Mr. Hawthorne with a second by Ms. Munilla. Motion passed unanimously.

PUBLIC COMMENT

Shannon Nazworth, from the Supportive Housing Coalition, thanked the Board for the reallocation of funds for homeless families.

Sean Wilson, from Blue Sky Communities, congratulated and thanked the staff for the revamped 9% cycle.

Chairman Smith adjourned the meeting at 9:19 a.m.