

Housing Finance Authority

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TO: Rodney S. Fischer, Chairman
and Members of the Housing Finance Authority of Pinellas County

FROM: Anthony M. Jones, Executive Director

SUBJECT: Executive Director's Report

DATE: January 28, 2008

1) Leading the way – At our November 6 meeting, you voted to support the USF Community Real Estate Development program by contributing funds that would help bring the program back to neighborhood leaders, bankers, developers and students this spring. As usual, you lead the way for progress in our community and with your vote of confidence, I've recently received the news that the Housing Finance Authority of Hillsborough County has also agreed to sponsor CRED in 2008 at the \$25,000 level. I'm also advised that Citigroup will likely raise their contribution to \$25,000. CRED meets again on January 29th and will address the logistics, including that revised budget and work plan that you requested.

2) End of an era – As you probably know by now, the Florida Association of Local Housing Finance Authorities (FLALHFA) Executive Director and our friend, Gordon Jernigan passed away on January 13, 2008. We are all saddened by our loss, but happy to have been able to count Gordon among our friends. He has left us with an incredible legacy, not only of housing, but also of great Gordon stories. On your behalf, staff has made a contribution in the amount of \$100.00 to the American Heart Association, as requested by the family.

3) Board member reappointment – The current term of Tasker Beal, Jr. expires February 1 and, fortunately for us, the Board of County Commissioners voted unanimously to reappoint Tasker for another four (4) year term. Tasker has dedicated 25 years to this Authority and we are very pleased that he agreed to serve another term. His leadership, dedication, and devotion to the citizens of Pinellas County remains crucial to our ongoing work.

4) Changing of the Guard – Mark Mahaffey's term will expire on February 1, 2008. Mark, having served the Authority since October of 1990, will be stepping off the Authority Board in order to pursue other opportunities to serve our community. Mark's guidance and expertise in all areas of multi-family housing have been invaluable to the Authority and he will be greatly missed both personally and professionally. Commissioner Bob Stewart has nominated former State Senator Jim Sebesta to join the Authority Board. Jim has a long history of service to

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Pinellas including two terms in the Florida Senate where he chaired the Transportation Committee and served four years as Majority Whip. He is also a very well known REALTOR and Developer with many properties to his credit. Since his retirement, Jim has been busier than ever as the principal of Sebesta Consulting Services, LLC. I was fortunate to have had Jim as a resource in the early days of my housing education. He served on the original Board of the Affordable Housing Corporation of Pinellas County; the first nonprofit affordable housing think tank in the area. Jim is well versed in the issues surrounding affordable and workforce housing. He is a valuable talent and we are fortunate that he agreed to join our team.

5) Housing Trust Fund update – In early December, your staff met with representatives of each of our cooperating cities regarding Housing Trust Fund expenditures. County expenditures are on track and a bit ahead of schedule. The cities of Clearwater and Largo are well on their way to meeting their commitment deadlines as well. The City of St. Petersburg is having difficulty finding suitable projects and has not made any commitments to date. HFA staff will be working closely with St. Petersburg staff to assist them over the next quarter. Within the next two months, we are anticipating a large multifamily application that will be a candidate to use a large chunk of the HFA's share of Housing Trust Fund dollars.

6) Spring NALHFA Conference – I have been “selected” to moderate a session called “Beyond Conventional Housing Resources” at NALHFA's Spring Conference in L.A. I plan to use the session to highlight the challenge of leveraging bonds with Low-Income Housing & New Markets Tax Credits, a look at the potential of taxable bond structures, a return to FHA as Fannie Mae products become less attractive, and a discussion of the financing challenges created by Community Land Trusts and other equity-restricted types of housing.

7) Change of rate – In an attempt to stimulate the 2007A first-time homebuyer program, we authorized, on your behalf, a rate reduction from 6.1% to 5.99%. This was very timely since the Fed lowered their rate and rates are coming down in general. The rate change applied only to the 30 year loans, with no change to the 40 year loans. In conjunction with the interest rate change, the non-origination call date was extended from August 1, 2008 to January 1, 2009, giving the program a few additional months by which to originate, pool, and purchase Mortgage Backed Securities.

8) Investment Policy – In November, we removed your excess funds from the Local Government Investment Pool and temporarily placed the funds in checking accounts at Regions Bank. You have approximately \$4M and \$3.9M of General Fund and Housing Trust Fund monies, respectively, parked in two restricted accounts. In December, we received an annualized interest rate of approximately 3.5% on these funds. Although this is less than we received from the State Board, that Pool is still in too much flux at the moment. The good news is that this episode forced us to look more closely at our investment strategy. I recommend formation of an Investment Committee for the purpose of developing and monitoring investment strategies. The committee will develop investment recommendations to be considered at the April board meeting.