

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
September 22, 2017**

TIME: 8:30 a.m.

LOCATION: Senate Office Building
Committee Meeting Room 110
400 S. Monroe Street
Tallahassee Florida

BOARD MEMBERS PRESENT:

Barney Smith, Chair
Ray Dubuque, Vice Chair
LaTasha Green-Cobb
Ron Lieberman
Natacha Munilla Bastian
Julie Dennis

CORPORATION STAFF PRESENTING:

Trey Price
Hugh Brown
Rob Dearduff
Barb Goltz
Brantley Henderson
Chris McGuire
Nancy Muller
Betty Zachem

OTHERS PRESENTING:

Michael Donaldson, Carlton Fields
Maureen Daughton
Brian Evjen, Norstar Development
Michael Glazer, Ausley McMullen
David Iloanya, Tampa Housing Authority
Debbie Johnson, Pinellas County Housing Authority
Matt Rieger, Housing Trust Group

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

MINUTES

Item A, Approval of Minutes of the July 28, 2017, Board Meeting. Chairman Smith asked for a motion to approve the Minutes of the July 28, 2017, Board Meeting.

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

HURRICANE IRMA DISASTER RESPONSE AND RECOVERY

Rob Dearduff, Florida Housing's liaison to the Department of Emergency Management, and Nancy Muller, briefed the Board on state and federal post-hurricane response and recovery efforts around the state, as well as the preliminary discussions about what Florida Housing will do with any disaster recovery funds it receives.

Chairman Smith welcomed and introduced new Board Member LaTasha Green-Cobb.

LEGAL

Item A, Pinnacle Housing Group – Approval of Settlement Agreement. Hugh Brown reminded the Board that in March 2017, it approved an administrative complaint against Pinnacle Housing Group and certain related affiliates and principals of the group which arose from a federal investigation involving four tax credit developments wherein Pinnacle inflated construction costs. He stated that the federal case ended with a deferred prosecution granted wherein Pinnacle agreed to pay a fine and admit to certain facts, after which Florida Housing issued an administrative complaint and order of temporary suspension of all Pinnacle transactions. He stated that the case was scheduled for trial in November 2017, but the parties ultimately agreed to undergo mediation in order to resolve the matter. He asked the Board to approve staff's recommendation to approve the settlement agreement which covers all pending litigation between the parties. He introduced Michael Glazer, the corporation's outside counsel on the matter, to brief the Board on the settlement agreement.

Michael Glazer, of the law firm of Ausley McMullen, outlined the details of the settlement agreement for the Board, and also advised the Board to approve the agreement.

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

Item B, Madison Point LLC and American Residential Development LLC vs. Florida Housing Finance Corporation. Hugh Brown stated that the case of Madison Point and American Residential Development vs. Florida Housing, with HTG Hudson and Heritage Oaks as intervenors, arose from RFA 2016-113, the housing credit RFA for the six larger counties outside of Miami-Dade. He stated that all applicants in the case were found to be eligible for funding during scoring, but only Heritage Oaks ranked high enough to be selected for funding, and Madison Point and American Residential Development protested the scoring of that application alleging that it was ineligible for failure to select the correct development category, for inaccurate responses to questions regarding occupancy status, and for failure to submit a valid local government contribution form. He stated that during the course of the litigation, Florida

Housing agreed with the petitioners on the issue of occupancy status, and as a result, Heritage Oaks should not have been funded. He stated that the administrative law judge issued an order recommending that the Board find Heritage Oaks ineligible on the basis of the occupancy status response and award funding to Madison Point. He stated that Heritage Oaks filed exceptions to the recommended order. He asked the Board to approve staff's recommendation to deny the exceptions filed by Heritage Oaks and to adopt the recommended order as its final order without changes.

Michael Donaldson spoke on behalf of Heritage Oaks and asked the Board to grant Heritage Oaks' exceptions.

Brian Evjen, of Norstar Development, a co-developer of Heritage Oaks, echoed Mr. Donaldson's comments.

Debbie Johnson, executive director of Pinellas County Housing Authority, a co-developer of Heritage Oaks, also echoed Mr. Donaldson's comments.

Betty Zachem, in-house attorney for Florida Housing, spoke in support of staff's recommendation to deny the exceptions filed by Heritage Oaks.

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

Item C, Blue Broadway LLC v. Florida Housing Finance Corporation. Hugh Brown stated that the case of Blue Broadway vs. Florida Housing also stems from RFA 2016-113, and during scoring Blue Broadway was determined to be eligible, but ranked below West River, which was tentatively selected for funding. He stated that Blue Broadway protested the scoring alleging that West River was ineligible for failing to fully disclose the principals of the developer as required in the RFA. He stated that during discovery Florida Housing staff concluded that West River had, indeed, failed to fully disclose the principals and agreed with the Petitioner, Blue Broadway, and an administrative law judge issued an order recommending that West River be found ineligible and that Blue Broadway be funded instead. He stated that Blue Broadway filed exceptions to the order. He asked the Board to approve staff's recommendation to adopt the recommended order as its final order without changes and reject the exceptions filed.

Maureen Daughton, representing West River, spoke in opposition to staff's recommendation.

David Iloanya, director of real state development for Tampa Housing Authority, also spoke in opposition to staff's recommendation.

Chris McGuire, representing Florida Housing, spoke in support of staff's recommendation.

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

MULTIFAMILY PROGRAMS

Item A, Request for Applications (RFA) 2017-109, Development Viability Loan Funding. Brantley Henderson asked the Board to approve the recommendation of the review committee for RFA 2017-109, for development liability funding, and adopt the scoring results and authorize the tentative selection of the seven applications set forth in Exhibit B for funding. 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 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 invitation to credit underwriting.

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

PROFESSIONAL SERVICES SELECTION (PSS)

Item A, Request for Qualifications (RFQ) 2017-01, Credit Underwriting, Construction and Permanent Loan Servicing and Compliance Monitoring. Barb Goltz stated that RFQ 2017-01 was issued for Credit Underwriting, Construction and Permanent Loan Servicing and Compliance Monitoring services and asked the Board to approve the review committee's recommendation to enter into contract negotiations with all three respondents, Amerinat, LLC, First Housing Development Corporation of Florida, and Seltzer Management Group, Inc.

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

Item B, Request for Qualifications (RFQ) 2017-05, Investment Managers. Barb Goltz stated that RFQ 2017-05 was issued for Investment Managers and asked the Board to approve the review committee's recommendation to enter into contract negotiations with the two highest scoring respondents, Logan Circle Partners, LP, and PFM Asset Management, LLC, but should negotiations fail with either of the top two, to authorize staff to negotiate with the third highest scoring respondent, Chandler Asset Management.

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

CONSENT AGENDA

Chairman Smith asked for a motion to approve the items on the Consent Agenda.

Motion to approve the items on the Consent Agenda was made by Mr. Dubuque with a second by Ms. Green-Cobb. Motion passed unanimously.

Chairman Smith commended Matt Rieger, whose company, Housing Trust Group, received an award from Affordable Housing Finance magazine for the multifamily project of the year. Mr. Rieger thanked Chairman Smith.

PUBLIC COMMENT

No public comment was offered.

Chairman Smith adjourned the meeting at 9:45 a.m.