

**Florida Housing Finance Corporation
Board of Directors' Meeting Minutes
September 10, 2021**

TIME: 9:30 a.m.

LOCATION: Hyatt Place
25 2nd Street North
St. Petersburg, Florida

BOARD MEMBERS PRESENT:

Ron Lieberman, Chairman
LaTasha Green-Cobb, Vice Chair
Ryan Benson
Sandra Einhorn
Mario Facella
Bill Gulliford
Dev Motwani
Holly Raschein
Adam Callaway

CORPORATION STAFF PRESENTING:

Bill Aldinger
Hugh Brown
Marisa Button
Laura Cox
Sheila Freaney
Trey Price
Angie Sellers
Kevin Tatreau

OTHERS PRESENTING:

Ben Johnson, Seltzer Management
Rick Kriseman, Mayor of St. Petersburg
Pat Gerard, Pinellas County Commissioner
Larry Sellers, Holland & Knight
Linda Chaney, House Representative, District 69
Shawn Wilson, Blue Sky Communities

Chairman Lieberman called the meeting to order at 9:30 a.m.

Ron Lieberman asked Sheila Freaney to call the roll.

Ms. Freaney called the roll. Present were Ron Lieberman, LaTasha Green-Cobb, Ryan Benson, Sandra Einhorn, Mario Facella, Bill Gulliford, Dev Motwani, Holly Raschein and Adam Callaway. No one was absent.

Trey Price introduced Rick Kriseman, Mayor of St. Petersburg, who welcomed Florida Housing to the City and thanked Florida Housing for its efforts in providing affordable housing to the citizens of his community.

Pat Gerard, Pinellas County Commissioner, welcomed Florida Housing to the County, and echoed Mayor Kriseman's appreciation of Florida Housing for its work in affordable housing.

Sandra Einhorn thanked Trey Price and Florida Housing staff for their continued efforts in keeping the corporation running at the highest level during a very difficult time.

Holly Raschein echoed Ms. Einhorn's thanks.

PUBLIC COMMENT

No public comment was offered.

MINUTES

Item A, Approval of Minutes of the July 30, 2021, Board Meeting. Chairman Lieberman asked for a motion to approve the Minutes of the July 30, 2021, Board Meeting.

Motion to approve the Minutes was made by Ms. Green-Cobb with a second by Mr. Gulliford.
Motion passed unanimously.

CONSENT AGENDA

Chairman Lieberman asked for a motion to approve the items on the Consent Agenda. LaTasha Green-Cobb asked that Multifamily Items C, D and E be pulled for discussion.

Motion to approve the remaining items on the Consent Agenda was made by Ms. Green-Cobb, with a second by Mr. Benson. The motion passed unanimously.

Bill Gulliford made a motion to approve Multifamily Item C and open it for discussion with a second from Ms. Einhorn.

LaTasha Green-Cobb asked who the property manager would be for the development in question. Larry Sellers, from Holland and Knight Law Firm, counsel for Southport Financial Services, the applicant in the matter, stated that Cambridge Management Company was approved by the credit underwriter. Ms. Green-Cobb asked if Cambridge would also be the manager for Items D and E. Mr. Sellers stated that was correct.

Motion passed with one dissenting vote from LaTasha Green-Cobb.

Bill Gulliford made a motion to approve Multifamily Item D and open it for discussion with a second from Ms. Einhorn. Motion passed with one dissenting vote from LaTasha Green-Cobb.

Bill Gulliford made a motion to approve Multifamily Item E and open it for discussion with a second from Ms. Einhorn.

Mario Facella asked if there was an issue with Cambridge Management Company. Ms. Green-Cobb said there was and expressed her concerns about substandard conditions at a development managed by Cambridge Management Company. She stated that she believes the Board cannot serve as a rubber stamp on staff recommendations, especially when the parties involved in a new project being presented for approval are the same parties involved in an existing project that is being mismanaged. She stated that she would like a policy in place that requires a developer to resolve issues with the living conditions at their existing developments before being awarded additional funding from Florida Housing for new developments.

Mr. Facella asked if the concerns are just with Cambridge or if it also includes Southport. Ms. Green-Cobb stated that her immediate concerns are with Cambridge and Southport, which have overlapping entities involved, but wants a policy in place to hold all developers accountable for ensuring their existing developments are being managed properly and maintained in a safe condition before being considered for additional funding from Florida Housing.

Laura Cox stated that Southport has 85 developments in Florida Housing's portfolio, and when there are exigent health and safety issues with any property in the portfolio, staff contacts code enforcement, other funders in the deal, and limited partners and require a plan for remediation of the issue. She stated that an inspection was done on the property in December 2019, and no rodent issues were observed, but IRS regulations suspended physical inspections once the pandemic hit. She added that after the news report in May 2021 monthly inspections recommenced and Code Enforcement levied \$85,000 in fines, but sufficient improvement was not seen in subsequent inspections, and an updated plan was requested from the developer.

Sandra Einhorn echoed Ms. Green-Cobb's concerns about substandard living conditions at properties in Florida Housing's portfolio, and asked what the policy is when such things are reported to Florida Housing. Laura Cox briefed the board on the frequency of monitoring visits based upon funding awards and regulations.

Bill Gulliford suggested staff come back to the board with a recommendation for the board to consider, recognizing the difficulties with retroactively applying new rules. Marisa Button confirmed the Board's request for some rule development in the future for bad actors related to property management as it relates to future funding.

Ryan Benson requested the Board be made aware of open violations on other developer related properties when items are presented for approval. Ben Johnson with Seltzer Management Group briefed the Board on the global approach used by all of Florida Housing's underwriters that includes a condition requiring any non-compliance or past due issues for the transaction and/or related party transactions must be cleared prior to closing and any known non-compliance or past due issues are included in the credit underwriting report.

Motion passed with dissenting votes from LaTasha Green Cobb and Sandra Einhorn.

Discussion ensued surrounding the need for the Board to further discuss policy for bad actors related to property management as it relates to future funding.

LEGAL

Item A, In Re: Kelsey Cove, Ltd. Hugh Brown asked the Board to grant the Petitioner's request for a waiver of Rule 67-48.0075(3)(a), in the Kelsey Cove matter based on the following conditions being met: The cost of acquiring real property and any buildings thereon, including payment for options, deposits, or contracts to purchase properties that exceeds the appraised value for the property will be included as a line-item development cost and included in the Total Development Cost Per Unit calculation, and the inclusive total cost amount is subject to the applicable Total Development Cost Per Unit limitation process; The development remains a 9% Competitive Housing Credit Award without any other corporation allocated resources associated with the Housing Credit Development; and the Applicant and Developer provide must verified affidavits that there is no affiliation between any principals or affiliates of the principals of the Applicant and Developer and the seller or any affiliate of the seller of the subject property as well as no agreements, other than the purchase contract, between the Applicant and Developer and the seller or any affiliate of the seller of the subject property.

The Board discussed the allegation that the RFA process may have artificially inflated the acquisition cost of the property. Marisa Button explained the purpose of the rule is to prevent a windfall to land sellers resulting from our affordable housing programs and staff does not want this waiver to create an incentive for land sellers to be unjustly enriched from our funding criteria. Florida Housing has evolved its scoring criteria to avoid this situation and will continue to be mindful of this issue going forward.

Mario Facella brought up the concept of alternatives to the appraisal review process for the program and requested staff to review the appraisal process during upcoming rule development. Marisa Button confirmed that request.

Motion to approve staff's recommendation was made by Ms. Green-Cobb, with a second by Mr. Gulliford. The motion passed unanimously.

MULTIFAMILY PROGRAMS

Item A, Request Approval to Reserve Corporation Funds for Development Viability Request for Applications. Marisa Button asked the Board approve staff's recommendation to approve a reservation of \$20 million in Corporation funding for use in a competitive gap funding loan program and to authorize staff to develop, workshop, and issue the Development Viability Loan Funding RFA.

The Board discussed staff's recommendation, ultimately adding criteria proposed by Mario Facella that potential applicants have the choice to select an interest rate on the viability loan to be set by staff in the RFA or to be limited to submitting Priority II applications in the upcoming 9% housing credits geographic RFAs.

Motion to approve staff's recommendation with the additional criteria was made by Ms. Green-Cobb with a second by Mr. Gulliford. The motion passed unanimously.

PROFESSIONAL SERVICES SELECTION (PSS)

Item A, Request for Qualifications 2021-03 for Management Company Services. Laura Cox asked the Board to authorize staff to enter into contract negotiations with Royal American Management, Inc., to provide Management Company Services to Florida Housing.

Motion to approve staff's recommendation was made by Mr. Gulliford with a second by Ms. Green-Cobb. The motion passed unanimously.

Item B, Request for Qualifications 2021-04 for Technical Assistance Provider Services. Bill Aldinger asked the Board to authorize staff to enter into contract negotiations with Florida Housing Coalition, Inc., to provide Technical Assistance Provider Services for Florida Housing, and authorize staff to issue a new competitive solicitation to increase the pool of providers for these services

Motion to approve staff's recommendation was made by Ms. Green-Cobb with a second by Mr. Facella. The motion passed unanimously.

Item C, Contract Renewals for Capital Needs Assessment Provider Services. Marisa Button asked the Board to direct staff to proceed with the three-year contract renewal option for all seven vendors providing Capital Needs Assessment Provider Services to Florida Housing.

Motion to approve staff's recommendation was made by Mr. Gulliford with a second by Ms. Einhorn. The motion passed unanimously.

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

Item A, Homebuyer Loan Program Bonds. Angie Sellers asked the Board to approve the necessary funding, staff actions and the Resolution to permit the issuance of the proposed 2022 Phase One Homeowner Mortgage Revenue Bonds.

Motion to approve staff's recommendation was made by Mr. Gulliford with a second by Mr. Facella. The motion passed unanimously.

PUBLIC COMMENT

Linda Chaney, House Representative for District 69, which includes south Pinellas Beaches, spoke of the need for workforce housing in her district.

Shawn Wilson, of Blue Sky Communities, expressed his appreciation for the Viability Loan Program discussion and decision by the Board.

Chairman Lieberman adjourned the meeting at 11:31 a.m.