

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
April 21, 2006**

TIME: 9:00 a.m.

LOCATION: Tallahassee City Hall Commission Chambers
300 South Adams Street
Tallahassee, FL 32301

BOARD MEMBERS PRESENT:

Terry Santini, Chairman
Lynn Stultz, Vice Chairman
James F. Banks, Jr.
J. Luis Rodriguez
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
Ian Smith
David Westcott

ADVISORS AND OTHERS PRESENT:

Bill Johnston, WLJ Capital/TIBOR Partners
Tom Lang, Shuffield, Lowman
Mark Mustian, Nabors, Giblin & Nickerson
Marc Plonskier, Coalition of Affordable Housing Providers
Scott Culp, CED Companies
Lloyd Boggio, Carlisle
Barbara Tyrrell
David Christian, Bank of America
Karla Kobell

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 March 3, 2006, Board Meeting.

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

Chairman Santini recognized Steve Auger to address the Board. Mr. Auger introduced Marc Plonskier, who, along with Scott Culp, Lloyd Boggio, Barbara Tyrell, David Christian and Karla Kobell, gave an overview of the multifamily development process and the current issues faced by the industry, from the varying perspectives of for profit and non-profit developers, lenders, investors and management companies.

APPLICATION CYCLES

Chairman Santini recognized Vicki Robinson to address the Board regarding Application Cycle matters.

Item A, Application Cycles. Ms. Robinson asked the Board to authorize staff to begin the emergency rule making process in order to expedite the distribution of hurricane recovery funds once they are allocated.

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

HOME RENTAL

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

Item A, Termination of HOME Loan for Laurel Gardens. Ms. Robinson stated that staff received a letter from the developer of Laurel Gardens Apartments, a proposed 30 unit elderly development in Hendry County which closed on June 29, 2005, stating that they would not be able to proceed with construction due primarily to increased construction costs. She asked the Board to approve the release of the mortgage and other loan documents, including the land use restriction agreement, subject to the developer reimbursing Florida Housing for all legal and underwriting costs associated with obtaining the loan, as well as any costs associated with preparing the termination documents.

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

HOMEOWNERSHIP POOL PROGRAM

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

Item A, Approval of Rule Chapter 67-57, Florida Administrative Code, for the Homeownership Pool (HOP) Program. Mr. Westcott asked the Board to approve the new rule for the Homeownership Pool Program. Mr. Auger stated that in response to the many funding de-obligations in the Homeownership Program, the single family staff has retooled the program to focus on providing assistance directly to homebuyers as opposed to offering construction funding to developers. Mr. Westcott also asked for approval of the Notice of Change for Rule Chapter 67-57, F.A.C., and the Notice of Funding Availability for the Homeownership Pool Program and asked the Board to authorize staff to file the rule for adoption if a second Notice of Change is not required. Mr. Meffert stated that the two items needed to be taken up for a vote separately.

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

Motion to approve the recommendation to approve the Notice of Change and Notice of Funding Availability was made by Ms. Stultz with a second by Mr. Banks. Motion passed unanimously.

LEGISLATIVE UPDATE

Chairman Santini recognized Wellington Meffert and Rebecca DeLaRosa to brief the Board on legislative matters.

Mr. Meffert and Ms. DeLaRosa provided an update on legislative bills and funding being worked on during the legislative session.

MULTIFAMILY BONDS

Chairman Santini recognized Wayne Conner to brief the Board on Multifamily Bond matters.

Item A, Mariner's Club Apartments Credit Underwriting Report. Mr. Conner asked the Board to approve the credit underwriting report for Mariner's Club, excluding Special Condition No. 1, which deals with potential settlement of lawsuits, subject to the review and approval of counsel, credit underwriters and Florida Housing staff.

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

Item B, Mariner's Club Apartments Bond Allocation. Mr. Conner asked the Board to approve the allocation of \$30 million in tax-exempt private activity bonds to Mariner's Club Apartments subject to further approvals and verifications by the credit underwriter, bond counsel, special counsel and Florida Housing staff.

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

Item C, Stratford Landings and Granada Bay LURA Amendments. Mr. Conner asked the Board to approve an amendment to the Land Use Restriction Agreement (LURA) for Stratford Landings and Granada Bay Apartments to correct mistakes made in the original LURA, subject to further approvals and verifications by the credit underwriter, counsel and Florida Housing staff.

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

PROFESSIONAL SERVICES SELECTION

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

Item A, Request for Proposals (RFP) for the Development and Rehabilitation of Migrant Farmworker Housing. Ms. Robinson reminded the Board that at the June 10, 2005, meeting, it authorized staff to use a portion of HOME funds to allocate hurricane housing recovery dollars targeted to migrant farmworkers. She stated that an RFP process was initiated making up to \$10 million available, and that at the January 20, 2006, meeting the Board authorized funding proposals for a total of \$10,069,680, which was \$69,680 over the amount originally authorized. She stated that one additional proposal was received before the February 28, 2006, deadline, and asked the Board to authorize funding of the proposal, as staff has verified that additional HOME funds are available. She stated that the Review Committee recommended the funding of the proposal submitted by Everglades Community Association in the amount of \$1,900,000.

Motion to approve the Review Committee's recommendation to fund the additional response was made by Mr. Rodriguez with a second by Mr. Banks. Motion passed unanimously.

SINGLE FAMILY BONDS

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

Item A, Results of the 2006 Series 1 Homeowner Mortgage Revenue Bond Sale. Ms. Goltz reported on the 2006 Series 1 bonds, noting that information on this sale was included in a pricing book the Board received previously, and thanked staff and others who worked on the deal. She stated that a low rate spot pool interest rate of 5.59% as achieved, which provides the maximum spread of one and one-eighth percent to be put into the indenture for future purposes. She stated the subsidized pool rate is 4.60 percent, using some subsidy from HOME to arrive at that low rate. She added that the community spot rate was 5.19 and the assisted spot rate was 6.29. She stated that there were huge reservations over the course of the last few weeks. She noted that the Board approved \$10 million to provide transition funding between bond sales: the next sale of \$100 million would occur May 2 and 3.

Chairman Santini asked why the multifamily bonds were sitting stagnant while the single family bonds were flying. Ms. Goltz started it was partly due to escalating construction and finance costs and rents staying flat, which adds risk to the long-term viability of the multifamily deals. She added that a lot of subsidy goes into the single family bonds for down payment assistance. Mr. Conner added that multifamily bond deals are extremely expensive. Ms. Santini asked if anything was done to incentivize developers to come back for multifamily bonds. Mr. Auger stated that in recent years some of the credit underwriting standards for the SAIL program have changed to encourage participation. He added that staff has also worked hard to take advantage of opportunities as a result of Year 15. He stated that another thing Board Members can do is talk to local governments about the issues.

CONSENT AGENDA

Chairman Santini asked the Board to approve staff recommendations on the Consent Agenda. Mr. Auger stated that Predevelopment Loan Program (PLP) Consent Item D, Rolling Oaks, was being withdrawn from consideration.

Laura Cox stated that there was a change to Guarantee Consent Item A. She stated that the item listed James Sweeney as the Chairman of the Charlotte County Housing Finance Authority Board, but he is the Executive Director. She asked the Board to approve Charlotte County Housing Finance Authority as a qualified lending institution.

Motion to approve Charlotte County Housing Finance Authority as a qualified lending institution was made by Mr. Rodriguez with a second by Mr. Banks. Motion passed unanimously.

Motion to approve staff's recommendations on the Consent Agenda with the exception of PLP Item D and Guarantee Item A was made by Mr. Banks with a second by Ms. Stultz. Motion passed unanimously.

Hearing no further business, Chairman Santini adjourned the January 20, 2006, Board of Directors' Meeting at 11:05 a.m.