

**Florida Housing Finance Corporation  
Board of Directors' Meeting Minutes  
October 30, 2014**

**TIME:** 8:30 a.m.

**LOCATION:** Grand Hyatt Tampa Bay  
2900 Bayport Drive  
Tampa, Florida

**BOARD MEMBERS PRESENT:**

Barney Smith, Chairman  
Natacha Munilla, Vice Chair  
Ray Dubuque  
John Hawthorne  
Brian Katz  
Bill Killingsworth  
Len Tylka  
Howard Wheeler

**CORPORATION STAFF PRESENTING:**

Stephen P. Auger  
Laura Cox  
Barbara Goltz  
Nancy Muller  
Ken Reecy  
David Westcott

**OTHERS PRESENTING:**

David Deutch, Coalition of Affordable Housing Providers  
Paula Rhodes, Norstar Development

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

## **MINUTES**

**Item A, Approval of Minutes of the September 19, 2014, Board Meeting.** Chairman Smith asked for a motion to approve the Minutes of the September 19, 2014, Board Meeting.

Motion to approve the Minutes was made by Mr. Hawthorne with a second by Mr. Killingsworth. Motion passed unanimously.

## **FINANCE**

**Item A, 2015 Draft Operating Budget.** Barb Goltz presented the 2015 draft Operating Budget to the Board for review before the December 12, 2014, Board Meeting, when it will be presented for approval. She directed the Board to contact her with any questions prior to the December meeting.

## **LEGAL**

**Item A, In Re: Karen Servant – FHFC Case No. 2014-066VW.** Wellington Meffert stated that the Board had previously denied a waiver in this case and subsequently, the applicant requested a hearing on that decision. He stated that the hearing took place on September 5, 2014, and the hearing officer recommended that the Board uphold the denial of the waiver. He stated that the applicant had roughly three times the income limit for the HHF program and sought a waiver of that limit. He asked the Board to adopt the findings of fact, conclusions of law and recommendation in the recommended order as its own and issue a final order denying the waiver.

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

Mr. Meffert read the case number into the record – In Re: Karen Servant, Case No. 2014-066VW.

**Item B, Supplement In Re: Heritage Park Apartments, Ltd.** Mr. Meffert stated that Petitioner, Heritage Park Apartments, Ltd., sought a waiver of the requirement that any issuance of non-credit enhanced revenue bond shall be sold only to a qualified institutional buyer. He stated that Fairview Bond Holdings, LLC, is requesting the waiver to essentially be considered a qualified institutional buyer for this purpose and be allowed to purchase these bonds. He asked the Board to grant the waiver subject to the conditions listed in the Board write-up.

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

## **MULTIFAMILY PROGRAMS**

**Item A, Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.** Ken Reecy stated that on August 25, 2014, staff issued RFA 2014-111 offering \$17.5 million in SAIL program funding for proposed developments with the elderly demographic commitment, ALF and non-ALF, and one proposed development with elderly transformative preservation demographic

commitment. He stated that \$46.8 million was also offered for proposed developments with the family demographic commitment, as well as additional gap funding to cover the units that must be set-aside for extremely low income households. He stated that 30 applications were received in response to the RFA; each application was independently evaluated and scored by the review committee members; and the entire review committee met on October 22 and presented their scores and carried out the funding selection process. He asked the Board to approve the review committee's recommendation to adopt the scoring results of the 30 applications and authorize the tentative selection of 16 applicants for funding and invitation into credit underwriting; however, if a notice of protest or written protest is filed, invitations into credit underwriting would not be issued until all litigation is complete and recommended orders are approved by the Board.

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

**Item B, Supplement – Request for Authorization to Utilize Remaining 2014 Low Income Housing Tax Credit Allocation Authority (Housing Credits)**. Steve Auger reminded the Board that the SAIL statute requires a rental market study every three years to guide Florida Housing in allocating affordable housing funding. He stated that the study is also used as guidance in allocating housing credits, and after all 2014 credits were awarded, there was a surplus of approximately \$1 million, as well as \$186,000 in credits that were awarded but returned when the projects failed to move forward, for a total of a little over \$1.7 million in credits. He asked the Board to authorize staff to proceed with carrying forward the remaining \$1.72 million in 2014 housing credits for use in RFA 2014-115 to allocate housing credits to Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties to ensure a second non-homeless transaction in Broward County gets funded.

Motion to approve staff's recommendation was made by Ms. Munilla with a second by Mr. Tylka.

John Hawthorne asked what made it so difficult to put projects in Broward County. Mr. Auger stated that part of the problem is that Broward County is split into 32 municipalities each looking out for their own interests.

Mr. Dubuque asked if municipalities could work together and pool their SHIP funds. Mr. Auger stated that they could do that using an interlocal agreement.

Motion passed unanimously.

### **PROFESSIONAL SERVICES SELECTION (PSS)**

**Item A, Invitation to Negotiate (ITN) 2014-08, Insurance Agent of Record**. Barb Goltz stated that an ITN for insurance agent of record services was issued in September and responsive responses were received from McKinley Financial Services, Inc., and Rogers Gunter Vaughan Insurance. She stated that the review committee recommends that the Board authorize staff to enter into a contract with Rogers Gunter Vaughan as the Corporation's insurance agent.

Motion to approve the staff's recommendation was made by Mr. Hawthorne with a second by Ms. Munilla. Motion passed unanimously.

**Item B, Request for Qualifications (RFQ) for Inclusion in a Pool of Energy Consumption Providers.**

Laura Cox stated that an RFQ for a pool of energy consumption providers was issued in August and responses were received before the submission deadline from Diamond Property Consultants, Florida Solar Energy Center, KN Consultants, LLC, and Matern Professional Engineering, and one response was received from 2RW after the submission deadline and was deemed not responsive, and therefore, not scored. She asked the Board to approve the review committee's recommendation to enter into agreements with the four respondents for inclusion in a pool of energy consumption providers.

Motion to approve the staff's recommendation was made by Mr. Tylka with a second by Ms. Munilla. Motion passed unanimously.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

**Item A, Request Approval of Farmworker Demographic Waiver for Esperanza Place (RFP 2007-10-01).**

Ken Reecy stated that Esperanza Place, located in Immokalee in Collier County, was funded with a 2010 SAIL loan for approximately \$3 million with a 100 percent farmworker set-aside. He stated that in June 2014 the developer requested temporary relief from that set-aside requirement for a period of two years due to the diminished demand for farmworker housing in the Immokalee area. He asked the Board to approve staff's recommendation to grant a waiver of the 100 percent farmworker set-aside for Esperanza Place for a period of up to two years. He stated that the property would have to maintain a set-aside of 80 percent of the units, or 39 units, for farmworker households during the farm labor period of October 1 through March 31 each year, and maintain a set-aside of 60 percent, or 29 units, for farmworker households during the off-season period of April 1 through September 30.

Motion to approve the staff's recommendation was made by Mr. Tylka with a second by Mr. Killingsworth.

Len Tylka asked if this was a trend across the board with farmworker housing, and if so, should future deals not be structured to reflect that. Nancy Muller stated that staff believes that is the case, but further research is needed before sweeping changes are made. Mr. Hawthorne expressed concern that with fewer farmworker units available, Florida Housing will run the danger of not being able to serve the need. Mr. Reecy stated that is why the waiver is only for two years.

Motion passed unanimously.

**Item B, Request Deobligation of SAIL ELI Funding for Wilmington Apartments (RFP 2011-05-17).** Ken Reecy stated that in October 2011 Florida Housing issued an RFP to award SAIL extremely low income funding to applicants where the development had a mortgage note guaranteed by the Guarantee Fund. He stated that in December 2011 the Board approved the award list and directed staff to proceed with the necessary credit underwriting activities. He stated that at that time, Wilmington Apartments did not qualify to receive a preliminary commitment; however, in October 2013, staff approved a recommendation to de-obligate SAIL ELI funding from other awardees who were unable to close their SAIL ELI loans by the required deadlines and authorized staff to reallocate the returned funds to the next eligible proposals. He stated that staff issued a preliminary commitment and invitation to credit underwriting to Wilmington Apartments with a closing deadline of October 2014; however, the developer has not closed the SAIL ELI loan or refinanced the first mortgage in order to remove the development from the guarantee program and repay the full amount of the SMI loan. He asked the

board to approve staff's recommendation to de-obligate the \$1.275 million in SAIL ELI award and direct staff to return the unused SAIL ELI funds from RFP 2011-05 to be used for other RFPs and/or RFAs.

Motion to approve the staff's recommendation was made by Mr. Tylka with a second by Mr. Killingsworth. Motion passed unanimously.

**Item C, Request Deobligation of SAIL ELI Funding for Whispering Woods (RFP 2011-05-16).** Ken Reecy stated that Whispering Woods was also awarded funding from an RFP to award SAIL extremely low income funding to applicants where the development had a mortgage note guaranteed by the Guarantee Fund and had also not closed the SAIL ELI loan or refinanced the first mortgage in order to remove the development from the guarantee program and repay the full amount of the SMI loan. He asked the board to approve staff's recommendation to de-obligate the \$1.275 million in SAIL ELI award and direct staff to return the unused SAIL ELI funds from RFP 2011-05 to be used for other RFPs and/or RFAs.

Motion to approve the staff's recommendation was made by Mr. Killingsworth with a second by Mr. Tylka. Motion passed unanimously.

### **SINGLE FAMILY BONDS**

**Item A, Single Family Homeownership Program.** Barb Goltz asked the Board to approve the necessary funding, including reimbursable amounts to provide funding between bond issues, staff actions, and the resolution to permit the issuance of the proposed 2015 phase one homeowner mortgage revenue bonds.

Motion to approve the staff's recommendation was made by Mr. Tylka with a second by Ms. Munilla. Motion passed unanimously.

### **SPECIAL PROGRAMS**

**Item A, Request Approval of the New Contracts for the Soldiers to Scholars Subsidy Agreements for Phase II and Phase III.** Barb Goltz stated that in 1998, 1999 and 2000, the Board took action based on appropriations provided to Florida Housing to fund the Soldiers to Scholars Program which resulted in a contract with the University of Central Florida to provide a subsidy to soldiers attending UCF to provide them with some support for their housing. She stated that staff expected the program to be finished by the summer of 2014, but there is still a balance of approximately \$11,000 in the program. She asked the Board to authorize staff to enter into new contracts for both phase two at UCF and phase three at Metro Place with terms including contract continuation being dependent on UCF's full support for the program, new contracts terms to be retroactive from July 1, 2014, with termination of the contracts being the earlier of June 30, 2015, or when all STS funds awarded to UCF are expended, continuation of required monthly reporting on program fund usage and modification of the phase two subsidy amount to be consistent with the phase three subsidy.

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

## **CONSENT AGENDA**

Chairman Smith asked for a motion to approve the items on the Consent Agenda, with the exception of Special Assets Item A, Sundance Point, which was pulled from consideration.

Motion to approve the items on the remaining items on the Consent Agenda was made by Mr. Tylka with a second by Mr. Killingsworth. Motion passed unanimously.

Chairman Smith spoke in opposition to Amendment One to the Florida Constitution which would reallocate one-third documentary stamp revenue to fund environmental causes.

Mr. Tylka urged everyone to make sure legislators get invited to and attend ribbon cuttings at Florida Housing's rental properties.

## **PUBLIC COMMENT**

David Deutch, Chairman of the Coalition of Affordable Housing Providers, spoke about his concerns about the use of letters of credit to disincentivize developers from withdrawing applications after receiving funding awards.

Paula Rhodes of Norstar Development echoed Mr. Deutch's sentiments.

Chairman Smith adjourned the meeting at 9:48 a.m.