

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
March 3, 2006**

TIME: 9:00 a.m.

LOCATION: Hyatt Regency Miami
400 S.E. 2nd Avenue
Miami, Florida 33131-2197

BOARD MEMBERS PRESENT:

Terry Santini, Chairman
Cesar Calvet
Thaddeus Cohen
David Oellerich
J. Luis Rodriguez
Zully Ruiz

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:

Ignacio "Cito" Beguiristain, Auburn Trace
Ann Kashmer, City of Miami Housing Commercial Loan Committee
Bill Johnston, WLJ Capital/TIBOR Partners
Tom Lang, Shuffield, Lowman
Mark Mustian, Nabors, Giblin & Nickerson
Marc Plonskier, Coalition of Affordable Housing Providers

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 January 20, 2006, Board Meeting.

Motion to approve the Minutes was made by Secretary Cohen with a second by Mr. Oellerich. Motion passed unanimously.

Chairman Santini recognized Steve Auger to address the Board. Mr. Auger noted that at the Retreat held in December, the Board decided to include more policy discussions in Board Meetings to address issues the corporation and the affordable housing industry are facing. He reminded the Board that at the January meeting Nancy Muller gave a presentation on the history and evolution of state and federal homeownership housing policy and the roles housing finance agencies have played in that evolution. He then introduced Ms. Muller and she addressed the rental aspect of the same issue. Vicki Robinson and Wayne Conner then presented information about the basic funding pieces of typical SAIL/Bond deals and typical Tax Credit deals and how they have changed through the years. Mr. Auger then introduced Marc Plonskier, from the Coalition of Affordable Housing Providers, who presented the developers' perspective on the issues.

HOMEOWNERSHIP LOAN PROGRAM

Chairman Santini recognized David Westcott to address the Board regarding Homeownership Loan Program matters.

Item A, Willington Hill Development. Mr. Westcott asked the Board to authorize staff to deobligate HOME funds for the Willington Hill development, an application submitted in the 2003/2004 Homeownership Loan Program Cycle, as the developer notified staff that after an affordability analysis, they decided not to go forward.

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

LEGISLATIVE

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

Ms. DeLaRosa and Wellington Meffert provided an update on issues being worked on for the upcoming legislative session. They noted that affordable housing will be a hot topic during this year's session.

PROFESSIONAL SERVICES SELECTION

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

Item A, Acquisition of Land by Community Land Trusts for Affordable Housing Request for Proposals (RFP). Mr. Westcott stated that RFP 2005-04, which solicited responses from community land trusts for the acquisition of land for affordable housing, was issued on October 21, 2005, and responses were received January 31, 2006. He asked the Board to approve the Review Committee's recommendation to provide funding for four of the responses. He also asked the Board to authorize staff to go back out with another RFP for the remaining \$4,859,080 of the \$10 million originally committed for this purpose.

Motion to approve the Review Committee's recommendation to fund the four responses was made by Mr. Calvet with a second by Ms. Ruiz.

Secretary Cohen said that he had received several comments from organizations wishing to apply for funding but were unable to qualify. Mr. Auger noted that the staff expects to take a variety of issues into consideration as it revises the RFP and he reminded the Board that HOME funding is somewhat less flexible than other funding sources.

Motion passed unanimously.

Motion to authorize staff to modify and reissue the RFP was made by Mr. Rodriguez with a second by Mr. Calvet.

Secretary Cohen asked to see the revisions before the RFP was reissued. Mr. Westcott stated that after the committee came up with a final version, he would provide it to the Board Members for review. Mr. Auger stated that the Secretary would be given a chance to comment on the RFP, just as he was with the last RFP.

Motion passed unanimously.

Secretary Cohen asked if the program could be funded in the future from Florida Housing's state appropriation so it would be more flexible. Mr. Auger said that staff would explore that possibility.

Chairman Santini recognized Wayne Conner to brief the Board on PSS Item B.

Item B, Request for Proposals (RFP) for Refinancing of Section 202 Program Housing. Mr. Conner reminded the Board that at the December 2005 meeting it authorized staff to go out with an RFP to solicit proposals for refinancing and rehabilitation of elderly properties originally financed by HUD under its Section 202 Program through the use of Florida Housing bonds and HOME funds. He stated that one response was received for the refinancing and rehabilitation of Casa Santa Maria in Sarasota. He asked the Board to approve the Review Committee's recommendation to accept the proposal for this development.

Motion to approve the Review Committee's recommendation was made by Mr. Calvet with a second by Mr. Oellerich. Motion passed unanimously.

SINGLE FAMILY BONDS

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

Item A, Homeownership Assistance for Moderate Income Loan (HAMI) Program. Mr. Westcott stated that loans in the HAMI Program are made solely in conjunction with Single Family Mortgage Revenue Bond Program at a rate of 5 percent and in amounts up to \$5,000 amortized over ten years. He asked the Board to authorize staff to modify the rule to allow a raise in the interest rate as market forces warrant, and to allow the loan funds to be used by people in the Wilma Gulf Opportunity Zone. He stated that new legislation allows Florida Housing to serve households with an AMI of up to 140 percent in counties affected by Wilma, and a change to the rule would allow the HAMI loan funds to be used in conjunction with those funds. He stated that since there is no statutory requirement for a notice of funding availability, that the Board allow that part of the rule to be stricken.

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

Chairman Santini recognized Barb Goltz to brief the Board on the Single Family Bonds supplemental item.

Supplemental Item, Single Family Homeowner Program. Ms. Goltz stated that although bonds had just been sold, reservations were high enough that staff was asking the Board to approve a resolution to sell more bonds for the Homeownership Program, as they anticipate being fully reserved before the April Board Meeting. She stated that staff expected increased demand for funds, as more people will qualify for the program due to the increase of the income level to 140 percent AMI. She asked the Board to approve a resolution to sell up to \$100 million of Single Family Homeownership bonds with City Group Global Markets, Inc., as the senior management investment banker, Hawkins, Delafield & Wood as bond counsel, and Nabors, Giblin & Nickerson as special counsel. She stated it would be a negotiated sale and would be called 2006 Phase II Bonds.

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

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

Item A, Request Approval of a Change to the Permanent First Mortgage Lender for Lenox Court Apartments. Ms. Robinson stated that the developer of Lenox Court Apartments requested a change of permanent first lender to Sun America, and based on a positive recommendation received from the credit underwriter, staff recommends that the Board approve the request and direct staff to amend the appropriate SAIL loan documents

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

Item B, Christine Cove Apartments. Ms. Robinson stated that this request for approval of a credit underwriting report was being pulled from the Consent Agenda due to updated information received from the credit underwriter. She stated that in the original credit underwriting report, the site was referenced as 15.48 acres, and the site is actually 12.5 acres. She stated there was no change in the recommendation as it was written in the Consent item, and asked the Board to approve the final credit underwriting report and direct staff to proceed with the issuance of a firm loan commitment and loan closing activities.

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

SPECIAL ASSETS

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

Item A, Request Approval to Release Six Acres of Land from the Auburn Trace Apartments

SAIL LURA. Ms. Cox stated that the developer of Auburn Trace Apartments, a 256 unit development in Palm Beach County, asked to release approximately six acres of land from the development's LURA. She stated that the development received an allocation of approximately \$955,000 in housing credits in 1989, and a \$1,765,000 SAIL loan in 1992. She stated that the development is located on 37 acres divided into two parcels, with the residential units all on one side and a retention pond on the other, and that the 6.02 acres the retention pond sits on is the parcel the developer wants released. She stated that the borrowers entered into a purchase and sale agreement with the City of Delray Beach that would allow them to keep the retention pond on the parcel. She asked the Board to approve the release of the six acres subject to the conditions listed in the action item.

Motion to approve staff's recommendation was made by Mr. Calvet with a second by Mr. Oellerich.

Secretary Cohen asked what would be on the property. Ms. Cox stated that part of the land would be used for the retention pond for the high school and part of the land would be used for the Head Start program.

Ms. Ruiz asked the developer if he would make a profit on the sale of the land. Cito Beguiristain, from the Auburn Trace development, stated that the sale price was \$1.5 million, and the payoff of the SAIL loan is greater than what they would receive from the sale of the property. Ms. Ruiz asked if any funds or affordable housing units would be lost. Mr. Beguiristain said no funds or units would be lost.

Motion passed unanimously.

UNIVERSAL CYCLE

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

Item A, 2006 Universal Cycle – Review Committee. Ms. Robinson asked the Board to approve staff's recommendation to appoint Vicki Robinson, Wayne Conner, Barb Goltz and Laura Cox, from Florida Housing, and Jack Gaskins, from the Department of Community Affairs, as the Review Committee for the 2006 Universal Cycle.

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

CONSENT AGENDA

Chairman Santini asked the Board to approve staff recommendations on the Consent Agenda with the exception of SAIL Item B, which was withdrawn from consideration, and SAIL Item G, which was moved from the Consent Agenda for discussion and voted on separately.

Motion to approve staff's recommendations on the Consent Agenda with the exception of the SAIL Items B and G was made by Mr. Calvet with a second by Mr. Oellerich. Motion passed unanimously.

PUBLIC COMMENT

Chairman Santini recognized Ann Kashmer, from the City of Miami Housing Commercial Loan Committee, to address the Board.

Ms. Kashmer stated that Mayor Diaz, as well as the City of Miami's Loan Committee made a recommendation that the Board increase the number of units allocated in the Universal Cycle to Miami-Dade County based on the area's substantial need. She thanked the Board for the additional allocation that was put into the Universal Cycle, as it is desperately needed.

Mr. Auger reminded everyone that immediately following the Board Meeting, a press event would begin regarding the availability of single family bond funds and the new exemptions under the GO Zone Act.

Hearing no further business, Chairman Santini adjourned the January 20, 2006, Board of Directors' Meeting at 11:35 a.m.