

Clearwater, Florida, February 3, 2004

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 3:00 P.M. on this date with the following members present:

Rodney S. Fischer, Chairman  
Tasker Beal, Jr., Vice-Chairman  
June Cullen, Assistant Secretary

Late Arrivals

Norris E. Counts, Assistant Secretary

Absent

Mark T. Mahaffey, Secretary/Treasurer

Also Present

Darlene Kalada, Director, Department of Community Development  
Anthony Jones, Department of Community Development  
Fran Pheeny, Department of Community Development  
Richard J. Perkins, 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.  
Kathryn Driver, William R. Hough & Co.  
Debbie Berner, William R. Hough & Co.  
Philip Harloff, Raymond James & Associates  
Robert Allison, Cordoba-Coquina Key, Inc.  
Ken Podlin, US Home  
Linda Dufresne, Dufresne & Associates  
Other interested individuals  
Barbara Harb, Board Reporter

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AGENDA

1. CALL TO ORDER
2. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS
  - A. Housing Finance Authority Meeting Minutes of January 6, 2004
3. TREASURER'S REPORT
  - A. Financial Reports as of November, 2003
  - B. Financial Reports as of December, 2003
4. COMMUNICATIONS TO AUTHORITY – Darlene Kalada
  - A. Board Appointments approved at January 20, 2004 BCC Meeting
  - B. First Housing – Occupancy Reports for November, 2003
  - C. Division of Bond Finance Allocation Approvals
  - D. Withdraw of Application of Skyview Towers Partners, Ltd.
  - E. SBA Investment Pool News
5. REPORTS BY OFFICERS AND OTHERS
  - A. Update on US Home Project – Anthony Jones and Robert Allison
  - B. Update of 2003 B Program – Fran Pheeny
  - C. Update on Alta Largo Apartments – Bernard Felder
  - D. School Board Partnership – Fran Pheeny
  - E. Update on Strategic Planning – Anthony Jones
6. OLD BUSINESS
  - A. Consideration of Actions Regarding Draw Down Bonds – Debbie Berner
7. NEW BUSINESS
  - A. Consideration of Resolution No. 2004-02 re Adoption of Rules and Policies of the Housing Finance Authority – Darlene Kalada
  - B. Annual Report to the Board of County Commissioners – Darlene Kalada
  - C. Clarification of Audit Questions – Linda Dufresne
  - D. Extension of Housing Study Contract – Darlene Kalada
8. OTHER BUSINESS
  - A. Upcoming Travel – Darlene Kalada
9. ADJOURNMENT

CALL TO ORDER

Chairman Fischer called the meeting to order at 3:00 P.M.

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RATIFICATION OF ACTION OF THE HOUSING FINANCE AUTHORITY (HFA)  
MEETING OF JANUARY 6, 2004 - APPROVED

Mr. Cronin advised that the action taken at the meeting of January 6, 2004 relative to the 2003B Program should be ratified; whereupon, Mr. Jones explained that the Authority approved the deferral of one percent of its administrative fee to be used as additional down payment assistance in order to increase participation in the 2003B Program.

Ms. Cullen moved, seconded by Mr. Beal and carried, that the action taken at the January 6, 2004 meeting be approved.

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At this time, 3:03 P.M., Mr. Counts entered the meeting.

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MINUTES OF HFA MEETING OF JANUARY 6, 2004 - APPROVED

Upon presentation by Chairman Fischer of the minutes of the HFA meeting of January 6, 2004, Mr. Beal moved, seconded by Ms. Cullen and carried, that the minutes be approved.

TREASURER'S REPORT - APPROVED

Mr. Beal presented the HFA Cash Statements for the months ending November 30 and December 31, 2003, copies of which have been filed and made a part of the record; whereupon, he moved, seconded by Ms. Cullen and carried, that the report be approved.

COMMUNICATIONS TO THE AUTHORITY

Ms. Kalada reported that the First Housing Occupancy Report for November has been received; that an allocation for the Alta Largo Apartments has been approved by the Division of Bond Finance; that Skyview Towers Partnership has

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withdrawn its application; and that the State Board of Administration Investment Pool News has been provided for the Authority's information; whereupon, Mr. Jones related that the Greenwood Apartments are 95 percent leased.

#### UPDATE ON US HOME PROJECT

Ken Podlin, Vice President of Sales, US Home, reported on the status of the Coquina Key Townhomes project and noted that two units have been sold; whereupon, in response to queries by the members, he indicated that either he or Adam Harding will be attending future HFA meetings; that the price range of the townhomes is \$130,000.00 and up; that two units have been built with the goal of completing the remaining units by the end of November; and that project brochures will be provided to the Authority.

#### UPDATE OF 2003B PROGRAM

Ms. Pheeny provided a status report on the 2003B Program and noted that there is a balance of approximately \$3,000,000.00 to originate; and that loan amounts and purchase prices remain consistent; whereupon, Mr. Detjen indicated that the program is moving slowly due to a decrease in market rates.

Thereupon, Ms. Kalada stated that the bonds may have to be called if the market rates remain as they are; and that staff will be working on ways to improve the performance of the program.

#### UPDATE ON ALTA LARGO APARTMENTS - TEMPORARILY DEFERRED

Mr. Jones indicated that the item will be addressed at the next meeting of the Authority.

#### SCHOOL BOARD PARTNERSHIP

Ms. Pheeny reported that staff has been working with the Pinellas County School Board to provide an employer-assisted housing program to aid in the recruitment and retention of new teachers; that on-site homebuyer education will be conducted; and

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that housing assistance materials will be included in recruitment packages, with emphasis on the first-time homebuyer program; whereupon, in response to query by Chairman Fischer, Ms. Kalada indicated that a teacher's program was previously launched but that the focus is now to bring the program on site.

#### UPDATE ON STRATEGIC PLANNING

Mr. Jones referred to an invitation to submit proposals for professional services to assist in developing a five-year strategic plan, a copy of which has been filed and made a part of the record, and noted that the due date for proposals has been extended to February 25.

#### RESOLUTION NO. 04-03 ADOPTED APPROVING THE ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE NOTES, SERIES 2004, IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$500,000,000 AS PART OF THE AUTHORITY'S SINGLE FAMILY MORTGAGE LOAN PROGRAM; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE

Ms. Berner provided an update on the activity of the existing draw down bond and indicated that a new investor has been identified to purchase the existing bond and issue a new one, with the parameter of maintaining at least \$100,000,000 in the bond for three years; that the structure would be a five-year draw down with an eight-year maturity utilizing two types of investment vehicles; whereupon, Mr. Detjen noted that authority is needed to proceed with the Tax Equity Fiscal Responsibility Act (TEFRA) hearing; and that more descriptive terms will be provided at the next meeting of the Authority.

Discussion ensued with regard to options available for issuance of the draw down bond and the advantages of issuing one bond of \$500,000,000 as opposed to two separate bonds of \$250,000,000 each. Following discussion, Mr. Counts moved, seconded by Mr. Beal and carried, that Resolution No. 04-03 be adopted as presented.

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RESOLUTION NO. 04-02 ADOPTED PROVIDING (I) ADOPTION OF POLICIES AND PROCEDURES, AND (II) UPDATED RULES OF THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA AND PROVIDING AN EFFECTIVE DATE

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Ms. Kalada referred to a resolution, a copy of which has been filed and made a part of the record, re adoption of rules and policies of the HFA, and stated that upon adoption by the Authority, the resolution will be presented to the Board of County Commissioners (BCC) for its approval. In response to query by Mr. Counts, Mr. Cronin highlighted noteworthy changes to the rules as follows:

- Designation of Chairman by Authority members as opposed to the BCC
- Definition of quorum as a majority of members present in person (remaining members may participate telephonically)
- Refinements to public records access and ability to photocopy documents
- Definition of "Eligible Persons" to be in compliance with State Statute

He further indicated that the policies and procedures have been reviewed by the County Attorney's Office.

Thereupon, Ms. Cullen moved, seconded by Mr. Counts, that Resolution No. 04-02 be adopted. Upon call for the vote, the motion carried unanimously; whereupon, Ms. Kalada noted that the resolution includes a provision for the periodic review of the method of procuring professional services; and that a schedule of contract dates with current providers will be made available at the next meeting.

ANNUAL REPORT TO THE BOARD OF COUNTY COMMISSIONERS (BCC) - APPROVED

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Upon presentation by Ms. Kalada, Mr. Counts moved, seconded by Mr. Beal and carried, that the Annual Report to the BCC be approved.

CLARIFICATION OF AUDIT QUESTIONS

Ms. Dufresne distributed the final *HFA Independent Auditor's Reports, Financial Statements, and Required Supplementary Information*, a copy of which has been filed and made a part of the record, highlighted the amendments to the draft report, and stated that the management letter indicates that there are no items that need to be disclosed. Responding to queries by Mr. Counts with regard to internal controls, Ms. Dufresne indicated that a special report on internal controls was provided in 2003; whereupon, Mr. Perkins outlined the steps being undertaken to address the adequate separation of duties in order to avoid conflicts. Following discussion, Mr. Counts requested that internal operational procedures be reviewed by an outside source; whereupon, Ms. Kalada indicated that a review of business practices will be included in the contract with Ms. Dufresne.

Ms. Dufresne referred to the bonded indebtedness report and indicated that the information contained in the Schedule of Bonded Indebtedness correlates to the figures contained in the financial statements. Referring to the decrease in net assets, she stated that the negative amount is attributable to adjustments in fair market values, amortization of bond issuance costs and bond interest expense fluctuation; and that a review of individual programs revealed some potential for negative arbitrage; but that the only significant impact is in the unrealized gain component.

EXTENSION OF HOUSING STUDY CONTRACT - APPROVED

Ms. Kalada advised that the housing study contract expired on December 31, 2003 due to time delays and an expansion to the scope of services provided by the consultant; and proposed that the Authority execute an amendment to extend the term of the contract to May 15, 2004; whereupon, Mr. Counts moved, seconded by Mr. Beal and carried, that the proposal of Ms. Kalada be approved.

OTHER BUSINESS

Ms. Kalada announced that the National Association of Local Housing Finance Authorities (NALHFA) spring conference will be held in April and the Florida Association of Local Housing Finance Authorities (ALHFA) will meet in July; and

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requested that the members inform Ms. DeCou as to whether they will be attending either event.

Ms Pheeny reported on a series of events leading up to National Home Ownership Week (NHOW) in June. She reviewed the budget for the celebration and requested approval for Ms. Kalada to execute a contract to commit funds to the Harborview Center in the amount of \$5,130.00 for use of the facility to hold the event; whereupon, Ms. Kalada indicated that some costs may be sponsored by partnerships with outside organizations; and that \$10,030.00 is the maximum amount that would be spent by the Authority.

Following discussion, Mr. Counts moved, seconded by Ms. Cullen and carried, that Ms. Kalada be granted authority to expend \$5,130.00 to contract with the Harborview Center for the NHOW event.

Ms. Kalada announced that she will be out of the office from February 5 through 25; and that Mr. Jones will be available should the members need assistance during her absence.

#### ADJOURNMENT

Upon motion by Mr. Counts, seconded by Mr. Beal and carried, the meeting was adjourned at 3:58 P.M.

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Secretary/Treasurer