

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
May 5, 2017**

TIME: 8:30 a.m.

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

BOARD MEMBERS PRESENT:

Barney Smith, Chairman
Ray Dubuque, Vice Chairman
Natacha Munilla Bastian
Renier Diaz de la Portilla (entered meeting late)
Julie Dennis
John Hawthorne
Martha Lanahan
Ron Lieberman

CORPORATION STAFF PRESENTING:

Ken Reecy
Hugh Brown
Jacqui Peters
Trey Price
David Westcott

OTHERS PRESENTING:

Gary Cohen, Shutts & Bowen
Mark Hendrickson, Association of Local Housing Finance Authorities
Alison Colvard, Noah's Ark of Central Florida
Paula Rhodes, Coalition of Affordable Housing Providers

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

Chairman Smith welcomed new Board Member Marty Lanahan, the newly appointed banking industry representative.

MINUTES

Item A, Approval of Minutes of the March 24, 2017, Board Meeting. Chairman Smith asked for a motion to approve the Minutes of the March 24, 2017, Board Meeting.

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

FISCAL

Item A, Unrestricted Net Position Designations. Barb Goltz asked the Board to approve the designation categories of unrestricted net position as set forth in the write up in the Board Package.

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

Board Member Renier Diaz de la Portilla joined the meeting at this point.

HARDEST-HIT FUND (HHF)

Item A, Request Permission to Re-allocate Funding among the Hardest Hit Fund Programs. David Westcott asked the Board to authorize staff to move funds, including repayments and any funds authorized for administrative expenses that are not fully utilized, to any approved HHF program subject to further approvals and recommendations from Florida Housing's counsel, US Treasury and the appropriate Florida Housing staff.

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

LEGAL

Item A, Marlyn Behavioral Health Systems Inc. d/b/s Quality Resource Center v. Florida Housing. Hugh Brown asked the Board to adopt the consent agreement in the Marlyn Behavioral Health Systems matter and issue a final order in accordance with the agreement.

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

LEGISLATIVE

Jacqui Peters updated the Board on the soon to conclude legislative session and how it will impact Florida Housing.

MULTIFAMILY PROGRAMS

Item A, Request for Applications (RFA) RFA 2016-113, Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties.

Ken Reecy asked the Board to approve the recommendation of the review committee for RFA 2016-113, Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties, and adopt the scoring results and authorize the tentative selection of the seven applications set forth in Exhibit B for funding and invitation into credit underwriting. He stated that due to the complaint that was filed pursuant to the Board action on March 24, staff further recommended that if at the end of the due process associated with the complaint Pinnacle Housing Group is subject to a two-year timeout, then application 2017-211C be removed from the list of developments funded through the RFA, and staff be authorized to invite into credit underwriting the highest-ranked Broward County application in accordance with the ranking recommended by the review committee that was not submitted by Pinnacle Housing Group. He stated that Application 2017-2412C, Saratoga Crossings, was the top-ranked Broward County application, and 2017-223C, Village View, was the second-ranked Broward County application recommended for funding in that event. He stated an unallocated balance of housing credits would remain based on the committee's recommendation, and that if no notice of protest or formal written protest is filed in accordance with Florida Statutes, staff will issue a letter of preliminary award to the applications set forth in Exhibit B. He stated that if a notice of protest or formal written protest is filed in accordance with Florida Statutes, then at the completion of all litigation, staff will present all recommended orders for Board approval prior to issuing invitations to credit underwriting.

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

Gary Cohen, representing Pinnacle Housing Group, asked the Board to deny the staff's recommendation, as he believed that at the March 24, 2017, meeting, the Board voted to protect any Pinnacle deals that were already in the pipeline, even though the Board voted to impose a two-year ban against the developer going forward.

Hugh Brown stated that on March 24, 2017, the application in question was not in the pipeline, as it was only in the application phase at that point.

Ken Reecy stated that deals are considered to be in the pipeline once they were invited into credit underwriting.

Motion passed unanimously with Renier Diaz de la Portilla recusing himself from the vote.

Ray Dubuque asked that a clear definition of the term pipeline be developed. Mr. Reecy stated that the next time the rule is open for changes, staff will do that.

Item B, Request for Applications (RFA) 2016-116, Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments. Ken Reecy asked the Board to approve the recommendation of the review committee for RFA 2016-116, Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments, and adopt the scoring results and authorize the tentative selection of the seven applications set forth in Exhibit D for funding. He stated that the remaining unallocated balance may be distributed as approved by the Board. He stated that if

no notice of protest or formal written protest is filed in accordance with Florida Statutes, staff will issue a letter of preliminary award to the applications set forth in Exhibit D. He stated that if a notice of protest or formal written protest is filed in accordance with Florida Statutes, then at the completion of all litigation, staff will present all recommended orders for Board approval prior to invitation to credit underwriting.

Motion to approve staff's recommendation was made by Mr. Lieberman with a second by Mr. Diaz de la Portilla. Motion passed unanimously.

Item C, Request for Applications (RFA) 2017-102, Housing Credit and SAIL Financing to Provide Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives. Ken Reecy asked the Board to approve the recommendation of the review committee for RFA 2017-102, Housing Credit and SAIL Financing to Provide Affordable Multifamily Rental Housing that is Part of Local Revitalization Initiatives, and adopt the scoring results and authorize the tentative selection of the two applications set forth in Exhibit F for funding. He stated that the remaining unallocated balance may be distributed as approved by the Board. He stated that if no notice of protest or formal written protest is filed in accordance with Florida Statutes, staff will issue a letter of preliminary award to the applications set forth in Exhibit F. He stated that if a notice of protest or formal written protest is filed in accordance with Florida Statutes, then at the completion of all litigation, staff will present all recommended orders for Board approval prior to invitation to credit underwriting.

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

Item D, Request for Applications (RFA) 2017-104, SAIL Funding to Preserve Farmworker and Commercial Fishing Worker Housing. Ken Reecy asked the Board to approve the recommendation of the review committee for RFA 2017-104, SAIL Funding to Preserve Farmworker and Commercial Fishing Worker Housing, and adopt the scoring results which found that the one application submitted was ineligible for funding. He stated that consequently, the entire \$5.75 million remained unawarded and added that staff would come back to the Board with recommendations on how to handle those funds.

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

PROFESSIONAL SERVICES SELECTION (PSS)

Item A, Request for Qualifications (RFQ) 2017-02, Bond Counsel Services. Hugh Brown asked the Board to approve the review committee's recommendation regarding RFQ 2017-02 for Bond Counsel Services to enter into contract negotiations with the top four respondents as follows: Bryant, Miller & Olive, P.A., jointly with Knowles & Randolph, P.A.; Greenberg Traurig, P.A., jointly with Edwards & Feanny, P.A.; Squire Patton Boggs, LLP, jointly with the Law Offices of Steve E. Bullock; and Kutak Rock. Further, he asked that should the negotiations with any of the respondents fail, to authorize Florida Housing staff to enter into negotiations with the fifth ranked respondent, Hawkins Delafield and Wood, LLP, jointly with Murai Wald Biondo & Moreno, PLLC.

Motion to approve staff's recommendation was made by Ms. Bastian with a second by Mr. Diaz de la Portilla. Motion passed unanimously.

Item B, Request to Issue Competitive Solicitation for Investment Manager Services. Barb Goltz asked the Board to authorize staff to go out with a competitive solicitation for Investment Manager Services.

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

SINGLE FAMILY BONDS

Item A, Request Approval to Issue Mortgage Credit Certificates (MCC). David Westcott asked the Board to approve Resolution 2017-07 authorizing the issuance of up to \$450 million of 2014 carryforward volume cap as mortgage revenue bonds and to authorize single family program staff to take all actions necessary to create and implement the new 2017 MCC Program subject to further approvals by bond counsel, special counsel and appropriate Florida Housing Staff.

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

CONSENT AGENDA

Chairman Smith asked for a motion to approve the items on the Consent Agenda with the exception of SAIL Consent Item C, which was pulled from consideration.

Motion to approve the items on the Consent Agenda with the exception of SAIL Item C was made by Mr. Dubuque with a second by Mr. Lieberman. Motion passed unanimously with Ms. Lanahan abstaining from the vote on Special Assets Item E.

PUBLIC COMMENT

Mark Hendrickson, Director of the Association of Local Housing Finance Authorities, thanked Jacqui Peters and other Florida Housing staff for their hard work during the legislative session.

Alison Colvard, representing Noah's Ark of Central Florida, invited the Board Members to the grand opening of the Villages at Noah's Landing, a community for adults with developmental disabilities which was awarded funding from Florida Housing.

Paula Rhodes, representing the Coalition of Affordable Housing Providers (CAHP), notified the Board that at its recent meeting, CAHP amended its bylaws to allow for the revocation of good standing of a member if said member engaged in activities that reflect a standard of behavior that is not appropriate or proper, and she added that the good standing of Pinnacle Housing Group had been revoked.

Chairman Smith adjourned the meeting at 9:43 a.m.