

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
June 9, 2006**

TIME: 9:00 a.m.

LOCATION: Hyatt Regency Orlando Airport
9300 Airport Blvd.
Orlando, FL 32827

BOARD MEMBERS PRESENT:

Terry Santini, Chairman
Lynn Stultz, Vice Chairman
James F. Banks, Jr.
Cesar Calvet
Thaddeus Cohen
David Oellerich
J. Luis Rodriguez
Zully Ruiz
Sandra Terry

CORPORATION STAFF PRESENT:

Stephen P. Auger, Executive Director
Wayne Conner
Laura Cox
Rebecca DeLaRosa
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Vicki Robinson
David Westcott

ADVISORS AND OTHERS PRESENT:

Bill Johnston, WLJ Capital/TIBOR Partners
Tom Lang, Shuffield, Lowman
Junious Brown, Nabors, Giblin & Nickerson
Earl Pfeiffer, Florida Home Partnership
Sam Durso, Habitat for Humanity for Collier County
Tom Crawford, Housing and Community Services for St. John's County
Lainie Lowery, RCL Consulting
Wade Weeks, Deloitte & Touche

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

MINUTES

Chairman Santini asked for a motion to approve the Minutes of the April 21, 2006, Board Meeting.

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

PRESENTATION

Chairman Santini recognized Steve Auger to address the Board. Mr. Auger reminded everyone that in conjunction with Homeownership Month the Homebuyer Expo would take place on Saturday, June 10, and invited all to attend. David Westcott gave a brief summary of homeownership programs and introduced Earl Pfeiffer, of the Florida Home Partnership, Sam Durso, of Habitat for Humanity for Collier County, Tom Crawford, of Housing and Community Services for St. John's County, and Lainie Lowery, of RCL Consulting, who led a panel discussion on the issues related to providing affordable homeowner housing.

FISCAL

Chairman Santini recognized Barb Goltz to address the Board regarding Fiscal matters.

Item A, Audit of 2005 Financial Statements. Ms. Goltz introduced Wade Weeks, of Deloitte and Touche, who gave an overview of the audit process and findings. Ms. Goltz asked the Board to accept the audit as presented.

Motion to accept the audit was made by Mr. Rodriguez with a second by Ms. Ruiz.

Ms. Goltz presented a review of 2005 and June Year-to-Date 2006 financial results. Significant items reported are as follows. There was an increase in Net Assets for the year ended December 31, 2005 for all funds combined of \$458.6 million. Documentary stamp tax collections were the major contributor to this increase. Separately, the Operating Fund experienced a \$7.6 million increase in Net Assets. The Operating Fund results for 2006 year-to-date are ahead of the 2005 results for this same period. In addition, 2006 Operating Fund net results are ahead of expectations when compared to the adopted 2006 operating budget. One major improvement is increased interest rates which have had a positive impact on investment earnings in 2006. Multifamily bond closings have increased in 2006 compared to 2005. Single family loan reservations for the five month period ending May 2006 are \$131 million compared to \$51 million at May 2005, an \$80 million increase. Based on results year-to-date, the full 2006 year operational results are expected to be better than 2005.

LEGISLATIVE

Chairman Santini recognized Rebecca DeLaRosa to brief the Board on Legislative matters.

Ms. DeLaRosa provided a recap of the 2006 Legislative session and bills pertaining to Florida Housing.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Chairman Santini recognized Vicki Robinson to brief the Board on EHCL matters.

Item A, 2006 EHCL Final Rankings. Ms. Robinson stated that the EHCL Program Application Cycle opened on February 20, and four applications were received for the estimated \$1.4 million available in funding before it closed on April 5. She stated that two of the applications were withdrawn and asked the Board to approve funding for Mount Carmel Gardens and Towers of Jacksonville, the two remaining eligible applications.

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

HOMEOWNERSHIP PROGRAMS

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

Item A, Approval of Amended Rule Chapter 67-51, Florida Administrative Code, for the Homeownership Assistance for Moderate Income (HAMI) Program. Mr. Westcott asked the Board to approve the final draft of Rule Chapter 67-51, Florida Administrative Code, for the Homeownership Assistance for Moderate Income Program. Chairman Santini asked how to get more lenders involved in Florida Housing's homeownership programs. Mr. Westcott stated that staff is currently looking at ways to make the programs accessible to more lenders.

Motion to approve the recommendation to approve the new rule was made by Ms. Stultz with a second by Ms. Ruiz. Motion passed unanimously.

HURRICANE PROGRAMS

Chairman Santini recognized Nancy Muller to brief the Board on Hurricane Program matters.

Item A, Emergency Rule Development for the Establishment of the Farmworker Housing Recovery Program and the Special Housing Assistance and Development Program. Ms. Muller stated that in 2005 the Hurricane Housing Work Group developed a set of programs to assist long-term recovery from the 2004 hurricanes, and during the current year's legislative session, the Governor and the Legislature reconsidered programs that were not funded in 2005. She reported that the Legislature appropriated \$15 million for a Farmworker Housing Recovery Program and the Special Needs Program. She asked the Board to authorize staff to begin the emergency rulemaking for these programs

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

MULTIFAMILY BONDS

Chairman Santini recognized David Westcott to brief the Board on Multifamily Bond matters.

Item A, Mariner's Club Apartments Revised Credit Underwriting Report. Mr. Westcott asked the Board to approve the revised credit underwriting report for Mariner's Club to allow for a construction completion guarantee and a funding agreement from Fairfield to replace certain conditions that were listed in the original credit underwriting report.

Motion to approve the recommendation was made by Mr. Banks with a second by Ms. Stultz.

Secretary Cohen asked several questions about guarantees related to construction, and Ms. Ruiz asked several clarifying questions about replacement reserves.

Motion passed unanimously

PREDEVELOPMENT LOAN PROGRAM (PLP)

Chairman Santini recognized Nancy Muller to brief the Board on Predevelopment Loan Program matters.

(Chairman Santini left the meeting room.)

Item A, Approval to Begin Rule Development for Rule Chapter 67-38, Florida

Administrative Code. Ms. Muller stated that every year the Predevelopment Loan Program rule is updated to make sure the program is responsive to the current market. She asked the Board to approve staff's request to begin the rule development process for Rule 67-38, Florida Administrative Code, for the Predevelopment Loan Program.

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

Item B, Modification/Reduction in Units, Reduction in PLP Loan Amount and PLP Loan Extension for Westview Terrace.

Ms. Muller stated that on July 18, 2004, Opa-Locka Community Development Corporation closed on a PLP loan in the amount of \$500,000, with a three year term, for Westview Terrace. She stated that on May 9, 2006, the developer asked to modify the scope of the development, reduce the number of units and extend the term of the PLP loan. She stated that the technical assistance provider recommended approval of the modification and a one-year extension. She asked the Board to approve the developer's request to reduce the number of units from 421 to 387, allowing 50 of the 387 to be homeownership units, reduce the loan amount proportionately to \$460,000, and grant a one-year extension to the PLP loan term to July 18, 2007.

Motion to approve the recommendation was made by Mr. Banks with a second by Ms. Ruiz.

Secretary Cohen asked several questions related to the program, and Ms. Muller talked about the mission of the PLP Program being oriented to helping inexperienced nonprofits develop capacity in addition to funding predevelopment costs.

(Chairman Santini returned to the meeting room.)

Ms. Ruiz expressed concern about the 25 percent rule and the 50 percent rule, as well as the condo documents, and indicated that she would not be in a position to vote on this item.

(Secretary Cohen left the meeting room.)

Motion passed with Ms. Ruiz abstaining from the vote.

PROFESSIONAL SERVICES SELECTION (PSS)

Chairman Santini recognized Nancy Muller to brief the Board on PSS matters.

Item A, Development of Transitional Housing for Youths Aging out of Foster Care. Ms. Muller stated that at the December 9, 2005, meeting, the Board authorized staff to issue an RFP for development and/or rehabilitation of transitional housing for youths aging out of foster care, an RFP was issued, and 11 proposals were received by the deadline of March 17, 2006. She asked the Board to approve the ranking of the 11 proposals and authorize funding of proposals ranked one through four as proposed, and to partially fund Turtle Nest Village in an amount up to \$400,000, with the restriction that the total development cost does not exceed 75 percent, and contingent upon successful negotiations between the parties of the loan term; and, if additional funding becomes available because another proposal drops out, offer the additional funding to Turtle Nest Village to fully fund the \$1 million request.

Motion to approve the recommendation was made by Mr. Calvet with a second by Mr. Banks. Motion passed unanimously.

Chairman Santini recognized David Westcott to brief the Board on PSS matters.

Item B, Community Workforce Housing Innovation Pilot Program. Mr. Westcott asked the Board to authorize staff to begin working on an RFP and rule development for the Community Workforce Housing Innovation Pilot Program created and funded by the 2006 Legislature.

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

Item C, Affordable Housing Through Community Land Trusts. Mr. Westcott asked the Board to approve the six responses to the RFP for Affordable Housing Through Community Land Trusts, subject to the conditions listed in the write up in the Board Package.

Motion to approve the recommendation was made by Mr. Calvet with a second by Mr. Banks. Sandra Terry recused herself from the vote. Motion passed unanimously.

Chairman Santini recognized Vicki Robinson to brief the Board on PSS matters.

Item D, Housing for Special Needs Populations. Ms. Robinson asked the Board to approve funding for the top five proposals received for the development of housing for special needs populations, and authorize staff to issue preliminary commitment letters and proceed with loan closing activities.

Motion to approve the recommendation was made by Ms. Stultz with a second by Ms. Ruiz. Motion passed unanimously.

Item E, Development and Rehabilitation of Farmworker Housing. Ms. Robinson asked the Board to approve funding for both proposals received in the RFP for the Development and Rehabilitation of Farmworker Housing to award SAIL funds for farmworker housing.

Motion to approve the recommendation was made by Mr. Rodriguez with a second by Mr. Calvet. Motion passed unanimously.

Item F, Housing Credit Developments Located in the Wilma GO Zone. Ms. Robinson asked the Board to accept the review committee's ranking and to fund in order of ranking up to \$6,496,000 for housing credit developments located in the Wilma GO Zone. She also asked the Board to authorize staff to keep the unfunded developments on a ranked waiting list in the event SAIL funds become available after funding of all eligible SAIL developments from the 2006 Universal Cycle and after granting any petitions for rule waiver funded through the 2005 SAIL Farmworker RFP, to increase their SAIL funds loans up to the 2006 request limits and asked the Board to allow those funds to be used to fund the developments on the ranked waiting list.

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

Chairman Santini recognized Laura Cox to brief the Board on PSS matters.

Item G, Pool of Qualified Contractors. Ms. Cox asked the Board to authorize staff to include A.J. Johnson Consulting Services, Inc., and Preferred Compliant Solutions on the approved list of qualified contractors to perform the scope of work necessary to seek a waiver from recertification of tenant income as permitted by the Internal Revenue Code and SAIL statute.

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

SINGLE FAMILY BONDS

Chairman Santini recognized Barb Goltz to brief the Board on Single Family Bond matters.

Item A, Single Family Homeowner Program. Ms. Goltz asked the Board to approve the necessary funding, including reimbursement amounts, to provide program funding between bond issues, authorize staff actions, and approve the resolution to permit the issuance of the proposed 2006 Phase III homeowner mortgage revenue bonds for up to \$250 million of new bonds for the Single Family Homeowner Program.

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

Item B, Report on the 2006 2-3 Bond Sale. Ms. Goltz referred the Board Members to the pricing book provided in regard to the bond sale that took place in early May. She stated that a unique feature of the sale was the \$25 million that Freddie Mac purchased for 25 basis points below the market, allowing mortgage rates to be reduced as a result.

STATE HOUSING INITIATIVES PARTNERSHIP (SHIP)

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

Item A, Rule Development for Rule Chapter 67-37, Florida Administrative Code. Ms. Muller asked the Board to approve staff's request to begin the rule development process for Chapter 67-37, Florida Administrative Code.

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

SPECIAL ASSETS

Chairman Santini recognized Laura Cox to brief the Board on Special Asset matters.

Item A, Authorization to Negotiate the Transfer of the Set-Aside Restrictions for Arundel Apartments. Ms. Cox asked the Board to authorize staff to negotiate the transfer of set-aside restrictions for Arundel Apartments. She stated that Arundel received a final allocation of housing credits in 1990, but due to noncompliance, the developer was removed from the Housing Credit Program. She added that the property was sold in July 2005 and the new owner has asked to transfer the restrictions to this property on a two for one basis.

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

CONSENT AGENDA

Chairman Santini asked the Board to approve staff recommendations on the Consent Agenda. Mr. Auger stated that SAIL Consent Item C, Spring Haven, and RRLP Consent Item A, Johnson Lakes, were being withdrawn from consideration.

Motion to approve staff's recommendations on the Consent Agenda with the exception of SAIL Item C and RRLP Item A was made by Ms. Stultz with a second by Mr. Rodriguez. Motion passed unanimously.

Hearing no further business, Chairman Santini adjourned the June 9, 2006, Board of Directors' Meeting at 12:22 p.m.