

REGION 8

MINUTES OF SPECIAL MEETING OF HOUSING FINANCE AUTHORITIES AND COUNTIES IN REGION 8 AND OTHER PARTICIPATING COUNTIES

November 16, 2011

12:01 p.m.

On Wednesday, November 16, 2011, at the Hilton Garden Inn, 12600 University Drive, Fort Myers, Florida, Nicholas Hoffer with Raymond James and Associates, Inc. (“Raymond James”) called the Regional meeting to order and asked E. Walter Barletta, Chairman of the Housing Finance Authority of Lee County, Florida (the “Lee Authority”), to make a brief statement. Mr. Barletta thanked everyone for attending and asked Mr. Hoffer to address the items on the Agenda.

The parties present at the meeting were Nicholas Hoffer with Raymond James, Underwriter, E. Walter Barletta, Thomas Birch, Virginia Yates, Michael Villalobos, and Walter Ferguson with the Lee Authority, Phil Burnett, counsel for the Lee Authority, Robin Miller with First Southwest Company, Financial Advisor to the Lee Authority, Don Hadsell with Sarasota Office of Housing and Community Development, Chuck Mohlke with the Housing Finance Authority of Collier County, Florida (“Collier Authority”) and Don Pickworth, counsel for the Collier Authority Jim Sweeney and Al Williams with the Housing Finance Authority of Charlotte County, Florida (the “Charlotte Authority”), Mary Burton, counsel for the Charlotte Authority, Amanda Culp and John Sabatier with RBC Capital Markets (“RBC”), Underwriter and Financial Advisor, David Brandt with the Palm Beach Housing Finance Authority (the “Palm Beach Authority”) Mark Mustian, Esquire with Nabors, Giblin & Nickerson, P.A., Bond Counsel for various Housing Finance Authorities, Scott Schuhle with U.S. Bank Trust National Association (“U.S. Bank”), the Trustee on the majority of the Lee Authority’s bond offerings, Philip Harloff, the Authority’s Issuer’s Agent, Sue Denihan with Housing and Development Services, Inc. d/b/a eHousingPlus, Mary Packer with Packer Kiss Securities and Jay Brock with Southern Affordable Services, Inc., sole member and general partner of Rolling Green.

Mr. Hoffer first addressed the Region’s Tax Exempt Volume Cap Allocation for 2011/2012 (“Allocation”). He said that there is plenty of Allocation available in the Region for affordable housing. However, he said that because of the budget debate going on in Congress, the uncertainty in the financial markets and that the fact that funding is being cut substantially, it is going to be a difficult year for affordable housing. He then briefly discussed that Regional Single Family Bond Program (“Lee Single Family Program”) and summarized the loans made on a county by county basis. Mr. Brandt then spoke. He thanked everyone for allowing the Palm Beach Authority to participate in the Lee Single Family Program. He said that in the past the Palm Beach Authority was an active issuer of bonds for single family housing but given that they had been out of the market for quite some time that it was difficult for them to get a program up and running. He

concluded by suggesting that the Region keep its Programs going and to stay in the market. Mr. Barletta said that the Lee Authority and the Region were making a concerted effort to stay in the market with a single family bond program but that they were meeting substantial headwinds and that the costs were making it difficult to do so. Mr. Hadsell then spoke. He said that affordable housing was getting more and more difficult in Sarasota County but that they were just opening their Janie's Garden Project. He said that Sarasota County had one 4% tax exempt multifamily project in the works, i.e., Rolling Green, and that two proposed projects were seeking 9% financing from the State.

Mr. Hoffer then addressed the actions of FLAHFA pertaining to the Sadowski Act Trust Fund. He said that FLAHFA had working with the Florida Housing Coalition and others to visit local legislators around the State to educate them as to the original purpose of the Sadowski Act and to get the Trust Fund to get funding back in it. He said that FLAHFA been very active in assisting in setting up and funding a fund to be used to cover the costs of helping to educate legislators. He said it was working very well and that FLAHFA had done a very good job working with the Florida Housing Coalition and others in educating legislators, without which the funding for affordable housing might have been substantially cut or even eliminated. Mr. Barletta said that the Lee Authority had budgeted \$10,000 per year toward the fund. He said that he thought that the lobbying effort had effectively saved funding for affordable housing. However, he noted that Representative Gary Aubuchon from Cape Coral might be running for Congress and that it was his understanding that Mr. Aubuchon was the biggest supporter of Sadowski Act funding. Mr. Mustian said that from what he hears there will not be any money funded by the State for SAIL money next year, that funding for affordable housing does not look good, and that it could get worse. Mr. Hoffer asked Mr. Mustian if he had any additional information concerning possible legislation and he said no, not other than what he had just mentioned.

Mr. Hoffer next addressed the current Lee Single Family Program. He said that since January of 2010, \$10.2 million of loans have been made. He said that the Program looks like it is performing pretty well and that, as discussed earlier, loans are being made in most counties in the Region. He said that Bank of America ("BAC") is winding down as the Master Servicer for the Program but that U.S. Bank was stepping in to fill their role as Master Servicer and that it does not appear that it will have an adverse effect on the Program. Mr. Harloff said, however, that BAC was one of the largest lenders in the Program and that they may be pulling out of bond programs. Notwithstanding though, loan officers making most of the loans in the Program may move and still stay in the Program. A discussion then took place as to how to help the Program. It was agreed that it would be a good idea to try to link and cross-link the various counties to the Lee Authority's website and Program. It was also agreed that it would be a good idea to contact the various Realtor Associations in the various communities to educate them about the Program. Mr. Harloff said that he would work with eHousingPlus to come up with a plan to help educate that various Realtor Associations in the communities participating in the Lee Authority Single Family Program.

Mr. Hoffer then suggested that the various HFA's and Counties discuss what is going on in their respective jurisdictions. Mr. Hadsell, representing Sarasota County, said that he did not have anything more to add to what he had said previously. Mr. Pickworth said that not much was

happening in Collier County as far as affordable housing is concerned nor was there much improvement in the economy in Collier County. He said, however, that there had been an upheaval in the County in the Housing and Urban Development Department. Mr. Mohlke said that a big problem that they were having in Collier County is with the issue of abandoned and foreclosed houses, a shadow inventory of housing. He said that Representative Kathleen Passidomo from Naples had sponsored a bill in the Florida House of Representatives dealing with the obstacles associated with foreclosures. He said it might be something that everyone might want because it might help speed up the elimination of the foreclosure problem. Mr. Barletta said that he personally was optimistic about the economy in Lee County. He said that builders with updated models were seeing an uptick in traffic in their models but that there is apparently still a problem in obtaining financing and there is still a glut of inventory on the market. He concluded by saying that, notwithstanding, there is a lot of activity in Southwest Cape Coral, particularly with new buyers. Mr. Sweeney said that things look bleak in Charlotte County. He said that the County has no subsidies for affordable housing and that there is one developer seeking a 9% Project this year. He also said that he noticed that Hendry County had just closed on 53 units of farm worker housing. Mr. Brandt said that not much is happening economically in Palm Beach County. He said that the County still has problems with its condo and McMansions markets but that the affordable housing market is good. He said that the Palm Beach Authority had just done its first multifamily project in 6 years. Mr. Barletta then thanked everyone for coming and for working together on affordable housing for so many years.

Mr. Miller said that he had a couple of comments to make. He said that the Super Committee in Congress has seven days to come up with a deficit reduction plan but that things were not looking good. He said that he thought their failure to come up with a plan would possibly have a detrimental effect on the economy. Mr. Miller said that the housing finance authorities in Texas were having success with mortgage credit certificates and that they are something that the Region might want to consider in the future. He concluded his comments by stating that Mike Awadis, the contact person on the Lee Authority's Single Family Program had joined First Southwest.

Mr. Hoffer next asked if there was any new business to come before the meeting. There being none, he thanked everyone for attending the meeting and the meeting was adjourned at 1:24 p.m.

Respectfully submitted,

Philip L. Burnett, Counsel
for the Lee Authority