FLORIDA HOUSING FINANCE CORPORATION

BOARD MEETING

DATE: Friday, December 13, 2013

TIME: Commenced at 8:30 a.m.
      Concluded at 10:18 a.m.

LOCATION: Hyatt
          Orlando, FL

REPORTED BY: Tracy L. Brown
              Certified Registered Reporter
              tbrown567@comcast.net

ACCURATE STENO TYPE REPORTERS, INC.
2894-A REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
(850) 878-2221
BOARD MEMBERS:
LEN TYLKA
BARNEY SMITH, CHAIR
NATACHA MUNILLA
BRIAN KATZ
JOHN HAWTHORNE
RAY DUBUQUE
BILL KILLINGSWORTH

CORPORATE STAFF:
CHRIS HIRST
LAURA COX
NANCY MULLER
STEVE AUGER
DAVID WESTCOTT
JACQUI PETERS
WELLINGTON MEFFERT
JAN CARPENTER
JUNIOUS BROWN
BARB GOLTZ
BILL JOHNSTON
KEN REECY

CERTIFICATE OF REPORTER
PROCEEDINGS

MR. CHAIR: Good morning. Okay. Welcome to the December 13th, Friday the 13th, meeting of the Florida Housing Finance Corporation. Merry Christmas and happy holidays to all of you. Welcome to Orlando. Let's call this meeting to order.

We have a full agenda this morning, so we'll try and keep this meeting moving. We have a lot of paperwork in front of us and we'll work our way through it. First item on the agenda is the approval of the minutes of the November 1, 2013 Board meeting.

MR. KILLINGSWORTH: Move the minutes.

MR. HAWTHORNE: Second.

MR. CHAIR: Any discussion?

All right. All those in favor, say aye.

(Members reply aye.)

MR. CHAIR: Any opposed.

(No response.)

MR. CHAIR: Thank you. The approval of the minutes of the December 6th, 2013 telephonic Board meeting.

MR. TYLKA: Move approval.

MR. KILLINGSWORTH: Second.
THE COURT: Any discussion?

Hearing none, all those in favor.

(Members reply aye.)

MR. CHAIR: Any opposed?

(No response.)

MR. CHAIR: Okay. We need to ratify the action taken at the December 6th, 2013 telephonic Board meeting.

MR. TYLKA: Move approval.

MR. HAWTHORNE: Second.

MS. MUNILLA: Second.

MR. CHAIR: Seconded. Any discussion?

Hearing none, all those in favor, say aye.

(Members reply aye.)

MR. CHAIR: Any opposed?

(No response.)

MR. CHAIR: Okay. We're moving along very nicely this morning.

Okay. Barb, the 2014 operating budget.

MS. GOLTZ: Thank you, Mr. Chair. You have the package before you for the 2014 operating budget. And staff recommends approval of that budget.

MR. TYLKA: Move approval for discussion.

MR. HAWTHORNE: Second.
MR. CHAIR: Any discussion? Comments, questions? I know we went over the budget in detail. I know a number of you had discussions with Barb and Steve previously.

MS. GOLTZ: That is correct.

MR. CHAIR: Okay. Hearing no discussion, all those in favor, say aye.

(Members reply aye.)

MR. CHAIR: Opposed?

(No response.)

MR. CHAIR: Awesome.

MS. GOLTZ: Thank you, Mr. Chair.

MR. CHAIR: Legal. Wellington, you have the floor.

MR. MEFFERT: Thank you, Mr. Chairman. We have three items for your consideration this morning. The first of which is the request for authorization to go forward with rule making on Chapter 67-49. This is the rule that governs procurement of commodities or contractual services. Earlier this month I circulated to you a draft which is also included in your packet that includes the clean copy of the amended rule and the underlined and strike version so you can see what changes were made.
I would recommend that you authorize us to go forward with rule making on this rule. And if you have any questions, I'd be happy to answer.

MR. TYLKA: Move approval.

MR. HAWTHORNE: Second.

MR. CHAIR: Any discussion?

Quiet group this morning.

All those in favor, say aye.

(Members reply aye.)

MR. CHAIR: Opposed?

(No response.)

MR. CHAIR: Excellent.

MR. MEFFERT: The second item regards signature authority. Due to some personnel changes in the corporation, some folks retiring and leaving, we need to have a resolution authorizing assistant secretaries to attest to bond documents. And those -- that resolution was also included in your packet. And staff recommendation would be that you approve the resolution.

MR. KILLINGSWORTH: Move to approve.

MR. HAWTHORNE: Second.

MR. CHAIR: Discussion? No?

All those in favor.

(Members reply aye.)
MR. CHAIR: Opposed?

(No response.)

MR. CHAIR: Very good. Item C.

MR. MEFFERT: And the third item is a recommended order from the Division of Administrative Hearings in the case of Duval Park Limited versus Florida Housing Finance Corporation. That's case 2013-14BP. DOAH case number 13-2898BID. And Osprey Apartments, LLC versus Florida Housing Finance Corporation. Florida housing case number 2013-15BP and DOAH case 13-2899BID. These cases were consolidated for hearing at DOAH because they were both challenges to your decision to fund on the special needs RFP.

The administrative law judge found that Florida Housing's scoring was correct and that your decision, therefore, should be affirmed. So this is for your approval. The recommendation is that you adopt the findings of facts and conclusions of law of the recommended order as your own and adopt the recommendation as your own and issue a final order accordingly.

MR. TYLKA: So move approval.

MR. HAWTHORNE: Second.

MR. CHAIR: Any discussion?
Finally win one here, huh?

MR. MEFFERT: Yeah. I wouldn't say finally.

MR. CHAIR: Okay. All those in favor.

(Members reply aye.)

MR. CHAIR: Opposed?

(No response.)

MR. CHAIR: Very good.

MR. MEFFERT: Thank you.

MR. CHAIR: Thank you, Wellington.

Ken, you have a lot to talk about this morning.

MR. REECY: I think so. Good morning, Mr. Chair. Thank you very much.

So we have several RFAs to consider. The first one is consideration of applications received for RFA 2013-001 for affordable housing developments located in medium and small counties. On September 19th, Florida Housing staff issued the RFA to award an estimated 11.1 million of housing credits to proposed developments located in medium counties. And an estimated 1.3 million of housing credits to developments located in small counties. The deadline for the applications was Thursday, October 17th.

Florida Housing received 96 applications in
response to this RFA. The executive director designated a review committee composed of Florida Housing staff. Each member of the review committee independently evaluated and scored their assigned portions of the submitted applications, consulting with non-committee corporation staff and legal counsel as necessary and appropriate. At the November 21, 2013 review committee meeting, committee members presented their scores and the committee carried out the funding selection process. The sorting order chart provided as Exhibit A lists the eligible and ineligible applications. The eligible applications are listed in order from highest total score to lowest total score, with all funding selection criteria as applied as outlined in the RFA.

The review committee considered the following two motions: One, a motion to adopt the scoring results as set out in Exhibit A. And two, a motion to tentatively select the 11 applications set out on Exhibit B for funding and to invite the applicants to enter credit underwriting. Both of the motions were passed unanimously. At the completion of any litigation and approval by the Board of all recommended orders with regard to this
RFA, the Corporation will offer all applicants within the funding range an invitation to enter credit underwriting.

So our recommendation is to approve the committee's recommendations, that the Board adopt the corresponding results in total as set out in Exhibit A, and authorize the tentative selection of the applications set out in Exhibit B for funding and invitation to credit underwriting. An unallocated balance of $114,830 for medium county funding remains. As provided in the RFA, any remaining funding would be distributed as approved by the Board. If no notice of protest or formal written protest is filed in accordance with Section 120, Florida Statutes, staff will proceed to issue an invitation to enter credit underwriting to the 11 applications set out in Exhibit B. If a notice of protest or formal written protest is filed in accordance with the Section 120, Florida Statutes, then at the completion of all litigation, staff will present all recommended orders for the Board approval prior to issuing the invitations to enter credit underwriting to those applicants in the funding range.

MR. CHAIR: Okay. I'm assuming that we can
move all four of these recommendations in one motion, correct?

MR. AUGER: Yes, correct.

MR. CHAIR: Okay.

MR. TYLKA: Move approval.

MS. MUNILLA: Second.

THE COURT: Okay. It's been seconded.

Discussion?

MR. AUGER: Mr. Chair, if I may.

MR. CHAIR: Yes.

MR. AUGER: Just to remind everyone, this is the small, medium RFA, so there was a handful of things that folks had to give us, requirements, which included stuff, you know, evidence that the developer entity was legally formed, experience. I think we had site control as a part of that, development cost proforma, you know, a whole set of things that were just requirements they had to meet. And then there were a couple of scored items, local government contribution, which was worth five points, and proximity to transit and community services. And if you met the minimum score requirements of that, you got the full 22 points. So that's how folks got to the 27 points.

Then we had some tiebreakers, which include a
leveraging, you know, score, request amount for set 
aside units. So we grouped the applications into 
two groups, A and B. And the A's had the lower 
request amount, the better leveraging, versus the 
B's. And then the statutorily required Florida job 
creation preference, and then ultimately a lottery 
number. So as we talked about when we designed the 
RFA, we got the minimum requirements, and then it 
pretty much came down to lottery.

So then you'll remember that we had sort of 
two pots of funding, small and the medium. And we 
had a goal -- if you go to Exhibit B, we had a goal 
to do a deal in the Keys. And so that was the 
first one selected. So even though that was a B 
group deal because it's more challenging and 
generally more expensive to build down there, 
because that was a goal, that one got selected 
first. And then we had a goal that we discussed to 
make sure that we did a second small county deal 
that was other than the Keys so that the Keys 
didn't, you know, eat up all the small county 
money. And that's that Flagler deal.

Then in the medium counties, we had a goal to 
get a development on the SunRail line, a TOD, 
transit-oriented development goal. And so that was
the Seminole County one selected there. And then
after meeting those goals, then we were -- you
know, in the medium counties, just taking the
highest-scoring application that met both the
county test, which was, you know, one per county,
and the funding test, meaning that we had enough
money in the pot to fund, I think it was, 100
percent of their request amount. And so that was
how we got the rest of these deals. And you can
kind of look at the lottery numbers and sort of see
how that played out.

So that's sort of how we got from Exhibit A to
Exhibit B. We received yesterday a withdrawal
notice for application 2014-092C, Pinnacle Hammock
Crossings and Bay. So one of the reasons that we
had you approve Exhibit A and not just Exhibit B is
by approving the scores, that way return stuff in
the, you know, RFA, as a part of the request for
applications, that instruction, it sort of has the
language that explains here's what happens when a
deal withdraws. So that's sort of self-executing.
So we'll need to go back and verify it, but, you
know, but assuming that withdrawal, if we -- you
know, and that one was 1,075,000.

So if that money comes back, you know, that
gets added to that 114, then if you go back to, you know, Exhibit A and look at, you know, starting with the medium county deals and go down and, you know, the highest scoring one which can be funded with that request amount is probably gonna be the Mystic in Leon County at 1182. So again, we'll need to verify that. But the language in the RFA is sort of self-executing in that regard. So that's why we had you approve Exhibit A. So when you -- if there's any further withdrawals or anything, you know, we have the scores approved and that stuff that's just sort of self-executing.

MR. CHAIR: So you won't have to come back just to approve a substitute.

MR. AUGER: Right, no.

MR. CHAIR: Okay.

MR. AUGER: And, you know, we built in, as Ken mentioned, leftover pots of money in various RFAs with 2014 credits would be as the Board, you know, determines. So when we get through all the 2014 RFAs, we'll see sort of what little pots we have and we can group them up. And at that point, take a look at what we want to do. How much farther the 2014 credits -- and what we want to do. But in some of them -- in this one, we had -- and you
know, we'll have a little bit left over in the 
large county southeast one, and some of these where 
we wanted to make sure in that one where we 
wanted -- that's the Broward, Miami-Dade, Palm 
Beach, we wanted to make sure we got at least two 
deals in Miami-Dade, two deals in Broward and one 
in Palm Beach. And we wrote into the RFA that if 
we needed to give a binding commitment if we don't 
have enough credits in the pot to get that second 
Broward deal done, that we would -- you know, that 
we'd do that.

So in some RFAs, we may have money left over 
and in some RFAs, we may be a little slightly 
overcommitted. So we'll see kind of how they all 
balance out and see where were are at the end and 
what's left over. And then we'll bring to you all 
a recommendation, what to do with all the leftover 
2014 credits at that point. So hopefully that 
makes sense. And if there's any --

MR. CHAIR: Makes sense to me. John?

MR. HAWTHORNE: I have a question concerning 
redistribution. Looking at the amount that was 
allotted for medium counties versus small counties, 
it's a pretty wide disparity there. 11 versus 1.3. 
Is that set in stone, that that money has to go to

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a medium county, or is there an opportunity to do
some redistribution if there are smaller counties
that can qualify just to get more money into
smaller counties?

MR. AUGER: Mr. Chair.

MR. CHAIR: Yes.

MR. AUGER: Just a reminder, John, that that
was going back to a meeting a few months ago. I
think it was the August meeting we went over,
remember the small, medium and large pots are tied
to the Shimberg need numbers. And then we -- then
we put those into the qualified allocation plan
that y'all approved and then the governor signed.
So those pots were based on, you know, the relative
need and then we set them in stone. What we did do
in the small county one here was because when you
do it based on relative need like that, small
counties -- and when we're talking about relative
need, we're talking about cost burden renter
households. The Keys deals have been eating up all
of the small county money, so we, in this RFA, we
put in the goal to make sure we got a second deal
done. And if we had to overallocate a little bit
with the small county, we would do that and then,
you know, hopefully pay it off later with the money
left. So we made sure that we got that goal of the two -- you know, the two deals in there.

And just another reminder, in those discussions, that we had talked about with our HOME money, having two $15 million tranches. The first one that we're getting out is to be used with bonds. That's the money that has to be committed by summer 2014. But then with that second million, I mean, that second tranche of 15 million of HOME that has to be committed by summer 2015, we had talked about at the time that we were looking at the allocation of our resources. John, that is when we talked about targeting smaller counties with those recourses which is, you know, perhaps a little better match because it's -- you don't have to worry about trying to attract investors to some of the small counties, which can be challenging.

MR. HAWTHORNE: I thought I knew the answer, but I was just checking.

MR. CHAIR: Thank you, John.

Any further discussion?

Okay. Let's call this to question.

All those in favor, say aye.

(Members reply aye.)

MR. CHAIR: Opposed?
(No response.)

MR. CHAIR: Very good. Thank you.

Ken, back to you.

MR. REECY: Thank you, Mr. Chair. All right.

The second one is to consider applications received for RFA 2013-002 for affordable housing developments located in Duval, Hillsborough, Orange and Pinellas Counties.

On September 19th, Florida Housing issued this RFA to award 7.9 million in housing credits to proposed developments located in those counties. The deadline for this application was October 30th. Florida Housing received 34 applications in response to this RFA. And as before, the executive director designated a review committee comprised of Florida Housing staff to review these. Each member of the review committee independently evaluate and scored their assigned portions of the submitted applications consulting with non-committee corporation staff and legal counsel as necessary and appropriate.

At its December 11th, 2013 review committee meeting, committee members presented their scores and the committee carried out the funding selection process in accordance with the RFA. The RFA
2013-002 sorting order chart provided as Exhibit A lists the eligible and ineligible applications. The eligible applications are listed in order from highest to lowest score, with all funding selection criteria applied as outline in the RFA. The ineligible applications are listed in assigned application number order.

The review committee considered the same two motions as we discussed in the last item: A motion to adopt the scoring results. And a motion to tentatively select the applications in Exhibit B for funding and to invite those applicants to enter credit underwriting. Both of the motions passed unanimously.

The recommendation is to approve the committee's recommendations that the Board adopt the scoring results set out in Exhibit A and authorize the tentative selection of the application -- the six applications set out in Exhibit B for funding and invitation to credit underwriting.

MR. CHAIR: Ken, can we pause for one second? I think we're actually on Exhibits G and H, aren't we?

MR. REECY: G and H. Okay. I have an early
version of the --

MR. CHAIR: Does everyone have G and H in front of them? These were e-mailed out after the Board package.

MR. REECY: My apologies.

MR. CHAIR: Thank you. We just have a lot of paperwork up here we're trying to shuffle through.

MR. REECY: Okay. So an unallocated balance of 167,000 remains. As provided in the RFA, any remaining funding will be distributed as approved by the Board. And as before, if there are no protests, staff will proceed to issue an invitation to credit underwriting for the six applications. And if a notice of protest or formal written protest is filed, staff will present all recommended orders to the Board prior -- for approval prior to issuing the invitations to enter credit underwriting to those applications in the funding range.

MR. CHAIR: All righty. Thank you, Ken.

MR. TYLKA: Move approval.

MR. HAWTHORNE: Second.

MR. CHAIR: Discussion. Steve.

MR. AUGER: Just the scoring on this one was, in terms of the requirements and the things that we
were looking at and scoring were pretty much the same. So the difference when we got to the selection was we had a goal to do a TOD, another TOD on the SunRail. So that was the first one selected, the Lexington Court Apartments. And then after that, it was making sure we got, you know, at least one in each of those four counties. And so you see there with the next — the Duval, Pinellas, Hillsborough, and Orange, you know, those were — looking at their lottery numbers, you can see kind of the highest ones. And then we had some money left. We had money left at that point, so after we made sure we got one from each county, then we looked for, you know, the next highest scoring application, I believe, that could meet the funding test, you know, that could be fully funded. And that was how we picked up that second Orange and second Pinellas, those last two deals.

MR. CHAIR: All right. Got it.

Questions? Quiet group.

MS. MUNILLA: You guys did a great job in talking to us.

MR. CHAIR: Exactly.

Okay. Let's call this to question then.

All those in favor, say aye.
(Members reply aye.)

**MR. CHAIR:** Opposed?

(No response.)

**MR. CHAIR:** Very good.

Ken, can you pause for one second and let us get to the appropriate paperwork here?

**MR. REECY:** Certainly.

**MR. CHAIR:** We're on the supportive housing, properties for persons with developmental disabilities.

**MR. AUGER:** Right. So the next one is --

**MR. CHAIR:** Exhibit A.

**MR. AUGER:** Yes. So this is the RFA 2013-004 for financing to build larger permanent supportive housing properties for persons with developmental disabilities.

**MR. CHAIR:** Okay. Is it Exhibit A and Exhibit B?

**MR. AUGER:** Yes.

**MR. CHAIR:** Got you. Okay.

**MR. AUGER:** We really appreciate y'all's patience with the review committees for the last of these, one was last Friday. And then I think Monday, Tuesday and Wednesday --

**MR. REECY:** Yes.
MR. AUGER: -- of this week, so --

MR. REECY: Four days in a row.

MR. AUGER: So we appreciate it.

MR. CHAIR: It's been a productive week?

MR. AUGER: Yes, it has.

MR. MEFFERT: Mr. Chairman, if I may. I just wanted to let you know, given what you just heard about the number of RFAs and the work that staff has put in, that I've gotten calls from counsel for the various developers in the last day or so praising your staff for the professional job they did. And they've contrasted this with other agencies where they appear for these sort of proceedings and said ours is just first rate. And I just wanted to let that be part of the record.

MR. CHAIR: You think it's because of the new chair, Wellington?

(Laughter.)

MR. MEFFERT: Absolutely, Mr. Chairman. Could not be anything else.

MR. CHAIR: Exactly. Thank you.

All right, Ken, back to you.

MR. REECY: Okay. Thank you. So this is consideration of applications received for RFA 2013-004 as mentioned. Florida Housing was
appropriated $10 million in recurring --
non-recurring grant funds by the 2013 legislature
for housing for persons with developmental
disabilities as defined in Florida Statutes. The
legislation specified that Florida Housing must
offer the funding through a competitive grant
program to private non-profit organizations whose
primary mission includes serving persons with
developmental disabilities. Funding must be used
for new construction and renovation of existing
housing units, including community residential
homes.

Florida Housing will split the -- did split
the $10 million of appropriation into two RFAs, one
for smaller developments and then this RFA was
$6 million in grant funding made available for
larger multifamily properties. The deadline for
receipt of applications was November 8th, 2013.
Florida Housing received six applications in
response to this RFA. And as before, the executive
director designated a review committee composed of
Florida Housing staff. And each member of the
review committee independently evaluated and scored
their assigned portions of the applications
consulting with non-committee corporation staff and
legal counsel as necessary and appreciate.

At its December 9th, 2013 meeting, the committee members presented their scores and the committee carried out the funding selection process in accordance with the RFA. The RFA 2013-004 sorting order chart provided in Exhibit A lists the eligible and ineligible applications. The eligible applications are listed in order from highest to lowest total score with all funding selection criteria applied as outlined in the RFA. The review committee, again, considered the same two motions as you’ve heard before, to adopt the scoring results and to tentatively select the applications set out in Exhibit B for funding, and to invite the applications to credit underwriting. Both motions were passed unanimously.

So the recommendations are to approve the committee recommendations, that the Board adopt the scoring results set out in Exhibit A, and to authorize the tentative selection of the three applications set out in Exhibit B for funding and invitation to credit underwriting. And as before, if there is no notice of formal written protest, staff will proceed to issue an invitation to credit underwriting. If there is a notice of protest,
then the staff will present all recommended orders for Board approval prior to issuing invitations to credit underwriting.

MR. TYLKA: Move approval.

MR. DUBUQUE: Second.

MR. CHAIR: Okay. Discussion. Steve, I suspect you have something to say.

MR. AUGER: Just a little color commentary here. This was part of the grant funding, you know, that Ken mentioned. And you'll remember that within the RFA -- well, as part of our 2014 tax credit allocation, 5 percent of the tax credits are -- you know, go to fund properties that serve folks with a disabling condition. So we used that 5 percent of the tax credits here with this RFA. And then there was the ability for folks to come in this RFA for just grant funding. So within it, you have -- we had a goal to do one development that did not have tax credits. And then we had enough funding with the tax credits and the grant funding and some other SAIL ELI funding to do two of the developments with tax credits.

So there was some kind of basic sort of mandatory requirements they had to give us which included site control and proforma and that sort of
stuff. And then on this one, there was 85 points that were scored, which included outreach and marketing tenant selection, optional green features, optional accessibility and adaptable features, operating managing permanent supportive housing, resident services, access to community-based services and amenities and other best practices that will be implemented. So these sections were scored — some sections were scored independently by one reviewer and others were scored independently by two reviewers. And then the review committee reconciled their scores to agree on a section — to agree on a score for that section and it was — the points were really, as you can see, the delineator here. But we had some great applications and, you know, enough resources there to fund those top three.

So again, this was sort of new for us, you know, funding these types of developments, but it's been — you know, it will be great to see sort of how these come to fruition as we move forward with financing and building them.

**MR. CHAIR:** Any further questions, discussion?

No.

Let's call this to question. All those in
favor, say aye.

(Members reply aye.)

MR. CHAIR: Opposed?

(No response.)

MR. CHAIR: Excellent. Ken, give us just a second to get to the right notes here. We're on Exhibit C and D, I think. Is that correct?

All right. Everyone on the same page? Okay. Ken, have at it.

MR. REECY: Thank you, Mr. Chair. So this one is to consider applications received for RFA 2013-005, financing to build or rehabilitate smaller permanent supportive housing properties for persons with developmental disabilities. Florida Housing was appropriated $10 million, as was discussed in the last item. Florida Housing split 10 million. And this RFA made $4 million of the 10 million available in grant funding for the smaller developments. The deadline for applications for this RFA was November 8th, 2013. Florida Housing received 17 applications in response to this RFA. As before, the executive director designated a review committee. And each member of the review committee evaluated and scored their assigned portions of the submitted
applications and consulted with non-committee appropriations staff and local counsel as necessary and appropriate.

At its December 10th, 2013 review committee meeting, the committee members presented their scores and the committee carried out the funding selection process in accordance with the RFA. The sorting order chart provided as Exhibit C lists the eligible and ineligible applications. The eligible applications are listed in order from highest to lowest total score with all funding criteria applied as outlined in the RFA. The review committee considered the same two motions: A motion to adopt the scoring results. And a motion to tentatively select the applications set out in Exhibit D for funding, and invite the applicants to credit underwriting. Both motions were passed unanimously.

So the recommendations are similar to what you've heard before, to approve the committee's recommendations that the Board adopt the scoring results set out in Exhibit C, and authorize the tentative selection of the 14 applications set out on Exhibit D for funding and invitation to credit underwriting. An unallocated balance of
1.9 million -- 1,983,000 remains, and no eligible unfunded applications could be fully funded with this remaining unallocated amount. As provided in the RFA, any remaining funding will be distributed as approved by the Board.

Staff recommends that the board authorize corporation staff to issue a new RFA with the remaining funding for financing to build or rehabilitate smaller permanent supportive housing properties for persons with developmental disabilities as soon as possible. And as before, as if there is no notice of protest or formal written protest, staff will proceed to issue an invitation to credit underwriting to the 14 applications set out on Exhibit B. And if there is, staff will present all recommended orders for the Board approval prior to issuing invitations to credit underwriting for those applications in the funding range.

**MR. HAWTHORNE:** Move to approve.

**MR. TYLKA:** Second.

**MR. CHAIR:** Okay. Discussions? Steve?

**MR. DUBUQUE:** Just a question, Mr. Chair, on the RFA, to allocate the unallocated amount, the 1.9 million, when will that be issued? Will that
be issued after possible protests and litigation or prior to it?

**MR. REECY:** Most likely it will.

**MR. DUBUQUE:** After the waiting period?

**MR. REECY:** Yes.

**MR. AUGER:** And just to clarify that -- we'll post the results of all of these today, and then folks have -- Wellington, correct me if I mess this up -- 72 hours, you know, three days -- pretty much by Wednesday of next week, they'll be required to submit to us a notice of intent to protest. So we'll know kind of what the landscape then is. And then they've got another week -- ten days from there to actually decide to file and file a protest. So we'll know within -- we'll know by middle of next week if anybody is planning to protest. And we'll know within a couple of weeks if anybody actually did.

**MR. CHAIR:** So we'll know by the end of the year --

**MR. AUGER:** Right.

**MR. CHAIR:** -- which protests have been filed?

**MR. AUGER:** Correct.

**MR. DUBUQUE:** Follow-up, Mr. Chair.

**MR. CHAIR:** Yes, Ray.
MR. DUBUQUE: If there is a protest issued, then this second RFA will not be issued until it is resolved; is that correct?

MR. MEFFERT: Yes. If that's where the funding is coming from, yes. And the -- we'll know by next Wednesday. Because if they don't file within the 72 hours, excluding the weekend, then they cannot protest.

MR. CHAIR: Okay. Natacha.

MS. MUNILLA: No.

MR. CHAIR: Len, yes.

MR. TYLKA: The only thing that I have a question on, on the chart, and you did something a little different here, it says total units. Everything's listed as one. And the other charts, we saw the number of units that were affected. And obviously these are different. Is it one unit? I don't think that's your intent in here.

MR. REECY: Well -- and Nancy, if you --

MS. MULLER: Mr. Chair.

MR. CHAIR: Yes, Nancy.

MS. MULLER: Good morning. In every case, I believe here, the one unit actually refers to, and our legislation directed us, to offer funding to what are called community residential homes or
group homes for persons with developmental
disabilities. So there are bedrooms within these
group homes. And so instead of calling those
bedrooms units, it made sense to call these
individual group homes one unit.

MR. TYLKA: I understood that. I just wanted
to make sure that --

MS. MULLER: Make sure, right.

MR. TYLKA: -- everybody else understood that
we weren't just fixing one guy's little house.

MS. MULLER: Exactly. Thank you.

MR. CHAIR: Thank you, Nancy.

Any more questions or discussion?

Okay. Let's call this to question.

All those in favor.

(Members reply aye.)

MR. CHAIR: Opposed.

(No response.)

MR. CHAIR: Very good. One to go. Ken, give
us just a second to shuffle through the paperwork
here. I think we're on to Exhibits E and F; is
that correct?

MR. REECY: Yes.

MR. CHAIR: Everyone ready?

Okay. Let do this.
MR. REECY: Okay. Thank you, Mr. Chair.

So this is consideration of applications for RFA 2013-006 for financing to build permanent supportive housing for homeless persons and families. Florida Housing was appropriated $10 million in recurring grant funds by the 2013 legislature to provide housing for homeless persons. The legislation specified that Florida Housing must offer the funding through a competitive grant program to private non-profit organizations. Funding must be used to develop housing for homeless individuals and families with priority given to those households with extremely low incomes. The funding is to be used to purchase and renovate existing houses or to construct or purchase and renovate small speciality housing of 15 units or less. The deadline for receipt of applications for this RFA was November 8th, 2013.

Florida Housing received 13 applications in response to this RFA. As before, the executive director designated a review committee composed of Florida Housing staff. And each member of the review committee independently evaluated and scored their assigned portions of the applications consulting with non-committee corporation staff and
legal counsel as necessary.

At its December 6\textsuperscript{th}, 2013 review committee meeting, the committee members presented their scores and the committee carried out the funding selection process in accordance with the RFA. The RFA sorting order chart provided as Exhibit E lists the eligible and ineligible applications. The eligible applications are listed in order from highest to lowest total score with all funding selection criteria applied as outlined in the RFA. The review committee considered two motions: To adopt the scoring results set out on Exhibit E. And a motion to tentatively select the applications set out on Exhibit F for funding and invite the applicants to enter credit underwriting. Both of the motions were passed unanimously.

The recommendations are to approve the committee's recommendations that the Board adopt the scoring results and authorize the tentative selection of the six applications for funding and invitation to credit underwriting. An unallocated balance of $1,696,898 remains. No eligible unfunded application could be fully funded with this remaining unallocated amount. As provided in the RFA, any remaining funding will be distributed
as approved by the Board. Staff recommends that
the Board authorization corporation staff to issue
a new RFA with the remaining funding for financing
to build permanent supportive housing for homeless
persons and families as soon as possible.

And as before, if no notice is received, the
staff will proceed with -- to issue invitations to
credit underwriting to the six applications set out
on Exhibit F. And if there is a protest or formal
written protest, then at the completion of
litigation, staff will present all recommended
orders to the Board for approval prior to issuing
invitations to credit underwriting to those
applicants.

MR. TYLKA: Move approval.

MS. MUNILLA: Second.

MR. HAWTHORNE: Second.

MR. CHAIR: Discussion?

MR. HAWTHORNE: I have a question.

MR. CHAIR: Yes, John.

MR. HAWTHORNE: I noticed under Camp of
Veterans Village 2014-165G, it said it received no
points for ability to proceed. What is ability to
proceed and why did they get a zero for that?

MR. CHAIR: Yes, Steve.
MR. AUGER: Mr. Chair, the ability to proceed was a tiebreaker on this RFA. So on this one, we had, you know, that series of mandatory items: Site control, funding request amount, proforma, you know, some other issues about making sure that you're a legally formed entity, nonprofits and those sorts of things. Then there was a set of points that folks were scoring which was really the delineator, John. And those were operating and managing permanent supportive housing experience with that, the accessibility, adaptability, you know, universal design and visitability features, access to community-based services, you know, other best practices around those things. You know, so those were the delineators. And we had some tiebreakers which included leveraging and ability to proceed. And the ability to proceed points, you know, are generally related to you've got your zoning and site plan. You know, some of those local hoops you have to jump through, having that stuff already done.

MR. HAWTHORNE: Already done. Okay.

MR. AUGER: And we wanted that to be a part of the mix just because this funding is on kind of a quick timeline as required by the legislature, but
we didn't want that to be the be-all, end-all
delineator. So it was that other more substantive
stuff about serving these particular populations
that's really where this scoring happened. And you
see on this one that we had a -- we had a pretty
good handful of ineligible applications. And most
of those were related to site control, not meeting
the requirements that we had. And we haven't been
able to go out and talk to folks because it's been
a blackout period, you know, here with the
application process. My guess is when we do the
homework on this, these are not folks that are sort
of typically coming in for our process. And I
suspect that the time crunch on getting this in was
kind of the big issue.

So with what you approved today, if you
approve this, we'll have, you know, over 80 percent
of this funding awarded and that can get going.
And then we'll go back out and, you know, and let
folks reapply for that remaining. So for those
folks that may have run out of time, that weren't
able to get stuff in, they'll be able to get that.
But the bulk of the money will be moving so we can
meet that statutory deadline.

MR. HWTHORNE: Okay. Just another comment.
I'm happy to see that there is a veterans' development that's been approved and hopefully we'll start to see more and more projects that include assistance for veterans. I'm very happy to see that we have one approved.

MR. AUGER: Thank you.

MR. CHAIR: Steve, anything further?

MR. AUGER: No, sir.

MR. CHAIR: Okay. No other comments, let's call this to question.

All those in favor.

(Members reply aye.)

MR. CHAIR: Opposed?

(No response.)

MR. CHAIR: Okay. I think that's the end of the multifamily programs section of the agenda. Am I wrong? Sorry. I need to turn the page. We're at the top of the next page of this section.

MR. REECY: Almost done with me.

MR. CHAIR: Two supplements.

MR. REECY: Okay. This item is to request -- is a request to set the interest rate for the HOME loans in RFA 2013-10 as required by rule. RFA 2013-10 for the financing of affordable multifamily housing developments with HOME investment
partnerships program funding in conjunction with Florida Housing issued multifamily mortgage revenue bond program funding and noncompetitive housing credits.

The background on this is that the Corporation issued an RFA on November 22nd and the rule outlines an annual interest rate for HOME loans, 1.5 percent for all for profit, and 0 percent for non-profit applicants and public housing authorities. The rule in E, however, states that the annual interest rate for HOME loans where the HOME developments are at least partially financed with bonds, as is the case in this RFA, the loan rate -- the interest rate shall be determined by the Corporation's board of directors. So the Board must establish the interest rate for the HOME loan.

The staff recommends that Board set a 0 percent annual interest rate for all of the HOME loans issued under this RFA. The reason for that recommendation, we're moving quickly to get these funds committed, as Steve had mentioned, before the HUD deadline of June 30th. So we wanted to make this funding as attractive as possible.

MR. TYLKA: Move approval.

MS. MUNILLA: Second.
MR. CHAIR: Discussion? No one?
Okay. All those in favor.
(Members reply aye.)
MR. CHAIR: Opposed.
(No response.)
MR. CHAIR: Very good. Thank you, Ken.
I think, Steve, you're up next, with item G.
Is that correct?
MR. AUGER: Yes, sir. So this is request for
authorization to utilize the remaining 2013
low-income housing tax credit allocation authority.
So just a refresher, back in February when the
Board designated the 10 percent that at that time
by law they could designate for high priorities, we
designated half of it to go for public housing
authorities with a preference for developments in
medium or small counties with strong leveraging
positions and ties to initiatives to revitalize
their communities. And those were the types of
deals that in our last couple of cycles, especially
in small and medium counties, were having
difficulty scoring well.
And then with the other half of those credits,
we did the special needs with a preference for
developments that were serving veterans. And both

ACCURATE STENO TYPE REPORTERS, INC.
of those were challenged. The RFP for the PHA one
just had credits in it. And the one for the
veterans had credits and SAIL funding in it. So
both those were challenged. We, you know, wrapped
up the litigation on those with what the Board
approved at the last Board meeting. We funded a
second PHA deal. And with what you just approved
here today, we funded or we, you know, put an end
to the challenge on the special needs deal.

So with the leftover credits, most of which
were from the -- remaining from the PHA deal, then
we've got some national pool credits. And so
national pool credits are for the states that don't
allocate all of their credits from last year; those
all get kind of pooled together and then they give
them to the states that did allocate all their
credits. And they do that on a pro rata basis. So
our share of that is about 187,000 in credits. So
just a little more. We've had some other credits
in various little pots returned, mostly that comes
from at the end of the process when folks are doing
their final cost certifications, they don't have
eligible basis to justify all of their credits, so
we get little bits and pieces of credits coming
back to us.
So we find ourselves with about 1.75 million left of 2013 credits. And so the recommendation here is, you know, going back to looking at what we were trying to target in 2013 with those high priorities and thinking through that, with the money that we wound up getting from the legislature for homeless and special needs, we've done what you just approved, a whole slew of homeless deals. We'll do a few more. And then a reminder, with our 2014 credits, half of that 10 percent for high priority again went to the developmentally disabled transactions. And the other half, you know, we designated to do more homeless deals with those tax credits. And as we get to doing that RFA in the beginning of next year, you know, we can build in a preference, if the Board would like to do that, for veterans -- serving veterans there, too. So we got sort of that being arrested going forward.

So looking at all that, staff requests the Board authorize us to proceed with issuing a new request for applications to offer housing credits in an amount equal to the remaining 2013 housing credit amount to finance the rehabilitation and revitalization of public housing authority developments with a preference for developments in
medium or small counties with strong leveraging
positions and ties to initiatives to revitalize
their communities as well as for me to be able to
establish a review committee to make
recommendations to the Board.

MR. CHAIR: Thank you, Steve.

MR. HAWTHORNE: Move to approve.

MR. TILKA: Second.

MR. CHAIR: Any discussion? No.

All those in favor.

(Members reply aye.)

MR. CHAIR: Opposed.

(No response.)

MR. CHAIR: Very good. Thank you.

Chris, the lottery.

MR. HIRST: Thank you, Mr. Chair, Board. Good
morning. A little background on the selection of
the seed numbers. From time to time in Florida
Housing operation, there's a need to select among
competing alternatives, for example, competitive
funding programs that require applications to be
assigned random lottery numbers. The Office of
Inspector General has a process to develop a list
of random numbers. The process depends on seed
numbers being fed into a random number generator.
To remove any bias, we ask that the Chairman select
the numbers. I've provided you with a booklet
containing 1500 lines and 14 columns of seed
numbers. And within that booklet, there's
highlighted of the last selection. So if you would
as you select, if your finger lands on one of
those, please move to another selection.

MR. CHAIR: How many do you want me to select?
MR. HIRST: Ten, please.
MR. CHAIR: Ten. Okay. You have a copy of
what I have in front you?
MR. HIRST: Yes.
MR. CHAIR: Okay. Page one, line one, column
14, 90700. Page two, column three, line 76, 51111.
Page three, column seven, line 101, 00770. Page
four, column eight, line 171, 00922. Page five,
column 12, line 236, 76545. Page six, column 14,
line 255, 80600. Page seven, column one, line 326,
99390. Page eight, column eight, line 380, 32671.
Page 13, column 10, line 621, 19165.
Do have I one more?
MR. HIRST: Yes, sir.
MR. CHAIR: Okay. Page 15, column seven, line
726, 35722.
MR. HIRST: Thank you.
MR. CHAIR: Thank you. Nancy, PSS.

MS. MULLER: Thank you, Mr. Chair. This request for qualifications we issued early in 2013 and it remains open to allow non-profit housing counseling agencies to qualify to participate in our foreclosure counseling program. We received -- between the last Board meeting and this one, we received one additional housing counseling agency, Broward County Housing Authority doing business as Building Better Communities that's come in and would like to participate in the program. The proposal was reviewed by this RFQ review committee and recommended for approval pending the submission of all required documentation. So today we're asking that you approve Broward County Housing Authority doing business as Building Better Communities, Inc. as recommended for approval by the RFQ review committee.

MR. TYLKA: So moved.

MR. DUBUQUE: Second.

MR. CHAIR: All righty. Any discussion, anyone?

MR. DUBUQUE: Just a question, Mr. Chair. The required document, has it been received yet or is it still pending? If it's pending, when do we
expect to receive it?

MS. MULLER: It will likely be received in the next few weeks when we contact them and let them know about Board approval. And a contract is carried out with each of these housing counseling agencies and that contract would not be completed until we got that documentation.

MR. DUBUQUE: Okay. Thank you.

MR. CHAIR: Thank you, Ray. Anyone else? No. All those in favor.

(Members reply aye.)

MR. CHAIR: Opposed.

(No response.)


MS. GOLTZ: Thank you, Mr. Chair. Back in September, the Board authorized issuing an RFQ for trustee services. In October and November, we went through the process of receiving and selecting, holding the review committee meetings. And there were five proposals: The Bank of New York Trust Company, Wells Fargo, US Bank, Zions First National Bank, Regions Financial Corporation. As a result of the receipt of those applications, they were
scored and the review committee recommends that the
Board adopt the committee's ranking of the
proposals and authorize Florida Housing staff to
enter into contract negotiations with all five
offerors.

There are two things that are provisions that
need to be met before we can enter into contracts.
The first one is proof of professional liability,
errors and omission insurance from US Bank and the
Bank of New York Trust Company. And secondly, a
certificate issued by the comptroller of currency
certifying that US Bank is a national banking
association.

MR. CHAIR: Thank you, Barb.

MR. TYLKA: Move approval.

MS. MUNILLA: Second.

MR. CHAIR: Any discussion? Anyone?
Brian, you've been awfully quiet this morning.
All right. All those in favor.

(Members reply aye.)

MR. CHAIR: Opposed.

(No response.)

MR. CHAIR: Very good. Thank you, Barb.

Nancy. It's time for you.

MS. MULLER: Thank you, Mr. Chair. In 2006,
Florida Housing contracted with socialserve.com to develop a web-based housing locator which allows the public to conduct searches for available rental housing. And in the beginning, the focus of the website was just those properties financed by Florida Housing. It was so successful that in 2008, Florida Housing went back out to procure, just to expand really, the website to allow it to be used by private landlords as well that were not participating or not part of Florida Housing's portfolio. We get both the web-based housing locator that's available 24/7 as well as a toll-free call center that is run by Socialserve to assist folks who maybe don't have internet, the access to conduct searches, and also to assist qualified landlords to register and update their rental units.

The current contract with Socialserve will terminate in February, 2014. When we began to prepare to bring you this in consideration of procurement, we carried out research to evaluate the vendors and services that are available out nationally related to providing for this kind of service. And in our -- based on our evaluation, we believe that socialserve.com is the only vendor...
with the capacity, qualifications and experience to maintain the level of service that not only we have come to expect but our partner -- state agencies as well as local homeless coalitions and such rely on this service extensively. So we believe that it makes sense and is in the best interest of the public to purchase the service from socialserve.com without going through the competitive solicitation process.

Our rule gives Florida Housing the authority to do this upon a written determination by the executive director that the best interest of the public is served by obtaining such a service from a single vendor. So if you were to authorize us to do this, Florida Housing would electronically post a description of the locator services for at least seven business days, including a request that the prospective vendors provide information regarding their ability to supply the described commodities or services that we're seeking.

And just a comment that we -- we've just begun to research and look at the concept of creating sponsorship opportunities for organizations and developers to help support the site and to defray costs of the site. So I don't have anything to
share with you today about how something like that might work or what kind of interest we would get, but these would not be ads per se. There are some sites out there that have advertising where, for instance, a developer, you know, a property owner purchased -- pays in and then their properties come up and are enhanced in a way that somebody looking for a place to live will see them and click on them. This would be a way to support the site without that kind of giving special consideration to specific developments. So we are, like I said, just in the first blush of looking into this and seeing what we can do to help to fray the costs.

So with that, the staff requests that the Board authorize Florida Housing staff to purchase housing locator services directly from socialserve.com without issuing a competitive solicitation and authorize staff to negotiate a contract with socialserve.com. If contract terms can be agreed upon, for up to three years with two additional one-year renewals.

MR. CHAIR: Thank you, Nancy. Motion, anyone?

MR. DUBUQUE: So moved.

MR. CHAIR: Thank you, Ray.

MS. MONILLA: Second.
MR. CHAIR: Seconded by Natacha.
Any discussion?

MR. HAWTHORNE: Question.

MR. CHAIR: Yes, sir, John.

MR. HAWTHORNE: Nancy, you and I talked about this earlier, about this sponsorship versus ads. And as you explained it, it won't be an ad per se where a particular developer can have their properties highlighted but more as a support of the service. I'm a little curious as to the value the developer would receive from that without being able to highlight his properties and what types of potential fee structure could be assigned to that. Because I noticed that that particular part of it was not in the recommendation to proceed with that. So where are we in determining whether or not this is something feasible or viable to help offset the cost of the locator service?

MS. MUNILLA: Right. So I've likened this in my own mind without, you know -- to be very clear, we have not talked to any developers in our community who participate in our process to see whether they would be interested in this. So this is totally me talking blind at this point, but knowing that at least a couple of other states have
done versions of this.

One option, which I think at the staff level we're not interested in doing because we think it would cost us more money and staff resources than the money we would get, would be that for instance, every time there's a hit on a certain property, then that developer pays for that hit. And I don't think that's a sponsorship, I think you're paying to participate in our locator. And just aside from that, the cost to bill, to keep track and bill on that, it would be sky high. And of course, you know, you and I didn't talk about that. So I liken this to if you've gone to a conference or some sort of meeting where you have members or folks who are sponsoring and there's a big, you know, sign on the wall and those folks get a little shout-out at the front and their names are up there and name recognition means something. And I think that there are organizations, potentially even foundations, that might be another thing for us to look into, but even for-profit developers who may be interested in paying a fee to be recognized in supporting such an important state service. And don't forget that this service, in times of natural disaster, particularly hurricanes, has been used
well and fully, not just in this state but in other states when it's very difficult for folks to find places to live. So developers recognize that.

So we've looked at the notion of maybe creating a hierarchy of sponsorships. And I do think that we would be looking at, whether it's on the home page or before you click to go to your county or something, a page that would have a list of sponsors and maybe the ones that pay more money have a little bit bigger logo. And you could click on their logo. So not the property, but the logo and you could go to their develop site, their home page and if you want to look for a house, you know, a place to live, then fine. So that's kind of how we've been thinking about it. And we are really and truly at the very beginning of our research on this.

**MR. HAWTHORNE:** Okay. Thank you.

**MR. CHAIR:** Wellington.

**MR. MEFFERT:** Just to clarify the motion and the recommendation is only to enter into contract negotiations and into contract with Socialserve on a single source basis and not for any internet advertising or sponsorship.

**MS. MULLER:** Thank you.
MR. CHAIR: Len.

MR. TYLKA: Yeah, while we're on the subject, one of the things you might consider there, Nancy, is you've got ancillary services that might play a part, you know. U-Haul, renter trucking, services that, you know, help move people in terms of disaster relief, companies that might be doing some of that stuff. Those may be even a better avenue in terms of that support system that you're looking at.

MS. MULLER: Thank you.

MR. CHAIR: Any further comments?

All those in favor.

(Members reply aye.)

MR. CHAIR: Opposed?

(No response.)

MR. CHAIR: Thank you, Nancy.

MS. MULLER: Thank you.

THE COURT: Moving on to single family bonds.

David.

MR. WESTCOTT: Thank you, Mr. Chairman. This is a request for permission to amend the existing memorandum of understanding with Florida's local housing finance agencies to allow the use of up to an additional $3 million out of the $35 million
that Florida Housing received from the Florida legislature as part of the attorney general's mortgage settlement agreement.

So back in March of this year, we came to the Board and you all approved us entering into an MOU with the local HFAs allowing them to utilize up to $5 million of these funds. To date, you know, as of today, we will have disbursed a little lower than $4 million already out of that 5 million in the MOU. So thus the necessity to come today as a supplement. We weren't sure that the, you know, 900,000 or so that was remaining would actually last until the end of January, when we have the next meeting. But the local programs have been going well. Florida Housing's programs have been going well. We've been -- we've committed a little over $14 million out of these funds to date to help homeowners get in their first homes. So we're very happy with the way the program is proceeding, and are here today to ask your permission to go in and amend the memorandum of understanding that we have with the local HFAs who are participating in this sharing agreement to increase it by $3 million.

And then, Mr. Chairman, we also have here today with us W.D. Morris who's not only the
executive director of the Orange County HFA, but
also currently serves as the president of the
Florida Association of Local Housing Finance
Agencies. And I think W.D. would like to come and
speak in favor of the item.

MR. CHAIR: Please. I don't see you. Here
you come. Come on down.

MR. MORRIS: Good morning, Mr. Chairman and
Board members. It is true that we're here today to
express our appreciation and -- for entering into
this relationship with Florida Housing Finance
Corporation in March. First, the official
relationship, it's worked out very well for Florida
Housing and for the locals. So as the president of
Florida ALHFA, I come today to express the
association's appreciation for that partnership and
we look forward to many, many more relationships in
this area. It has worked very well for both
Florida Housing, locals, and most of all, it has
benefited the end users. And those are the
first-time home buyers that receive assistance in
down payment assistance to give them the 30-year
fixed rate, very conservative mortgages that we
enter into. Here, again, we just want to express
our appreciation to the Board and staff. Staff has
worked very good with us. We have a very good
relationship and we appreciate that very much.

Any questions I can answer, I'd be more than
happy to, sir.

MR. CHAIR: Thank you, Mr. Morris.

MR. MORRIS: Thank you for having us.

MR. TYLKA: Move approval.

MR. HAWTHORNE: Second.

MR. WESTCOTT: Okay. So, yes, thank you, Mr. Chairman. And with that, the recommendation is that the Board approve the request to allow Florida Housing to enter into an amendment to the memorandum of understanding with the local housing finance agencies allowing them to utilize up to an additional $3 million out of the 35 million received by Florida Housing as part of the attorney general's mortgage settlement agreement for use as down payment assistance in conjunction with their respective first-time home buyer programs in the same manner that it is being used by Florida Housing.

MR. TYLKA: Again, move approval.

MR. HAWTHORNE: Second.

MR. CHAIR: Second, second.

Okay. I have one question. So after this,
assuming this were to be approved, how much money
will be left of the 35 million?

    MR. WESTCOTT: Well, let's see. Right now,
you know we've used 14, they've used about four.
So that's 18.

    MR. CHAIR: No, of the — there was five that
was approved previously and four has been used. So
of the total.

    MR. AUGER: So that's what David was just
saying.

    MR. CHAIR: I'm sorry.

    MR. AUGER: So they've used over four, almost
five. We've used over 14. So at this point,
we're, you know, almost 19 million that's been used
of that 35.

    MR. WESTCOTT: So there would be roughly
16 million left. Three would then go to the locals
for their continued use and we'd have an additional
13 to utilize. We told the legislature that we
thought we could use these funds in 18 months, and
we're on track to do a little bit better than that.

    MR. CHAIR: Okay. So we'll talk about the
additional funds later.

    MR. WESTCOTT: Yes, sir. I don't know that
we'll need to. At this point, if we allow this
additional three, I imagine Florida Housing's program will utilize the additional 13, and then we'll be done with the entire $35 million.

MR. AUGER: And we'll sort of keep track of how things are going to make sure that, you know, it's being utilized.

MR. CHAIR: Okay. All right. We have a motion that's been seconded. Any further discussion? No.

All those in favor.

(Members reply aye.)

MR. CHAIR: Opposed.

(No response.)

MR. CHAIR: Very good. Thank you, David. Moving on to the consent agenda. There was one item that was added after the consent agenda in your Board book, correct, Steve?

MR. AUGER: No, all the items went out with the Board books. There was one that was stuffed in there as an insert, but they were all in the Board books. Gave you an update of the agenda. The agenda in the Board book left off the last three special asset consent items that were in the Board book. So it's all the stuff that you had in the Board book with just, you know, the updated agenda
that I sent out.

THE COURT: So the updated agenda includes on page two, items Roman number 8, G, H and I; is that correct?

MR. AUGER: Correct. That were in the Board book and that you had, but it had just been left off the agenda that was in the Board book.

THE COURT: So we're all working off the same consent agenda here.

MR. AUGER: Correct.

MR. CHAIR: Would anyone care to entertain a motion?

MR. HAWTHORNE: Move to approve.

MR. TYLKA: Second.

MR. CHAIR: Okay. All those in favor.

(Members reply aye.)

MR. CHAIR: Excellent. That gets us to -- sorry, there is a lot of papers. That gets us to the strategic planning retreat. We are planning a Board retreat and a strategic planning session on January 30th in St. Augustine before our January 31 Board meeting the next day. The strategic planning discussion may spill over to Friday morning as well. We last had a Board retreat and an orientation discussion down in Miami, but it's been
a couple years ago. And we thought that it might be a good time to get the Board together considering the new Board members that we have. The last strategic plan was created in 2009. So it's time for us to take a fresh look at that plan.

We are planning -- the retreat will include quite a bit of discussion, including some educational topics such as our mission, our key programs, our background and history, a review of our annual report and financial statements, brief history of the universal cycle application process, and how we got to our current request for application system and also the need for affordable housing. More importantly, I'd like to spend some time discussing what our funding priorities have been in recent years, what our funding priorities should be going forward relative to the need here in the State of Florida, what performance measures we need to establish to measure our successes, how we can expedite our funding cycles, and also how we as a Board could and should be marketing our programs to the Florida legislature. I'd like to establish a road map for Florida Housing that goes beyond just the upcoming year and think that it will be a great discussion.
Steve, you want to chime in here?

**MR. AUGER:** I think that would be great. And some of that --- we'll try to be strategic in coming up with an agenda for that Thursday afternoon, you know, depending on how much time that we get with y'all. There may be some of the stuff we can give brief overviews on some of that stuff. There may be some things as we're going through the process in the next few Board meetings, we want to do some more in-depth education about, you know, if y'all feel the need for that on any particular subject.

But one of the things that we did, y'all have in front of you a document that is program policy and financial objectives, which is kind of a summary of programs and then some of our goals. Actually we put this together as a result of some questions that Brian asked and, you know, after looking at that and having some discussion with that, we thought that might be useful for the rest of you. And just something to think about as we get moved towards that workshop. So I'll kind of reach out to all of you and see if there's anything kind of in particular that you feel like you need or you're looking for out of --- after you've had a chance to mull it over, out of that -- what kind of
information you might need to be able to start off
these discussions. And then we'll get into it.

One of the things that OPPAGA recommended and
that we've been talking about with the folks from
DEO and there's been an important governor's
initiative is looking at performance measures. And
that's something that the old contract that we had
in place with the Department of Community Affairs
from when we first split off has some outcomes.
But if you want to be able to look and see if
Florida Housing, you know, doing a good job, doing
what it ought to do, you know, those don't tell the
full story. And when OPPAGA did their audit last
year or their review of us they said, gee whiz,
Florida Housing, you guys give a lot of great
information to your Board, you give it to the
legislature, you know, can you put that together in
some way that, you know, that we can -- that that
can be more comprehensive performance measures.
So, you know, on of the goals of, you know, getting
through the strategic planning would then be build
in some performance measures off of that as we've
been talking with the folks at DEO. You know,
we'll be working on giving them some interim
performance measures, giving them a little more
information than we have historically in that quarterly -- as required by that old contract. But that's sort of one of the places we want to wind up, Barney, I think in addition to kind of like you said the road map for the next few years of what Florida Housing ought to be prioritizing.

MR. CHAIR: Thank you, Steve.

Yes, Len.

MR. TYLKA: One of the things, Steve and Barney, you might want to look at, as market rate housing comes back to life again after the past six years, one of the things we're going to start seeing is that upward pressure on work force housing and that middle income range more than we've seen in the past. We've enjoyed kind of avoiding that question for the past five or six years. However, I see, I guess my crystal ball, I'm concerned about us going forward and not having the funding availability in terms of being able to hit a broader base of folks than we've been in more very recent days. Because we really didn't need to have -- didn't have to have that money. But as we go forward, I think it's very important that we make our strategic plan as public as we possibly can and make the legislature and the public
understand what we're trying to accomplish here. And in that process, be able to relay that into better funding so that we can add these other programs that we're going to have the demand on us to do.

MR. CHAIR: Right.

MR. TYLKA: So that may be something -- a topic to cover during the course of the strategic plan.

MR. CHAIR: Great. Yes, John.

MR. HAWTHORNE: Just a question, is this an open or a closed process?

MR. CHAIR: Open. Of course, the more the merrier.

MR. HAWTHORNE: Would there be a facilitator or we'll just do it internally?

MR. AUGER: Thus far we've been thinking that we would do it internally. Especially for this first meeting. But as we're moving forward if we decide, you know, if we get some context laid, if y'all decide you want to do that -- we have done it in the past. We have done it both ways in the past.

MR. CHAIR: Okay. A couple things that are not on the agenda that I wanted to squeeze in
there: Brian's audit committee, we have a few
gracious volunteers who would like to join Brian on
that committee, Len, Natacha and Bill. Thank you
for your future service. Just because you're not
on the committee doesn't mean you can't come.
You're always welcome. And I wanted to thank Scott
Culp, I saw you earlier, there you are. Wanted to
thank Scott and Jay Brock for opening up their
community, the Fountains at Pershing Park yesterday
evening. Thank you. It was beautiful. We enjoyed
it.

And that gets us, I believe, to public
comment.

Yes, sir. Mr. Wilson.

**MR. WILSON:** Thank you, Mr. Chair. Sean
Wilson, Blue Sky Communities. Among the actions
that you took today was to allocate about
$207 million of scarce federal resources, tax
credits, that's the cash resource. It's the most
lucrative multifamily program that you all decide
on. And it's federal dollars. Now coming into the
meeting, looked like about 118 of those $207
million were going to go to two developers. Now
that may changed because I heard that somebody did
a withdrawal, so it's about half of that money is
going to two developers. In the two cycles that you all decided today, there was about 30 developers that applied. And the reason that it's imbalanced is not because somebody is a better developer or somebody is a more efficient user of federal resources; it's substantially as a result of the volume of applications that different developers have the capacity to submit or decide to submit.

And to further illustrate that, I would say that -- and I've been participating in these programs for many, many years. And the number of total applications to winning applications or the ratio has been ticking up. And now it's about eight to one. It was four to one, then five to one, six to one. So now it's about eight to one. And on the large southeast, it's probably 20 to one, something like that. So, you know, it seems to me that a lot of us developers, that this Board ought to strive to maintain a level playing field when you're allocating scarce federal resources. And you took a big step towards doing that in the 2009 cycle. You instituted a limitation on the number of applications that any one developer could submit in the cycle.
That cycle, 65 developers submitted applications. More than 95 percent of them unquestionably followed the limit. There were questions about a few of them. Those questions were ultimately decided by a DOAH judge in a manner not favorable to Florida Housing. And that's very unfortunate, but it doesn't negate the fact that 95 percent of us followed that limitation without question. And I can say that confidently.

Somebody told me last night that 40 other states have different versions of limitations on the number of applications. I'm guessing that it's for the same reason, to make sure that there's a level playing field. And this is nothing new. I'm on record in writing and in meetings and in private discussions with Steve. And so I wanted to take this opportunity illustrated by the results of these last two cycles that continue to demonstrate an imbalance. I wanted to take this opportunity to go on record in front of the Board to say that there's a large group of us that hope that there's a way to revisit that limitation. Thank you,

Mr. Chair.

MR. CHAIR: Thank you, Sean.

Steve?
I'm sorry, we have another -- actually looks like a few speakers coming forward.

**MS. FARMER:** Hi. My name is Betsy Farmer. I'm with Promise in Brevard, number three ranking large DD project. And I have some of my promisers with me. This is my son, Luke, who is cofounder. And we have Bradly and Garrison and Bradly's mom, Jeannette. And I just want to say a couple things. First of all, I just wanted to thank you so much for the opportunity. It's so cool that the State of Florida is now leading the nation in funding for people with developmental disabilities. I don't know if you realize that we're the only state in the country that's done this like this. And kudos to you guys, really.

And I want to just really thank the staff. You guys did a great job wrapping your head around our population. I know that there's a lot to learn. This is a new population for you. And our population is very complex and there's a lot of needs there. But the staff, you guys don't even know, they did a really, really good job understanding our population and our needs. And the RFA, the way it came out is exactly the way it was supposed to. I don't -- I mean, Jim and Jack
are awesome. We've been the three amigos for years. And it's exactly the way it should be. So I know there are a lot of hard decisions that had to be made and I just want you to know I appreciate everything you did.

But I also want you to understand that Promise is really important to a lot of people. We have 240 people that have taken our survey and that are on our interested party list. We can serve about 115 because we're going to have about 16 college students from Florida Tech University living there as housing assistants. I have about 90 families that have been working side by side with me for many years to make this happen. So, I'm meeting with them tomorrow to let them know, but I just wanted to talk to you a little bit about just how important these projects are to our population. And who really hasn't been served.

And I want to tell you a little bit about the project that didn't get funded. Promise is unique. A little bit different than the other two projects in that our project revolves around employment. Only 26 percent of our future residents are working. And Promise was going to have — we will have eight different micro enterprises. We're
going to hire our young adults to work. And they're going to make at least minimum wage if not better. We want them to be productive, taxpaying citizens. And we started our first micro enterprise, which is Promise Treasures thrift shop, in October. We made 12,000 our first month and 16,000 our second month. We are hiring our residents to work there.

The community has come in and they're volunteering, they're coming alongside our residents and they're helping them to be productive, taxpaying citizens. We literally have thousands of supporters in our community that have helped raise our kids. I started the early intervention center for Luke when he was a baby. So they've raised our kids. So we have a lot of community support. The city of west Melbourne, the county, and our legislators are all behind us 110 percent. And our housing authority. And I just, I hope and I don't know whether beg is probably not a good word, but ask, request that you look and see if there's any way that you could find funding for us. Because it's really important, what we're doing. I personally feel the employment piece is incredibly important. Our kids need a purpose.
So housing, employment and the support services all have to be part of those DD developments. And I just, again, want to thank you guys for what you did. It's amazing. You should be really, really proud. And just ask you if there's anything we can do to work together to kind of make this thing happen sooner than later because I've got one family especially, they're both in their 80s and they have cancer and they're really upset because they don't know where their daughter's going to live. This is the first generation of people with disability that are going to outlive their parents. And that's why these things are so important. So thank you again very much.

**MR. AUGER:** Mr. Chair, if I may, just really appreciate the folks we've been working with, including Betsy and her passion for this. And remember that in this past session, the law changed so that we've got that now in law, that 5 percent of our low-income housing tax credits will be set aside for folks with a disabling condition. And you know, the folks that were instrumental in the legislature in providing us the grant funding to work with the tax credits to do the developments
that we're doing in this RFA that was approved
today are all hoping to and have told me they
intend to, you know, do more of that grant funding.
So we anticipate, you know, that there will be more
of these resources and we'll be able to do another
round of this sort of stuff.

MR. CHAIR: Awesome. Welcome.

MR. KEAN: Good morning, Mr. Chairman. Good
morning, Board. Good morning, Mr. Auger. My name
is Breck Kean and I am vice-president with
Prestwick Development. And we partnered with the
Okaloosa Community Development Corporation on
application number 2014-011C, which is the Palm
Village Apartments in Ft. Walton Beach. The Palm
Village application requested only $420,000 of
housing tax credit allocation and drew lottery
number one in RFA 2013-001. The Palm Village
application was deemed ineligible during staff
review due to a construction financing shortfall.
And I just want to go on record with you that we
feel very strongly that the staff's methodology of
calculating the required sources and uses up to
certificate of occupancy is incorrect.

And if I may, here's the problem. Staff's
methodology of calculating costs during
construction through CO includes over 90 percent of costs that were expended after CO. That is 100 percent incorrect. Examples of costs that are expended after CO but included in Florida Housing's methodology during the CO or before CO include construction retainage payments, construction loan interests from certificate of occupancy through lease up and stabilization, all certification expenses, Florida Housing Finance Corporation compliance fees, required reserves, perm loan conversion costs. So Florida Housing in their application review include sources up to CO, then they can only include costs up to CO.

The particular piece of documentation in our application in question was our equity letter of intent from SunTrust Community Capital Corporation, a very active housing tax credit investor. Prestwick has closed multiple partnerships with SunTrust and we are very familiar with their equity pay in requirements and they're very familiar with our financial model and draw schedule. The draw schedule for Palm Village clearly shows that the development is fully funded during construction based on the payment schedule and the SunTrust letter of intent.
So, Mr. Chairman, members of the Board,
Mr. Auger, the staff's interpretation of sources
and uses through CO is incorrect and the
determination of ineligibility is wrong. The Palm
Village application with lottery ball number one
should not be thrown out for a financing shortfall
and we can and will prove this correct. I ask you
to instruct staff to review our real world draw
schedule and to confirm our math is correct showing
the accurate flow of funds during construction.
And upon this confirmation, Palm Village,
application number 2014-011C should be reinstated
as an eligible application and recommended for
funding based upon its lottery number one. Thank
you for your time and consideration. I'll be happy
to answer any questions.

MR. CHAIR: Thank you, Mr. Kean.

MR. KEAN: Thank you.

MR. CHAIR: Good morning.

MR. KOSIK: Good morning. My name is Jack
Kosik. I'm the executive director of Noah's Ark of
Central Florida. And we were one of the applicants
that were fortunate enough to be able to get
funding, and I would be remiss if I didn't come up
here and thank the staff. I didn't have an
appreciation of just how difficult their job is and how deeply they looked at trying to understand individuals with developmental disabilities, the uniqueness of the needs and how the support services ought to wrap around the housing. We went to the scoring things and I need to tell you, you guys did a fabulous job. I would never want to work in your job. They did a great job. And if they didn't get a Christmas bonus, they need to.

I'd also like to echo Betsy's plea. We work as a coalition. And I got a call from one of the legislators after the funding was announced or the recommendation was announced saying, please continue to work with us. We want to provide more funds. You're the only group that aren't cutting each other's throats to try and get money. Because we work together hand in glove moving this initiative and this need forward. Cutting edge for the State of Florida, cutting edge for the nation. And I would encourage you -- and we will commit, our coalition will commit to continuing to try and get more funding, more than we've gotten so far.

But thank you. And if there's any way that you guys can scrounge up some of the leftover stuff that just hasn't been committed and find a way to
fund Promise, it's a great, great project. Thank you and Merry Christmas to you.

**MR. WHITTAKER:** Hi. Good morning. I'm Jim Whittaker and I'm with the Ark of Jacksonville. And I was one of the lucky projects that was funded. And I'm here to support Betsy's request and also to echo what Jack and Betsy have already said. The staff have been incredible. Really wrapping their heads around the needs of DD people. It was a challenge. And it was all done very fairly and objectively and I just -- they've done an outstanding job. So you got a great staff.

Also kudos to you to recognize that housing for people with DD, it just really doesn't exist in quality forms, especially rental housing in the community. And people with DD have very special needs. They are, as far as an income class, their income is very low. And quality housing is so, so important. And I think as Betsy also said, many, many of our family members are aging. And if you are a family member, you can appreciate their desire to make sure that their son or daughter is going to have a quality place to live when they're no longer here to see to their needs.

Also want to say to our legislators, it really
was the year for DD as far as housing goes. The legislators also recognized that housing was a major issue and they appropriated the $10 million in DD grant which was coupled with the tax credits. So the combination is incredible and you have put Florida on the map. And we have also been approached by other states and communities, of course, in Florida asking us how they can do it. So Florida is going to lead the way. And again, if there's any possibility to find additional funding for the Promise project, that would be a great Christmas present. Thank you.

MR. HARTMAN: Good morning, Mr. Chairman, members of the board. My name is Michael Hartman and I'm here this morning with my hat as the chairman of the Board of the Brevard County Housing authority. We did something for Betsy's project that we haven't done in years: We gave them project-based rental assistance. They have enough vouchers for every unit in their project. So in terms of ongoing operations, they're funded. I can tell you the county has done a lot for that project. The city has done a lot. It has taken her years to get everybody behind it. So, you know, I know I'm cutting my own throat because the
housing authority, I know you've got a million
seven left that you're going to put out to fund a
housing authority deal, but if there's any way we
could redirect those funds to the Promise deal, I
think that would be a good use of the money. So
thank you very much.

MR. CHAIR: Thank you.

MR. GRAIL: Good morning. My name is Kevin
Grail of Grail Management Group. And I wanted to
say that I was really interested, and I thought
that the discussion about the upcoming retreat was
really interesting to me, and the topics that were
going to be discussed and the planning that's going
to happen going forward. I was wondering what
materials would be available to the public? I'm
sure at that retreat, there will be handouts and
there will be discussions of history and what's
going forward. And I'd be really interested in
having access to some of that and knowing how we as
the public could therefore participate. Thank you.

MR. CHAIR: Thank you.

MR. AUGER: Thank you. Mr. Chair, if I may,
in the past, we have as we've begun the strategic
planning process, have issued a letter soliciting
comments and all the comments we got, you know,
from soliciting comments from the stakeholders and
the public about what are the things that Florida
Housing ought to be thinking about in the next few
years, priorities and -- or context or anything
that they think we ought to be -- that you all
ought to be considering. And we -- as those
letters came in, we posted them on the website so
everybody could see them. Any of the information
that we were providing to the Board as we're going
through the public workshops or the meetings, we
posted all that stuff up there, too. As we began
to develop drafts, you know, we posted those up
there, too. So we'll, again, set up a section on
our website as we get into this where we have an
opportunity for folks to, you know -- where we can
put up any public comments and post any information
that we provide to you all. And as we get into
drafting, any drafts of the documents.

MR. CHAIR: Okay. Great.

Yes, ma'am. Welcome.

MS. JOHNSON: Good morning. My name is Lisa
Johnson and I just want to take advantage of just
having a few minutes to say something to the Board.
Thank you for this opportunity. When I think
forward of what's going to happen with knowing the
challenges that are going to be coming and then I think forward to the day that they're going to come before you with a hearing officer's recommendation, and I think it's so valuable with your workshop coming up. Because I'm assuming that's going to be well after the January Board meeting.

And when you think about the issues that maybe do surround scoring, the debt and equity commitments and the things that Florida Housing requires and, you know, they do check the box is this there, is that there and things of that nature. And you do -- I mean, when you look back and you look at the scoring of all the applications and you see something that you know, maybe the box was checked but it's not what reality is. Like if, for instance, a developer were to say I'm going to draw 90 percent of my equity at my construction closing, that is not reality, but yet he passed. And then you've got -- so I just want you to remember when these challenges come before you and maybe it will be -- maybe through these workshops and the thing this Board is going to address and Steve making the comment that, you know, you don't want -- you want the expedited scoring and the last thing you want are these challenges, maybe the
addressing of really how valuable are these.
Because the true underwriting is where these
letters are going to be truly and the numbers
truly -- just things like that that I'm thinking.

And then I thought about Sean Wilson made a
point that is valid. I mean, it's very valid. And
you've got -- years ago where the staff wanted to
eliminate completely shell applications. And the
scoring process eliminated that. But yet this
year, we saw apps that went in that didn't even
have local government support. So they knew they
would fall to the bottom because they didn't have
their 27 points. It's just crazy to me when you
think about you as the Board and how you want our
state to be deemed as, you know, bar none. And
it's just -- just want to take that opportunity to
just throw up all over you. Merry Christmas.

And I want to say that when I see those young
men and that mother and those other gentlemen come
up here, we can never forget why we do this. And
it's not for our pockets; it is for the people who
truly need this housing.

MR. CHAIR: Thank you. Steve, anything
further?

MR. AUGER: That was -- just the only -- the
last thing I would have is just sort of an update on the timelines for all the RFAs. So we brought five of them to you at this Board meeting. At the next Board meeting, we'll have the staff southeast large. We'll have the HOME. We are reissuing -- you know, we'll reissue fairly quickly the two pots of grant funding where we have a little bit left over. We'll get those out so that we can get those to you by either January or March. I believe that depending on what we fund out about sort of the timing on some of those, if folks need more time, especially on that small developmentally disabled RFA, that one may come to you in April.

You know, we're still on track with the SAIL coming to you in March. And the preservation one that we had gone out with, specifications got challenged around the senior center list that we had, that we had utilized, which was done by another agency. It wasn't designed to withstand the sort of scrutiny that it might get from our process and the legal focus around that. So we'll revamp the scoring on that and get that one reissued fairly quickly. And then sort of as -- we'll prioritize getting the state funding scored, so that preservation RFA, the results of it may not
be brought to the Board until April versus March. But we'll get it reissued, you know, in the coming weeks so that folks can see the scoring and get that out there.

So we're continuing. We approved, I think today, 220 million in tax credits and almost 60 and a half in grant funding, so we're getting the resources out there and we'll continue to get the rest of them out there, you know, through the -- really the first quarter of next year.

MR. CHAIR: Very good. I think it's time to adjourn this meeting. It is 10:18 a.m. Thank you. We'll see you in St. Augustine.

MR. TYLKA: Move to adjourn.

MR. HAWTHORNE: Seconded.

(Meeting adjourned at 10:18 a.m.)

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