

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
March 14, 2008**

TIME: 9:00 a.m.

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

BOARD MEMBERS PRESENT:

Lynn Stultz, Chairman
David Oellerich, Vice Chairman
Ken Fairman
Tom Pelham
Stuart Scharaga
Sandra Terry

CORPORATION STAFF PRESENT:

Stephen P. Auger, Executive Director
Debbie Blinderman
Wayne Conner
Laura Cox
Rebecca DeLaRosa
Sheila Freaney
Barbara Goltz
Wellington Meffert
Nancy Muller
Stephanie Sgouros
David Westcott

ADVISORS AND OTHERS PRESENT:

Junious Brown, Nabors, Giblin & Nickerson
Jan Carpenter, Shuffield Lowman
Bill Johnston, WLJ Capital/TIBOR Partners (via telephone)
David Grad, RBC Dain Rauscher
Mike Koessel, Citigroup

Chairman Stultz called the Board of Directors' meeting to order at 9:00 a.m., and confirmed that a quorum was present.

MINUTES

Chairman Stultz asked for a motion to approve the Minutes of the January 25, 2008, Board Meeting.

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

FINANCE

Chairman Stultz recognized Barb Goltz to brief the Board on finance matters.

Item A, Single Family Bonds. Ms. Goltz introduced Dave Grad, of RBC Dain Rauscher. Mr. Grad presented the Board with background information and an update on the current situation in the market for single family bonds, as well as his projections for what will happen with the market in the near and long term future.

Ms. Goltz then asked the Board to approve an increase in the bridge piece between bond deals. She stated that on December 7, 2007, the Board authorized the issuance of up to \$250 million of 2008 first time homeowner mortgage revenue bonds, which included a \$25 million bridge piece to sustain the program between bond deals. She added that due to the current unfavorable market conditions for selling bonds, staff is asking the Board to approve an increase of another \$25 million for the bridge piece, for a total of \$50 million, to provide funding between bond issues.

Motion to approve staff recommendation was made by Mr. Oellerich with a second by Ms. Terry.

Chairman Stultz asked about the risk of holding the mortgages in Florida Housing's portfolio. Ms. Goltz stated that loans would not be held by Florida Housing for a long period of time, as the loans actually would be purchased with proceeds from the next bond sale.

Bill Johnston stated that even under current market conditions, if loans were held by Florida Housing, the loan mortgage rates would be higher than the expected debt service cost of the bonds.

Motion passed unanimously.

Item B, Operating Results for December 31, 2007, and January 31, 2008. Ms. Goltz reported that while January revenues were higher and expenses lower than budgeted, she didn't expect investment income to be as high going forward, because the Fed continues to cut rates.

Ms. Stultz asked how the budget is adjusted at this point. Ms. Goltz stated that no additional single family bonds are expected this year, so there is no revenue expected from the Single Family Program. She added that only ten multifamily deals were included, and they would be completed shortly because the pace is picking up. She cautioned that the agency fees from bond deals start to accrue the year following a bond closing. She stated that from an agency fee standpoint, Florida Housing is in good shape.

Ms. Goltz pointed out that the December 2007 results were also included in the Board Package, and there will be year end adjustments, but the results indicate that staff was conservative with revenue estimates which resulted in a bottom line number substantially over \$5 million. She anticipates coming to the Board with tentative numbers in May for review prior to the action item to accept the audit in June.

LEGISLATIVE UPDATE

Chairman Stultz asked Wellington Meffert to give the Board a legislative update.

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

Chairman Stultz remarked that Governor Crist paid a visit to the Florida Housing offices on March 13 to chat with the staff and thank them for their continued efforts on behalf of the citizens of the State of Florida. Mr. Auger commented that it was the first time a sitting governor had visited the office.

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

Item A, Request Approval to Change the Applicant/Borrower for Las Villas at Kenilworth.

Mr. Westcott stated that Las Villas at Kenilworth was a successful 2006 CWHIP application and that the Board approved the project's credit underwriting report at the January 2008 meeting. He stated that the Highlands County Attorney recently discovered that the County cannot serve as the applicant guarantor in the transaction without a local referendum, and asked the Board to approve the change of applicant to Caribbean Real Estate Developers, an entity that was always a part of the public/private partnership. He stated that the credit underwriter recommended that the change be allowed.

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

PREDEVELOPMENT LOAN PROGRAM (PLP)

Chairman Stultz recognized Nancy Muller to address the Board regarding PLP matters.

Item A, Request Approval of Loan Extension for Abidjan Estates. Stuart Scharaga recused himself from voting on this matter. Ms. Muller reminded the Board that at the January 2008 Board Meeting it granted a loan extension for Abidjan Estates on the construction side. She stated that in 2003, the developer closed on a PLP loan in the amount of \$500,000, and has now drawn down most of that loan. She added that the developer was also awarded Homeownership Loan Program (HLP) funds. She stated that the PLP loan matured in 2006, but staff had not previously recommended a loan extension because the developer was having difficulties in a variety of areas within the Homeownership Loan Program. She stated that when the Board granted the extension of the HLP loan, one of the contingencies was proof that the developer would be able to pay the PLP loan. She stated that the technical assistance provider, who has worked on all aspects of the development, has reviewed the request and recommends granting it. She stated that the developer has 13 of 76 total housing units built and nine of those have identified buyers. She stated that the developer reduced the number of units that will require the HLP funding from 76 to 40, but the PLP loan still has a mortgage and LURA on all 76 of the lots, so the developer has agreed to repay the PLP loan through the sale of the first 40 units with the

amount of each payoff being estimated at \$15,000. She asked, based on the Board's prior approval of the extension of the HLP construction maturity date at the January meeting, that the Board approve the developer's request for an extension of the PLP loan maturity date from June 20, 2006, to December 20, 2008, contingent on the developer meeting the requirements of the HLP extension.

Motion to approve staff recommendation was made by Mr. Fairman with a second by Ms. Terry. Motion passed unanimously with Mr. Scharaga abstaining.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Chairman Stultz recognized Debbie Blinderman to brief the Board on SAIL matters.

Item A, Request for Proposals for New Construction or Substantial Rehabilitation of Farmworker/Commercial Fishing Worker Housing. Ms. Blinderman stated that at the December 2007 meeting, the Board authorized staff to issue an RFP for new construction or substantial rehabilitation of farmworker or commercial fishing worker housing, and the RFP was issued on December 21, 2007, with responses due January 31, 2008. She stated that the total amount of funds available was \$5 million. She stated that one proposal was received in the amount of \$5 million to construct 45 rental units targeted to farmworkers in Immokalee. She asked the Board to approve the review committee's recommendation to fund the proposal as submitted.

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

Item B, RFP for the Development or Substantial Rehabilitation of Special Needs Housing. Ms. Blinderman stated that at the October meeting, the Board authorized staff to reallocate \$13 million of documentary stamp tax appropriation for a special needs extremely low income cycle. She advised the Board that staff determined the special needs housing needs to be targeted to the frail elderly, persons with disabilities, youths aging out of foster care and survivors of domestic violence, and the fastest way to get the money out is through the RFP process rather than a loan cycle. She asked the Board to authorize staff to finalize and issue the RFP and solicit proposals for the development or substantial rehabilitation of special needs housing.

Motion to approve staff's recommendation was made by Mr. Scharaga with a second by Secretary Pelham.

Chairman Stultz asked what was being done to let smaller organizations know about the RFP and the funds available for special needs housing. Mr. Auger stated that the smaller organizations that are inclined to deal with special needs housing sometimes have difficulties assembling their resources to apply when a pot of money such as this becomes available, because of the short lead time they receive, but that Florida Housing staff members were making efforts to get the word out through workshops and the Florida Housing web board. Ms. Muller added that the RFP process has proven useful to the smaller organizations with smaller staffs, as there is more flexibility in the process than with an application cycle.

Motion passed unanimously.

Item C, Request Approval of Credit Underwriting Report for Renaissance Preserve Senior.

Ms. Blinderman asked the Board to approve the credit underwriting report for Renaissance Preserve Senior 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. Oellerich with a second by Mr. Scharaga. Motion passed unanimously.

UNIVERSAL CYCLE

Chairman Stultz recognized Debbie Blinderman to brief the Board on Universal Cycle matters.

Item A, 2008 Universal Application Cycle Review Committee. Ms. Blinderman asked the Board to approve the 2008 Universal Cycle review committee, which includes Debbie Blinderman, Wayne Conner, Barb Goltz and Laura Cox from Florida Housing, and Jack Gaskins from DCA.

Motion to approve staff's recommendation was made by Mr. Scharaga with a second by Secretary Pelham. Motion passed unanimously.

CONSENT AGENDA

Mr. Auger stated Housing Credits Consent Item B was pulled from consideration. He stated that PLP Consent Item H contained a typographical error and references Brevard County in one part of Section A, and it should be Polk County.

Motion to approve the items on the Consent Agenda with the exception of Housing Credits Item B, and with the correction to PLP Item H, was made by Mr. Oellerich with a second by Mr. Scharaga. Motion passed unanimously.

PRESENTATION

Mr. Auger introduced Mike Koessel of Citigroup, who gave a report to the Board on the current subprime mortgage foreclosure crisis, including factors that lead to the crisis and what may happen in the future.

Mr. Westcott stated that there would be a Homeownership Pool Program workshop immediately following the Board Meeting.

Hearing no further business, the March 14, 2008, Board of Directors' Meeting was adjourned at 11:55 a.m.