

**Florida Housing Finance Corporation
Telephonic Board of Directors' Meeting Minutes
December 6, 2013**

TIME: 9:05 a.m.

LOCATION: Via Telephone

BOARD MEMBERS PRESENT:

Barney Smith, Chairman
John Hawthorne
Brian Katz
Bill Killingsworth
Len Tylka

CORPORATION STAFF PRESENT:

Stephen P. Auger
Sheila Freaney
Ken Reecy

ADVISORS AND OTHERS PRESENT:

Doug McCree, First Housing
Brian McDonough, Stearns, Weaver, Miller

Chairman Smith called the meeting to order at 9:05 a.m.

Steve Auger called the roll and confirmed there was a quorum.

MULTIFAMILY BONDS

Item A, Request Approval of the Final Credit Underwriting Report and Approval of the Transfer, Assumption, Renegotiation, and Subordination of the SAIL Loan and EUA for The Hamlet at Walden Pond (2013-101B). Steve Auger stated that a telephonic meeting was called to present this credit underwriting report to the Board so the transaction could go to the last cabinet meeting of the year on December 10 for approval, which will allow it to close before the end of 2013.

Ken Reecy stated that the Applicant submitted an Application for \$18.8 million in tax exempt bonds and \$1.2 million in non-competitive housing credits to acquire and rehabilitate The Hamlet at Walden Pond. He stated that the development received a \$3.7 million SAIL loan in 1993 and a 9% housing credit allocation of \$1.7 million in 1995. He stated that there are currently Land Use Restriction (LURA) and Extended Use Agreements (EUA) on the development.

Mr. Reecy stated that the costs for the acquisition/rehabilitation are \$37.5 million, which is an increase of approximately \$90,000 from the Application due to compliance and architectural fees.

Mr. Reecy asked the Board to approve the recommendation of the credit underwriter and allocate \$18,830,000 in tax exempt bonds for the acquisition and rehabilitation of the Development and the transfer of the Development, assumption, renegotiation and subordination of the SAIL loan with the new terms and existing EAU, and the extension of the LURA affordability period subject to further approvals and verifications by the credit underwriter, bond counsel, special counsel and appropriate Florida Housing staff.

Motion to approve staff's recommendation was made by Len Tylka with a second by John Hawthorne.

Chairman Smith asked about the difference between elderly and frail elderly, whether the transaction would have a performance bond or a letter of credit, and the requirement to have a construction completion guarantee, which are all referenced in the credit underwriting report.

Steve Auger explained that frail elderly refers to elders that have mental or physical restrictions that require additional core services. He stated that the amended LURA would allow the units to be rented to all elders, not just frail elders, as was required in the original LURA.

Steve Auger stated that the performance bond is the standard requirement, and use of a letter of credit would have to be approved by the Board.

Brian McDonough, of Stearns, Weaver, Miller, the Applicant's attorney, said this deal would have a performance bond.

Steve Auger stated that the construction completion guarantee was applicable to this deal. The credit underwriter, Doug McCree of First Housing, concurred.

John Hawthorne asked what the impact would be if this transaction goes forward. Steve Auger stated that from a financial perspective, Florida Housing will receive fees from issuing the bonds. He added that a 20 year old property in Miami-Dade will get a significant rehab and extend its affordability period for an additional 16 years.

Barney Smith asked if the deal was cross-collateralized during the construction period. Steve Auger stated that the loan from Fannie Mae is collateralizing the bonds which will then get paid off by the Fannie Mae loan, which makes it very low risk for Florida Housing.

Motion passed unanimously.

Item B, Assignment of Bond Underwriters and Structuring Agents. Ken Reecy asked the Board to approve the assignment of RBC Capital Markets, LLC, as the bond underwriter and structuring agent for the Hamlet at Walden Pond bond sale.

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

Item C, Request Approval of the Method of Bond Sale Recommendation from Florida Housing's Senior Financial Advisor. Ken Reecy asked the Board to approve the private placement method of bond sale as recommended by Tibor Partners, Inc., Florida Housing's senior financial advisor, for the Hamlet at Walden Pond bond sale.

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

Hearing no further business, Chairman Smith adjourned the December 6, 2013, Telephonic Board of Directors' Meeting at 9:20 a.m.