

Clearwater, Florida, January 9, 2007

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:

Tasker Beal, Jr., Vice-Chairman
Norris E. Counts, Assistant Secretary
June Cullen, Assistant Secretary

Absent

Rodney S. Fischer, Chairman
Mark T. Mahaffey, Secretary/Treasurer

Also Present

Anthony M. Jones, Director, Department of Community Development
James M. Ferguson, Department of Community Development
Richard J. Perkins, Department of Community Development
Deborah Berner, RBC Capital Markets
Ed Busansky, First Housing Development Corporation of Florida
Michael T. Cronin, Attorney, Johnson, Pope, Bokor, Ruppel & Burns, P.A.
Sue Denihan, eHousing Plus
Patt Denihan, eHousing Plus
Robert Detjen, CSG Advisors Incorporated
Bernard Felder, Wood Partners
Lisa Kaplan, Crow Holdings
Robert Reid, Bryant, Miller and Olive, P.A.
Gregg Schwartz, Tampa Bay Community Development Corporation
Other interested individuals
MaryAnn Penhale, Deputy Clerk

AGENDA

1. CALL TO ORDER
2. APPROVAL OF MINUTES
 - A. Housing Finance Authority (HFA) Meeting Minutes of December 5, 2006
3. TREASURER'S REPORT
 - A. Financial Report November 2006
4. COMMUNICATIONS TO THE AUTHORITY

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5. REPORTS BY OFFICERS AND OTHERS
 - A. First Housing Occupancy Report for October 2006 – Anthony Jones
 - B. Investment Pool Update – Anthony Jones
 - C. 2006 SF Bond Program Update – Deborah Halstead
 - D. Clarification of Land Donation for Tax Deduction – Mike Cronin
6. OLD BUSINESS
 - A. Procurement of Professional Services Providers – Anthony Jones
 - B. Woodlawn Oaks Update – Jim Ferguson
7. NEW BUSINESS
 - A. There is No Agenda Item 7A
 - B. Staff Recommendation re RFPs for Underwriting Services – Anthony Jones
 - C. Consideration of a Resolution re Sale of Alta Largo – Bob Reid
8. OTHER BUSINESS
9. ADJOURNMENT

Upcoming Events

Thursday, January 18, 2007 – Pasco Homeless Coalition (Anthony Jones presenting)
Tuesday, February 6, 2007 – Next Meeting of the Authority

NALHFA Spring Conference
Sheraton Seattle, Seattle, WA
April 18-21, 2007

CALL TO ORDER

Vice-Chairman Beal called the meeting to order at 3:00 P.M.

MINUTES OF HFA MEETING OF DECEMBER 5, 2006 – APPROVED

Upon presentation by Vice-Chairman Beal of the minutes of the HFA meeting of December 5, 2006, Mr. Counts moved, seconded by Ms. Cullen and carried, that the minutes be approved.

TREASURER'S REPORT – APPROVED

Mr. Counts presented the HFA financial statement for the month ended November 30, 2006, a copy of which has been filed and made a part of the record; whereupon, Ms. Cullen moved approval of the report, seconded by Mr. Counts and carried.

COMMUNICATIONS TO THE AUTHORITY – NONE

REPORTS BY OFFICERS AND OTHERS

Mr. Jones presented the First Housing Occupancy Report for October 2006, a copy of which has been filed and made a part of the record; and related that the report is very good; and that Palmetto Park is presently at 97 percent occupancy.

Mr. Jones presented the investment pool update and noted that rates are holding steady.

Mr. Jones referred to Ms. Halstead's memorandum dated December 21, 2006 regarding the 2006B Single-Family Bond Program, a copy of which has been filed and made a part of the record, and indicated that over \$4.2 million in loans have been originated in the program; that on December 20, 2006, the President signed HR6111 extending the veterans' exception into housing, which will provide veterans with the opportunity to be considered first-time homebuyers regardless of whether they meet the three-year requirement or not; and that staff is attempting to provide information regarding the program to the public.

Attorney Cronin stated that a memorandum related to the matter of clarification regarding land donation for tax deduction will be distributed at the next meeting; whereupon, he presented the following information:

- A donor can contribute property directly to the county or the land trust and receive a charitable contribution.
- There are very detailed Internal Revenue Service (IRS) regulations regarding valuing the worth of property.
- There is a new set of proposed regulations regarding how to use qualified appraisers and the type of information to be included in appraisals.
- If property is contributed by a donor who has no future involvement in the project, a charitable contribution can be claimed for the full fair market value of the property.
- If property is donated by a developer with some essential future benefit to be derived, the IRS will take the position that the donor is not entitled to a charitable contribution.

Responding to query by Mr. Counts, Attorney Cronin confirmed that environmental issues would be considered regarding any land contributions; whereupon, he added that the Authority should make it clear to developers or other parties that they should obtain their own independent tax advice regarding the matter. Discussion ensued regarding the possibility of creating a wholly-owned subsidiary of the HFA to serve as the holder of land for the land trust and the matter of due diligence.

OLD BUSINESS

Procurement of Professional Services Providers

Mr. Jones presented the staff recommendation for the HFA to seek Requests for Letters of Interest and Qualifications (RLIQ) for professional services providers as set forth in the schedule listed in the agenda memorandum dated January 9, 2007, a copy of which has been filed and made a part of the record; whereupon, he stated for the record that the current professional services providers are doing an excellent job; and that it would be beneficial to move forward with periodic reviews.

Following discussion, Mr. Counts moved approval of the proposed schedule; whereupon, additional discussion ensued regarding procedural matters, the impacts of possibly obtaining new service providers, and the competitive selection process.

Thereupon, Mr. Counts reiterated his motion, seconded by Ms. Cullen and carried.

Woodlawn Oaks Update

Mr. Ferguson distributed a schematic of the Woodlawn Oaks Estates subdivision, a copy of which has been filed and made a part of the record, and related that he had attended an open house on November 18, 2006 for the first two homes built there; whereupon, he pointed out the location of the two homes which were financed by Tampa Bay Community Development Corporation. He displayed photographs of other units under construction and indicated that there will be a total of 11 houses; that the HFA had provided funding of \$1.2 million for nine homes which were all pre-sold; that closings are scheduled for January, February, and March; and that the entire \$1.2 million construction loan amount will be reimbursed to the HFA by mid-March. Discussion ensued, with additional input provided by Messrs. Schwartz and Ferguson regarding the public/private partnership project.

Mr. Ferguson stated that the next upcoming Operation KickStart project involving the HFA is located in the City of St. Petersburg; and in reply to query by Mr. Counts, Mr. Jones stated that the Housing Trust Fund allocation is expected to be available by the end of February; and that use of the funds for appropriate proposed projects could be considered by the members at that time. Responding to further queries by Mr. Counts, Mr. Jones stated that he had contacted the St. Petersburg Housing Authority; that the agency needs no assistance in relocating displaced residents; that the HFA serves all of Pinellas County and can function in the City of St. Petersburg; and that staff could look into any viable opportunities regarding available property.

NEW BUSINESS

Staff Recommendation re Requests for Proposals (RFPs) for Underwriting Services

Mr. Jones reported that the HFA had received responses to its RFP for underwriting services from First Housing Development Corporation of Florida and Neighborhood Lending Partners, Inc.; and that staff had reviewed the proposals and is requesting that the two entities be added to the Authority's list of professional services providers. Responding to query by Mr. Counts regarding fee arrangements, Mr. Jones indicated that he had not brought the proposals to today's meeting, but could provide specific information at the next meeting; and that the fees are reasonable; whereupon, discussion ensued regarding the advantage of having agencies provide the proposed underwriting services, with input provided by Mr. Detjen.

Thereupon, Mr. Counts moved approval; and responding to queries by the members, Mr. Jones stated that staff recommends both agencies; and that fees will be paid only if services are utilized. Mr. Counts reiterated his motion for approval, seconded by Ms. Cullen and carried.

RESOLUTION NO. 2007-01 ADOPTED APPROVING SALE OF FINANCED PROJECT; AUTHORIZING ASSIGNMENT OF RIGHTS AND ASSUMPTION AGREEMENT; PROVIDING FOR THE FORMS OF ASSIGNMENT OF RIGHTS AND ASSUMPTION AGREEMENT; APPROVING MORTGAGE ENCUMBRANCE; PROVIDING FOR OTHER MATTERS RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE

Mr. Reid referred to the proposed sale of Alta Largo Apartments and summarized the terms of proposed Resolution No. 2007-01 and the Form of Assignment of Rights and Assumption Agreement; whereupon, he noted that as part of the transaction, the seller will be paying off the bonds; and that the bonds will be defeased and retired in approximately 30 days after the sale. Responding to queries by Mr. Counts, he confirmed that there would be a loss of income to the Authority, which Mr. Perkins stated would amount to \$51,000 per year; whereupon, Attorney Cronin indicated that historically the Authority has never had prepayment penalties in its multi-family documents; that the benefit derived from the structured transactions is the Land Use Restriction Agreement (LURA) which will continue for 13 years; that the documents impose obligations on the parties to maintain the LURA; and that the payment obligation for the compliance agent will be on the private parties. Discussion ensued; and Mr. Reid indicated that the new owner would assume the responsibility of paying the cost of compliance monitoring.

Thereupon, Mr. Counts moved approval, subject to staff ascertaining the amount of the Authority's costs; and Vice-Chairman Beal indicated that the motion died for lack of a second. Bernard Felder, representing Wood Partners, the current owners of the property, expressed concerns regarding the additional ongoing compliance costs related to a third party

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compliance manager; whereupon, further discussion ensued regarding the matter of ongoing fees after the refunding of bonds, third party compliance monitoring, and the loss of income stream when bonds are paid off early. Mr. Counts notified staff that in the future if a bond is sold and the Authority loses its income stream, he expects the Authority to receive compensation for it.

Mr. Counts moved approval of the subject transaction; whereupon, in reply to query by Vice-Chairman Beal regarding the consequences of not approving the resolution and documents today, Mr. Felder stated that the closing is scheduled for February. Attorney Cronin referred to the issue of timing and pointed out that he does not see a legal reason why the resolution and documents should not be approved because they are essentially in conformity with the existing agreement with the developer; whereupon, he confirmed that the LURA matter will be dealt with separately; and that there will be no estoppel certificate generated from the county.

Thereupon, Mr. Counts clarified that his motion is to approve the documents as presented, seconded by Ms. Cullen and carried.

OTHER BUSINESS

Mr. Jones referred to the upcoming Penny for Pinellas renewal and offered a reminder to vote on March 13.

Mr. Jones requested that the members inform Ms. Halstead as soon as possible as to whether they plan to attend the NALHFA Spring Conference at the Sheraton Seattle from April 18-21 in order that appropriate arrangements can be made.

ADJOURNMENT

Upon motion by Mr. Counts, seconded by Ms. Cullen and carried, the meeting was adjourned at 4:03 P.M.

Secretary/Treasurer