

Clearwater, Florida, September 12, 2006

The Housing Finance Authority of Pinellas County (as created by the Code of Ordinances of Pinellas County, Section 2-386) met in regular session in the Housing Finance Authority Conference Room, Bank of America Building, 600 Cleveland Street, Clearwater, Florida at 3:06 P.M. on this date with the following members present:

Rodney S. Fischer, Chairman  
Tasker Beal, Jr., Vice-Chairman  
Norris E. Counts, Assistant Secretary

Absent

Mark T. Mahaffey, Secretary/Treasurer  
June Cullen, Assistant Secretary

Also Present

Anthony M. Jones, Director, Department of Community Development  
Deborah Halstead, Department of Community Development  
Michael W. Marshall, Department of Community Development  
Richard J. Perkins, Department of Community Development  
Fran Pheeny, Department of Community Development  
Michael T. Cronin, Attorney, Johnson, Pope, Bokor, Ruppel & Burns, P.A.  
Robert Detjen, CSG Advisors Incorporated  
Robert Reid, Bryant, Miller and Olive, P.A.  
Helen Feinberg, RBC Capital Markets  
Other interested individuals  
Cathy Fickley, Deputy Clerk

AGENDA

1. CALL TO ORDER
2. APPROVAL OF MINUTES
  - A. Housing Finance Authority (HFA) Meeting Minutes of June 6, 2006
  - B. HFA Special Session Minutes of August 15, 2006
3. TREASURER'S REPORT
  - A. Financial Reports May, June and July 2006
4. COMMUNICATIONS TO THE AUTHORITY
  - A. First Housing Occupancy Report for April, May and June 2006 – Anthony Jones
  - B. Intent to Market Alta Largo – Anthony Jones
5. REPORTS BY OFFICERS AND OTHERS
  - A. Banking – Account Conversion Update – Richard J. Perkins
  - B. Investment Pool Update – Anthony Jones

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- C. Single Family Bond Program and Kick Start Program Updates - Fran Pheeny and Anthony Jones
- D. Multi-Family Program Report – Mike Marshall
  
- 6. OLD BUSINESS
  - A. Housing Trust Fund Rule Amendment – Anthony Jones
  
- 7. NEW BUSINESS
  - A. Consideration of a Resolution Providing for the Issuance of Not To Exceed \$21,000,000 Single Family Housing Revenue Bonds (2006B)
  
- 8. OTHER BUSINESS
  - A. Housing Happenings
    - August 17 – Community Housing Presentation to Seminole Chamber of Commerce
    - August 29 – Community Housing Presentation to Tarpon Springs City Commission Board
  - B. Upcoming Meetings
    - September 5 – 7 – Florida Housing Coalition Annual Conference – Orlando
    - September 12 – Regular monthly meeting of the HFA Board
    - September 13 - Community Housing Initiatives Update to St. Petersburg Affordable Housing Task Force
    - September 7 and 18 – Board of County Commissioners Public Hearing on Budget (Includes \$10MM for Housing Trust Fund)
    - September 22 – Livable Communities Engagement Six-Month Reunion
    - October 5 – Next Meeting of the HFA
    - November 14 – 17 – NALHFA Fall Educational Conference, The Intercontinental Hotel New Orleans
  
- 9. ADJOURNMENT

CALL TO ORDER

Chairman Fischer called the meeting to order at 3:06 P.M.

MINUTES OF HFA MEETING OF JUNE 6, 2006 AND SPECIAL SESSION OF AUGUST 15, 2006 – APPROVED

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Upon presentation by Chairman Fischer of the minutes of the HFA meeting of June 6, 2006 and the special session of August 15, 2006, Mr. Counts moved, seconded by Mr. Beal and carried, that the minutes be approved.

TREASURER’S REPORT – APPROVED

Mr. Beal presented the HFA financial statements for the months ending June 30 and July 31, 2006, copies of which have been filed and made a part of the record; whereupon, he

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moved approval of the reports. Following clarification of the July report, Mr. Counts seconded the motion, and upon call for the vote, the motion carried unanimously.

#### COMMUNICATIONS TO THE AUTHORITY

Mr. Jones referred to the First Housing Occupancy Reports for April, May and June 2006, copies of which have been filed and made a part of the record, and reported that staff had had concerns regarding the leasing of the Alta Largo Apartments low-income units, but that the process is currently ahead of schedule. He related that staff has received notice from the owners of Alta Largo of their intent to market the property for sale, a copy of which has been filed and made a part of the record; whereupon, during discussion and in response to query by Mr. Counts, Mr. Jones indicated that affordable units will continue to be available.

#### REPORTS BY OFFICERS AND OTHERS

Mr. Perkins reported that from April through August 2006, fraudulent transactions were processed against the Authority's AmSouth Bank checking account in the form of electronic ACH debits and checks in the approximate amount of \$43,000. He related that all funds have been restored by the bank; and that new controls will be put in place, hopefully by October 1. Mr. Perkins provided further details of the matter in response to a request by Mr. Counts; and reported that a police report had been filed; that the Authority's new bank account pays interest and includes a "Positive Pay" security feature which has increased the fees; and that staff will submit a Request for Proposal for banking services in the near future; whereupon, Mr. Jones pointed out that Mr. Perkins did an outstanding job in keeping on top of the issue.

Mr. Jones referred to the Investment Pool report, a copy of which has been filed and made a part of the record, and noted that interest rates continue to increase; and that the current 30-day rate is 5.28 percent.

Ms. Pheeny referred to her memorandum dated August 29, 2006, a copy of which has been filed and made a part of the record, and related that approximately \$17,600,000 in loans have been originated to date in the 2006A Single Family Program, which is \$1,000,000 more than indicated in her report; that approximately \$8 million has been sold to the trustee; that the average loan amount and purchase price are stable; that heavy use of the second mortgage product continues; and that a deadline for the origination of \$20,000,000 in the 2006A program will be met.

Referring to Operation Kick Start, Mr. Jones indicated that quite a few homes are under construction; that the homes are presold and the majority of potential buyers are prequalified; and that closings should take place as soon as the homes are completed. In response to queries by Mr. Counts, he indicated that when a price has been assigned to a fully

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constructed home, the builder refers to a waiting list of buyers; and that a large inventory does not exist for new homes in this price range.

Mr. Marshall referred to his memorandum dated August 29, 2006, a copy of which has been filed and made a part of the record, and reported on the status of two current multi-family projects, James Park Apartments and Leafland LLC. Town Homes at Creek Park, and a completed project, Alta Largo Apartments.

### OLD BUSINESS

Referring to the Community Housing Trust Fund Program guidelines that were adopted at the June HFA meeting, Mr. Jones reported that in accordance with the rules change, the Board of County Commissioners approved the guidelines, with minor adjustments to the language, at its August meeting.

At the request of Chairman Fischer, Mr. Marshall provided an update on the status of the requests for negotiation issued by staff regarding three vacant parcels. He reported that three responses were received on an 8.5-acre parcel; and that one response each was received for a parcel located near the Bayside Bridge, and a two-acre parcel located on the corner of Bryan Dairy Road and 66<sup>th</sup> Street. He indicated that the new concept of land leasing may have contributed to the small amount of responses received; and that staff will continue to fine-tune the request for negotiation process. Mr. Jones added that the members will receive a copy of each proposal once all information has been compiled; and that hopefully the proposals will be scheduled for consideration by the members at the November meeting. In response to query by Mr. Counts regarding a timely response to the proposals, Mr. Marshall related that staff had not planned to make a final decision until at least January 2007.

### NEW BUSINESS

Ms. Pheeny reported that the Single Family Program requires additional funding; and that staff is proposing changes to the structure of a new bond issue; whereupon, she described a new Fannie Mae loan product that consists of a 40-year fixed rate mortgage with interest only payments for the first ten years; and indicated that a ten-year second mortgage will also be available. Mr. Detjen provided additional program details; related that the program is fully guaranteed by Fannie Mae; and that minor pricing differences will result in a slightly higher guarantee fee, which staff will request be changed; whereupon, discussion ensued.

In response to query by the Chairman pertaining to the reasons for initiating a new program, Mr. Jones indicated that the current program is working very slowly; that larger down payments enable buyers to purchase a home who may otherwise have difficulty in qualifying; and that a fixed interest rate results in a predictable payment amount. During further discussion, Mr. Counts expressed concern with regard to the length and terms of the proposed mortgage

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program; and Ms. Feinberg pointed out that the conventional Fannie Mae lenders began offering the 40-year program on September 1; and that some principal is being paid by the compression of the ten-year second mortgage. Mr. Detjen indicated that the Authority may exhaust its program funds by the first week of October; and suggested that the program could be restructured to a traditional 30-year mortgage; whereupon, discussion continued with regard to mortgage payment scenarios, risks associated with the down payment program, products offered by peers statewide, and the increased usage of second mortgages.

Thereupon, Chairman Fischer suggested that the proposed bond program be reworked and brought back to the members for consideration at the October meeting; whereupon, following further discussion, Ms. Pheeny agreed to provide payment structure numbers for the members' review.

#### OTHER BUSINESS

Chairman Fischer reviewed the upcoming Housing events and meetings; and pointed out that on September 15, an Affordable Housing Summit will be held at the Tampa Convention Center; and requested that members notify staff if they are planning to attend the National Association of Local Housing Finance Authorities Conference in November.

#### ADJOURNMENT

Upon motion by Mr. Beal, seconded by Mr. Counts and carried, the meeting was adjourned at 3:55 P.M.

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Chairman