

**MEETING OF THE STATE BOARD OF ADMINISTRATION**

**GOVERNOR DESANTIS AS CHAIR  
CHIEF FINANCIAL OFFICER PATRONIS  
ATTORNEY GENERAL MOODY**

**February 26, 2019**

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**AGENDA**

**ITEM 1. APPROVAL OF JANUARY 29, 2019 MEETING MINUTES**

(See Attachment 1)

**ACTION REQUIRED**

**ITEM 2. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$5,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES, 2019 (SERIES TO BE DESIGNATED) (CHOCTAW VILLAGE)**

(See Attachment 2)

**ACTION REQUIRED**

**ITEM 3. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$16,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (SUNCREST COURT)**

(See Attachment 3)

**ACTION REQUIRED**

**ITEM 4. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$9,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (THE PALMS AT TOWN CENTER)**

(See Attachment 4)

**ACTION REQUIRED**

STATE OF FLORIDA

Original  
C & N REPORTERS

IN RE: MEETING OF THE GOVERNOR AND  
CABINET

CABINET MEMBERS: GOVERNOR RON DESANTIS  
ATTORNEY GENERAL ASHLEY MOODY  
CHIEF FINANCIAL OFFICER JIMMY  
PATRONIS  
COMMISSIONER OF AGRICULTURE  
NIKKI FRIED

DATE: TUESDAY, JANUARY 29, 2019

LOCATION: CABINET MEETING ROOM  
LOWER LEVEL, THE CAPITOL  
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR  
COURT REPORTER

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# INDEX

PAGE NO.

Executive Director, Department  
Of Revenue

4

State Board of Administration  
By Ash Williams

7

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1                   **STATE BOARD OF ADMINISTRATION**

2  
3                   GOVERNOR DESANTIS: Next I'd like to welcome  
4 Ash Williams with the State Board of  
5 Administration.

6                   Ash will open -- give an overview of SBA's  
7 investment performance, and then we will approve  
8 the minutes; and then he's also going to, I think,  
9 talk about the Airbnb issue a little bit.

10                  So go ahead, Ash.

11                 EXECUTIVE DIRECTOR WILLIAMS: Good morning,  
12 Governor, Trustees, Cabinet members. It's good to  
13 be with you today.

14                 As you suggested, Governor, our usual practice  
15 is to open with an update on portfolio performance.  
16 We have two different data series: One is calendar  
17 year to date; the other is fiscal year to date.  
18 And what I normally do is take whichever of those  
19 data series represents the longer chain of data  
20 because it's more meaningful.

21                 So at this point, in a new year, the fiscal  
22 year-to-date series is the longer. So taking that  
23 number, fiscal year to date the Florida Retirement  
24 System Trust Fund is down .87 percent. That's 92  
25 basis points or 92 one hundredths of one percent

1                   ahead of target. The Fund is down \$4.8 billion  
2 from where we started the fiscal year. That is net  
3 of approximately 7.6 billion in distributions that  
4 we've paid out.

5                   So absent the distributions, it would not be  
6 as extreme a situation. And I'm not saying it is  
7 an extreme situation.

8                   Putting that in contrast, if we look at the  
9 fiscal year -- or rather the calendar year to date,  
10 it's been a very different situation because the  
11 stock market and financial markets broadly around  
12 the world came up pretty dramatically after the  
13 retraction in Q4 of 2018. So calendar year to  
14 date, which is an admittedly short period of time,  
15 less than a month, we're up 3.2 percent.

16                  So just to show you, the short-term numbers  
17 are just that; they're short-term numbers. They're  
18 data points along the way. It's the long-term  
19 trends that matter.

20                  Unless there are any questions, I'll proceed  
21 with the governance report.

22                 GOVERNOR DESANTIS: All right. Just so the --  
23 the performance in the fiscal year, how does that  
24 compare to the overall performance of some of the  
25 market indexes over that time?

EXECUTIVE DIRECTOR WILLIAMS: It's positive. As I said, the overall performance is nearly one full percent ahead of target. So the way we roll that number up is we take our weighted allocation to each of our target investment areas, which are: Global equity, fixed income, private equity, real estate, cash, and what we call strategic investments, which is an opportunistic category.

Each of those have an independent third-party benchmark that's an institutional investable benchmark objectively set independent of us, and we measure our performance in each of those classes relative to that class' benchmark; take whatever that under or over performance is, multiply it by the weight that asset class has in the portfolio and sum it up; and that gives you the aggregate performance. So the short answer to your question is: We're doing well in all areas.

I would also say that the State Board has a long history of doing well. In fact, yesterday I was looking at current data from a firm called Cost Effectiveness Management, which is a Toronto-based organization that tracks major pension funds in North America; and on a trailing 20-year basis, the value added by the Florida State Board of

Administration was at the first percentile, which is to say at the very top of all major public pension funds they track.

So I think we have a pretty good history of performance, and I think that will continue if we can possibly help it.

GOVERNOR DESANTIS: Great. Proceed.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

So one of the things we do on a quarterly basis is provide a report to you on governance activities. From time to time, there are issues that come up in the course of our experience that, as we said in the opening prayer, go to the principles of the way we would choose to live and the principles Florida traditionally has chosen to govern.

And to the extent there's a social or other issue that is of interest and is perceived as problematic, then from time to time the Trustees and the Legislature will work with us to put our heads together and see if there's a way that we can try and embrace constructive change and embrace a direction that carries with it some consistency with moral imperative or other values and do so in a way that comports with our fiduciary obligation



1 and fiduciary economic loyalty to the economic  
2 interest of our beneficiaries.

3 So we have a handful of areas in which that  
4 has been done that we report to you on quarterly.  
5 These include Sudan and Iran; Cuba; Northern  
6 Ireland; the Boycott Divested Sanction movement in  
7 Israel; and more recently, Venezuela. And, of  
8 course, Venezuela has been in the news this week.

9 Governor, you, I think, have some current  
10 information on that. You're way ahead of me on  
11 that subject, but there's, obviously, a lot being  
12 done to accomplish constructive change.

13 Now in some of these situations, like in  
14 Venezuela or Cuba, we won't really have any  
15 investment exposure there anyway because --  
16 particularly in the case of Venezuela. It's just  
17 not the kind of place that's prudent to invest  
18 under the current regime.

19 So having a policy that we will not -- we've  
20 carefully worked out a policy that we will take no  
21 action through our proxy votes or through our  
22 capital allocation that would be supportive of the  
23 Maduro regime. That's totally fine, no issues  
24 whatsoever, and I don't think there's any ambiguity  
25 about it.

1 And then in other situations like Iran and  
2 Sudan, we have a very specific set of actions we  
3 look for. We engage with companies that appear to  
4 have triggered our value set and our objectives as  
5 set forth in law and policy. And in those cases,  
6 we will engage with those companies, put them on  
7 what's called a scrutinized list; engage with them  
8 in writing, enter discussion with them about  
9 whatever their behaviors are and hopefully effect  
10 change.

11 So, for example, in the current report, you  
12 will note on Pages 7 and 8 of the report, we give  
13 detail on changes in Sudan, of which there are  
14 none; and changes in Iran. And in Iran we had one  
15 company, Daelim Industrial Company, Ltd, removed  
16 from what is called the scrutinized list.

17 Why were they removed? Because they ceased  
18 operation in Iran, which is what we wanted, and  
19 they advised us and confirmed such in writing. So  
20 you could say positive effect. Pressuring people  
21 to do the right things can be helpful.

22 We don't have anything to report with regard  
23 to Cuba or Northern Ireland or Venezuela, as I  
24 said. And in the case of the Boycott Divest  
25 Sanction issue in Israel, Airbnb has been in the

1 news of late. We have worked with Airbnb and  
 2 talked to private nonprofit interest groups that  
 3 are interested in the area and have also talked  
 4 with the Consul General's office from Israel. And  
 5 there are enough issues around that for the time  
 6 being that our recommendation would be to add them  
 7 to a scrutinized list, continue to work through  
 8 that issue and see if we can sort out the facts and  
 9 the law and ensure that we're on the right side of  
 10 both.

11 The Deputy Consul General of Israel is here  
 12 today and would like to be heard on this, and I  
 13 believe there's a representative from Airbnb as  
 14 well.

15 I'll be happy to answer any questions you  
 16 have.

17 GOVERNOR DESANTIS: If anyone has any --  
 18 before we do that, we need approve the minutes.

19 So November 30th, 2018, I move to approve the  
 20 minutes.

21 Is there a motion -- a second?

22 ATTORNEY GENERAL MOODY: Second.

23 CFO PATRONIS: Second.

24 GOVERNOR DESANTIS: Okay. Any comments or  
 25 objections?

1 (NO RESPONSE).

2 GOVERNOR DESANTIS: Hearing none, the motion  
 3 carries.

4 Item 2 will be the minutes from December 4th,  
 5 2018. Is there a motion on that item?

6 CFO PATRONIS: So move.

7 GOVERNOR DESANTIS: Is there a second?

8 COMMISSIONER FRIED: Second.

9 GOVERNOR SCOTT: Any objections?

10 (NO RESPONSE).

11 GOVERNOR DESANTIS: Hearing none, the motion  
 12 carries.

13 And then the interim update on 2018 -- well,  
 14 actually we're going to hear from the -- we'll  
 15 hear from -- I guess you have Airbnb, and then  
 16 there are representatives from the Consul General's  
 17 office?

18 EXECUTIVE DIRECTOR WILLIAMS: Yes, sir.

19 GOVERNOR DESANTIS: So whoever wants --

20 EXECUTIVE DIRECTOR WILLIAMS: And thank you  
 21 for catching my miss on the minutes. Apologies for  
 22 that.

23 And, also, I do request approval of our  
 24 quarterly report. If we want to come back to that  
 25 after we hear testimony, that would be good.

GOVERNOR DESANTIS: Okay. Great.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

GOVERNOR DESANTIS: Who wants to be heard on the issue involving Airbnb? I know we have some people that were going to speak. Anybody?

DEPUTY CONSUL GENERAL GILADY: Thank you once again. My name is Guy Gilady. I'm the Deputy Consul General of Israel here in Miami.

Thank you for this opportunity to address the Florida State Board of Administration on behalf of the State of Israel and to express our appreciation to this esteemed body and to the State of Florida. We thank you for your actions and efforts in support of Israel in opposition and in opposition to BDS and other harmful discriminatory practices.

We have provided the Board with an extensive submission regarding Israel's view on the matter. I'd like to use this time to talk about leadership.

The SBA is addressing Airbnb's shameful policy regarding the homes in one part of the world: In Israel; in one part of Israel: Judea and Samaria; and regarding one group of people: Israeli Jews.

The State of Israel regards Airbnb's policy as pure discrimination against Jews. We, like you,

abhor discrimination in all its forms, and my government will be taking actions in protest of Airbnb's discriminatory policies -- practices.

Airbnb is applying an obvious double standard towards Israel and Israelis, which is far removed from a policy that could be recognized by any fair-minded observer as global objective and nondiscriminatory.

My friends, members of the Board, you are being called upon today to show leadership in not only guiding the policy of the State of Florida but to also set precedent that many other states, countries, and leaders will follow. Actions speak louder than words, as you always say, Governor. And companies should not be allowed to put a smoke screen of PR moves and statements to obfuscate the public, disguise their bias, and maintain a discriminatory policy.

We trust deeply in your leadership because we know that there is no place for discrimination in the State of Florida. Thank you.

GOVERNOR DESANTIS: Thank you.

Any other members of the public, any members of Airbnb that wish to be heard on this?

(NO RESPONSE).



1 EXECUTIVE DIRECTOR WILLIAMS: I think we're  
2 good, sir.

3 GOVERNOR DESANTIS: Okay. Well, I'll make a  
4 few comments and then we will, you know, proceed,  
5 you know, to consider approving the interim update  
6 which would, of course, add Airbnb to the  
7 scrutinized companies' list.

8 And I think it's important to point out, you  
9 know, why we are even here discussing something  
10 like this; and I think the reason is because  
11 Florida and many other states have taken a clear  
12 stand against those who engage in commercial  
13 discrimination against Israel. I mean here we have  
14 the only democracy in the Middle East, the only  
15 country in the Middle East that has common values  
16 with us, not only here in Florida but our country  
17 as a whole.

18 You have the most affluent, innovative, and  
19 successful country in the Middle East, and it's not  
20 even close; and yet, this has all been done -- it's  
21 really been a modern day David versus Goliath  
22 story. If you go back to the founding of the  
23 modern state, the entire Middle East erupted to try  
24 to annihilate Israel and really suffocate it in its  
25 crib.

1 So they fought a war, which would have been a  
2 war of annihilation against them, coming right off  
3 the World War II and the Holocaust. And they  
4 fought again in '67, '73; they fought Intifadas.  
5 Those were all designed, not just because of one  
6 territorial dispute; they were designed to push the  
7 Jews back into the sea.

8 And so they've had to fight to create a  
9 dynamic, prosperous country in the face of threats  
10 that we in America really can't even fathom, one of  
11 the most hostile, if not the most hostile  
12 neighborhood in the world.

13 And so when you understand that and then you  
14 see a movement throughout the world to apply a  
15 separate standard and to target the only democracy  
16 in the Middle East, the only Jewish state in the  
17 world -- you have people that want to boycott  
18 Israel who want to trade with Iran, the world's  
19 leading state sponsor of terrorism. Sudan, oh,  
20 yeah, go ahead and do it. Give me a break.

21 And so Israel has to deal with being targeted  
22 like no other country really is in the world at  
23 this time, and they also have to deal with  
24 institutions like the United Nations, which has  
25 become the theater of the absurd, knee-jerk



1 anti-Israel bias. And so you see this going on,  
 2 and so that's why I think states like Florida have  
 3 stepped up and said: You know what, if we allow  
 4 Israel to be singled out for commercial  
 5 discrimination, it's only going to snowball.  
 6 You're going to have more and more people join it.  
 7 You'll have more governments get involved. And  
 8 then all of the sudden, this one country that's  
 9 trying to do it the right way, standing for the  
 10 right values, they both literally and figuratively  
 11 have made the desert bloom, that they will be in an  
 12 even more precarious situation.

13 So that is why we're here. And I think with  
 14 the Airbnb situation, I think it's very unfortunate  
 15 that they had adopted this policy, because I think  
 16 the company has done a lot of good things. I think  
 17 they've been innovative, and I think that they  
 18 probably, you know, would be able to do a lot of  
 19 other good things going forward.

20 But when they came out with this policy on 19,  
 21 November of 2018, you know, they specifically cited  
 22 Jewish Israelis in what they called the "occupied  
 23 West Bank." And so there's a couple of problems  
 24 with that: One, just the term "occupied" tips the  
 25 hand about where you're coming from on that. It's

1 not occupied territory; it's disputed territory.

2 And if you go back and look through history,  
 3 it was Turkish for hundreds and hundreds of years;  
 4 and then after World War I, it was all -- that  
 5 whole territory was British.

6 The initial mandate for Palestine, the Jewish  
 7 state, was not only going to be from the Jordan  
 8 River to the Mediterranean, it would have included  
 9 all of common -- current Jordan. It was a massive  
 10 Jewish state that was envisioned in the Balfour  
 11 Declaration. And when you got through  
 12 World War II, the UN did the partition plan.

13 What Israel accepted was a sliver of what they  
 14 really -- you know, the initial vision. But yet  
 15 the Arabs rejected that, and they decided to fight  
 16 a war. And so between '48 and '67, that was  
 17 occupied by Jordan. There was never a Palestinian  
 18 Arab state in that area. And the Jordanian  
 19 occupation was not even recognized by any country  
 20 in the world save -- I think two countries  
 21 recognized Jordan's occupation of the West Bank.

22 And so that is the situation. So Israeli  
 23 communities in this area is area that is disputed.  
 24 But, also, you have to recognize the historic  
 25 connection with the Jewish people to places like

1 Judea and Samaria. That's thousands of years of  
2 history. Those are some of the most ancient  
3 biblical lands.

4 And so I think the Israeli government has  
5 said, look, there's going to be discussions on  
6 this. They want to have some type of final  
7 agreement. But I mean if you look at that fairly,  
8 to me Israel has a stronger claim of right than the  
9 Arabs who have gone to war time and time again to  
10 try to deny Israel any territory in the Middle  
11 East.

12 And the problem with this ban of what they're  
13 doing is -- it's one thing if you said any disputed  
14 territory throughout the world; we're just going to  
15 stay out of it because it's politics. That's not  
16 what they did here. They singled out the West Bank  
17 and only applied the delisting to Israeli Jews.

18 So if you are a Palestinian Arab, you can  
19 list; but if you're a Jew, you cannot list. So to  
20 me that is what has triggered the statute that we  
21 have here.

22 And it's also something that's just very  
23 troubling for people -- you know, I've been to  
24 these communities; and the fact of the matter is,  
25 you know, if there's a Palestinian Arab that needs

1 a medical procedure or something, even though where  
2 that guy is coming from, they probably don't even  
3 want any Jews there, the Israeli communities will  
4 take them in; they will perform medical free of  
5 charge; they will do all of these things. And yet  
6 if you're a Palestinian Arab and you're shown to  
7 ever associate with any Jews or do anything, you  
8 could face imprisonment or even death because of  
9 that.

10 And so it's not just that there's a dispute.  
11 I mean you have to recognize that in the  
12 Palestinian Arab society is virulent anti-Semitism,  
13 and it's anti-Semitism that the government or the  
14 authority there intentionally tries to further time  
15 and time again. And so there's a problem to even  
16 do a moral equivalence or even say that Palestinian  
17 Arabs are somehow superior and should be treated  
18 better than this. I don't agree with that.

19 And then, second, if you say that you can't  
20 have Israeli Jews list property, you're basically  
21 saying that you envision Judea and Samaria, the  
22 West Bank to eventually be free of Jews. Because  
23 that is what the Arab Palestinian heirs would want.  
24 They would not want a single Jew anywhere there.  
25 And I just think if you look and look at the

1 reality, you have a lot of thriving Jewish  
2 communities. Most people do not envision all of  
3 those communities going away.

4 So I think it's really a problematic policy  
5 when you drill down into it. And then they've  
6 pointed out: Wow, we're also applying it to south  
7 Ossetia. The problem is is that that doesn't --  
8 that applies to the whole territory there. So it  
9 doesn't matter your ethnicity or -- it applies.  
10 Here, if you're an Israeli Jew, you get treated  
11 worse, and that is wrong.

12 And I think the thing, too, is, you know,  
13 Florida law is triggered irrespective of whether a  
14 company explicitly says they support BDS. I mean  
15 that's -- yeah, obviously if you do that, then  
16 that's a problem. But, you know, Airbnb said, we  
17 don't support the BDS movement. But really the  
18 statute is triggered by the conduct and what the  
19 policy actually does. And in this case, clearly, I  
20 think the statute is triggered.

21 And I also think the statute doesn't make a  
22 distinction between companies that have been  
23 successful or done good things or whatever.  
24 There's no free pass to engage in commercial  
25 discrimination against the State of Israel. And

1 that is what Florida has enacted; it's something  
2 that I support.

3 So I think one of the problems with this is  
4 this is so unnecessary. I think that Airbnb made a  
5 mistake. I don't think that they -- they've just  
6 been very stubborn about revisiting this policy.  
7 But what they have done is tied themselves in  
8 knots, and you end up with a policy which really  
9 only negatively impacts one group of people in the  
10 world: Israeli Jews who are in Judea and Samaria,  
11 and that is wrong.

12 And so we are here today to accept or reject  
13 the interim update. To me, I think clearly the law  
14 requires us to accept that, to add Airbnb to the  
15 scrutinized companies' list.

16 I would note that they have a period of time  
17 to be able to reevaluate and potentially correct  
18 the policies, but I can tell you, I don't think  
19 Florida is going to be the only state that takes  
20 this stand. I think you're going to see it  
21 throughout the country. And I think it's something  
22 that is -- unfortunately is happening. I don't  
23 think this should have been necessary, but here we  
24 are given the choices that Airbnb made.

25 And so if this determination sticks, that



1 would mean that the State of Florida, when we're  
 2 doing all of these great investments, you know,  
 3 would not be able to invest in a publicly traded  
 4 Airbnb, which people have suggested is where they  
 5 want to go.

6 So is there a motion to approve the interim  
 7 update?

8 ATTORNEY GENERAL MOODY: So moved.

9 GOVERNOR DESANTIS: Is there a second?

10 CFO PATRONIS: Second.

11 GOVERNOR DESANTIS: Any other comments,  
 12 objections?

13 (NO RESPONSE).

14 GOVERNOR DESANTIS: Hearing none, the motion  
 15 carries.

16 So this concludes today's meeting. Our next  
 17 meeting will be on February 12.

18 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

19 (WHEREUPON, THE MEETING WAS ADJOURNED).

20 \* \* \* \*

1 CERTIFICATE

2  
 3 STATE OF FLORIDA )  
 4 COUNTY OF LEON )

5 I, NANCY S. METZKE, RPR, FPR, certify that I  
 6 was authorized to and did stenographically report the  
 7 foregoing proceedings and that the transcript is a true  
 8 and complete record of my stenographic notes.

9 DATED this 5th day of February, 2019.

10 

11 NANCY S. METZKE, RPR, FPR  
 12 Court Reporter

**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Determination  
**DATE:** February 8, 2019

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**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$5,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES, 2019 (SERIES TO BE DESIGNATED) (CHOCTAW VILLAGE)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$5,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, 2019 (Series to be designated) (the "Notes") for the purpose of financing the acquisition and rehabilitation of a 48-unit affordable housing community located in Okaloosa County, Florida (Choctaw Village). The Notes shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

**RECOMMENDATION:** It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Notes and all other bonds or notes secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this note issue.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE  
OF AN AMOUNT NOT EXCEEDING \$5,000,000 FLORIDA HOUSING FINANCE  
CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES, 2019 (SERIES TO  
BE DESIGNATED) (CHOCTAW VILLAGE)**

**WHEREAS**, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$5,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, 2019 (Series to be designated) (the "Notes") for the purpose of financing the acquisition and rehabilitation of a 48-unit affordable housing community located in Okaloosa County, Florida (Choctaw Village); and,

**WHEREAS**, the Corporation has requested the State Board of Administration of Florida (the "Board") to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

**WHEREAS**, the Notes shall be secured by a Trust Indenture; and,

**WHEREAS**, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Notes shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

**WHEREAS**, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Notes proposed to be issued and all other bonds or notes secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

**WHEREAS**, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

**WHEREAS**, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Notes as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**



**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, 2019 (Series to be designated) (Choctaw Village), in an amount not exceeding \$5,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Notes and all other bonds or notes secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

**ADOPTED** February 26, 2019

**STATE OF FLORIDA)**  
**:**  
**COUNTY OF LEON )**

**I, Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held February 26, 2019, making the fiscal determination in connection with the issuance of an amount not exceeding \$5,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, 2019 (Series to be designated) (Choctaw Village).

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 26th day of February 2019.

---

**Ashbel C. Williams, Executive Director & CIO**

**(SEAL)**

February 4, 2019

VIA EMAIL

Mr. Ash Williams  
Executive Director/Chief Investment Officer  
State Board of Administration  
P.O. Box 13300  
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Note  
Not to Exceed \$5,000,000 Tax-Exempt Note  
Choctaw Village

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced note issue prepared by the Note Placement Agent, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This note issue will be a Private Placement. We request that this item be placed on the agenda for approval at the State Board of Administration's February 26<sup>th</sup> Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,



Tim Kennedy  
Assistant Director of Multifamily Programs

TK/jg

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Ron DeSanfis, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman  
Natacha Bastian • Renier Diaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith • Mario Facella  
Ken Lawson, Florida Department of Economic Opportunity

Harold "Trey" Price, Executive Director



**\$5,000,000**  
**Florida Housing Finance Corporation**  
**Multifamily Mortgage Revenue Notes**

**Choctaw Village**

**Combined Debt Coverage Table**

	Revenue	Note Payments (3) (4)		Sub Loans & Fees (5) (6)		Total Debt Service		Debt Service Coverage		
	Net Operating Income (1)	Principal (2)	Interest 5.43%	SAIL Interest 1%	All Fees	Note DS	All Debt Service w/ Fees	Note Debt Service Coverage	Total Note & Sub Debt Service Coverage	Note Balance
<b>YR 1</b>	\$ 341,354	\$ 32,259	\$ 177,309	\$ 25,000	\$ 30,966	\$ 209,568	\$ 265,534	1.63	1.29	\$ 3,280,000
<b>YR 2</b>	346,692	\$ 34,055	\$ 175,513	\$ 25,000	\$ 31,117	\$ 209,568	\$ 265,685	1.65	1.30	\$ 3,247,741
<b>YR 3</b>	352,076	\$ 35,950	\$ 173,617	\$ 25,000	\$ 31,272	\$ 209,568	\$ 265,840	1.68	1.32	\$ 3,213,687
<b>YR 4</b>	357,504	\$ 37,952	\$ 171,616	\$ 25,000	\$ 31,433	\$ 209,568	\$ 266,000	1.71	1.34	\$ 3,177,736
<b>YR 5</b>	362,976	\$ 40,065	\$ 169,503	\$ 25,000	\$ 31,598	\$ 209,568	\$ 266,165	1.73	1.36	\$ 3,139,784
<b>YR 6</b>	368,491	\$ 42,295	\$ 167,272	\$ 25,000	\$ 31,767	\$ 209,568	\$ 266,335	1.76	1.38	\$ 3,099,720
<b>YR 7</b>	374,048	\$ 44,650	\$ 164,918	\$ 25,000	\$ 31,942	\$ 209,568	\$ 266,510	1.78	1.40	\$ 3,057,424
<b>YR 8</b>	379,644	\$ 47,136	\$ 162,432	\$ 25,000	\$ 32,123	\$ 209,568	\$ 266,690	1.81	1.42	\$ 3,012,775
<b>YR 9</b>	385,280	\$ 49,760	\$ 159,808	\$ 25,000	\$ 32,308	\$ 209,568	\$ 266,876	1.84	1.44	\$ 2,965,639
<b>YR 10</b>	390,953	\$ 52,530	\$ 157,038	\$ 25,000	\$ 32,500	\$ 209,568	\$ 267,067	1.87	1.46	\$ 2,915,879
<b>YR 11</b>	395,840	\$ 55,454	\$ 154,113	\$ 25,000	\$ 32,697	\$ 209,568	\$ 267,264	1.89	1.48	\$ 2,863,349
<b>YR 12</b>	400,737	\$ 58,542	\$ 151,026	\$ 25,000	\$ 32,899	\$ 209,568	\$ 267,467	1.91	1.50	\$ 2,807,895
<b>YR 13</b>	405,641	\$ 61,801	\$ 147,767	\$ 25,000	\$ 33,108	\$ 209,568	\$ 267,676	1.94	1.52	\$ 2,749,353
<b>YR 14</b>	410,550	\$ 65,241	\$ 144,326	\$ 25,000	\$ 33,324	\$ 209,568	\$ 267,891	1.96	1.53	\$ 2,687,552
<b>YR 15</b>	415,461	\$ 68,874	\$ 140,694	\$ 25,000	\$ 33,545	\$ 209,568	\$ 268,113	1.98	1.55	\$ 2,622,311
(4) <b>YR 16</b>	2,973,809	\$ 2,553,437	\$ 136,860	\$ 25,000	\$ 33,774	\$ 2,690,297	\$ 2,749,071	1.11	1.08	\$ 2,553,437
	-	\$ 3,280,000	\$ 2,553,812	\$ 400,000	516,373	\$ 5,833,812	\$ 6,750,186			\$ -

(1) NOI based on 'Projected Operating Revenue' Schedule.

(2) Based on estimated Note sinking fund schedule.

(3) The Note Interest Rate is based on current market conditions for a negotiated private placement with an interest rate of 5.43%. This rate is based on a spread of 196 bps above the 10 Year US Treasury rate plus a 25 bps cushion for rate volatility.

(4) The Notes have a 16 year term with amortizing debt service based on a 35 year schedule. Upon the maturity date in 16 years, the borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the property. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Note holder will present the Notes to the Fiscal Agent for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In the final year, the Net Operating Income includes an amount to fully repay the Notes.

(5) The Subordinate Mortgage debt service repayments are all contingent upon available cash flow after all other fees, expenses and senior mortgage debt service payments.

(6) The First mortgage fees include an annual Issuer fee of \$10,000, a permanent loan servicing fee of \$2,592, a Fiscal Agent fee of \$4,500, and a compliance monitoring fee of \$3,156 (subject to 3% annual increase). The SAIL fees include a compliance monitoring fee of \$938 (subject to 3% annual increase) and a permanent loan servicing fee of \$6,250. The ELI fees include a compliance monitoring fee of \$938 (subject to 3% annual increase) and a permanent loan servicing fee of \$2,592.

**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Determination  
**DATE:** February 8, 2019

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**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$16,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (SUNCREST COURT)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$16,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the "Bonds") for the purpose of financing the acquisition, construction, and equipping of a 116-unit affordable housing community located in Broward County, Florida (Suncrest Court). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

**RECOMMENDATION:** It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE  
OF AN AMOUNT NOT EXCEEDING \$16,000,000 FLORIDA HOUSING FINANCE  
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,  
2019 (SERIES TO BE DESIGNATED) (SUNCREST COURT)**

**WHEREAS**, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$16,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the "Bonds") for the purpose of financing the acquisition, construction, and equipping of a 116-unit affordable housing community located in Broward County, Florida (Suncrest Court); and,

**WHEREAS**, the Corporation has requested the State Board of Administration of Florida (the "Board") to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

**WHEREAS**, the Bonds shall be secured by a Trust Indenture; and,

**WHEREAS**, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

**WHEREAS**, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

**WHEREAS**, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

**WHEREAS**, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (Suncrest Court), in an amount not exceeding \$16,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

**ADOPTED** February 26, 2019



**STATE OF FLORIDA)**

**:**

**COUNTY OF LEON )**

**I, Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting February 26, 2019, making the fiscal determination in connection with the issuance of an amount not exceeding \$16,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (Suncrest Court).

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 26th day of February 2019.

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**Ashbel C. Williams, Executive Director & CIO**

**(SEAL)**

February 4, 2019

VIA EMAIL

Mr. Ash Williams  
Executive Director/Chief Investment Officer  
State Board of Administration  
P.O. Box 13300  
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds  
Not to Exceed \$16,000,000 Tax-Exempt Bonds  
Suncrest Court

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced bond issue prepared by the Bond Placement Agent, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This bond issue will be a Private Placement. We request that this item be placed on the agenda for approval at the State Board of Administration's February 26<sup>th</sup> Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,



Tim Kennedy  
Assistant Director of Multifamily Programs

TK/jg

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Ron DeSantis, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman  
Natacha Bastian • Renier Diaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith • Mario Facella  
Ken Lawson, Florida Department of Economic Opportunity

Harold "Trey" Price, Executive Director

Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Bonds, Series 2019  
Suncrest Court

Debt Service Coverage Schedule

Par Amount: \$ 16,000,000  
All-in Bond Interest Rate: (1) 4.55%

Debt Service											Debt Service Coverage Ratio
Month	Bond Draw	Cumulative Bond Balance Outstanding	Interest Payable	Principal Repayment	Total Debt Service	Interest Expense Line Item from Draw (2)	Taxable Loan Proceeds	Tax Credit Proceeds	Cumulative Sources Available to Pay DS	Less Amounts Required to Pay Debt Service	
Closing	\$ 2,267,670	\$ 2,267,670	\$ -			\$ 56,000			\$ 56,000	\$ -	
1	\$ 908,084	\$ 3,175,754	\$ 8,598		\$ 8,598	\$ 56,000			\$ 112,000	\$ 8,598	13.03
2	\$ 909,708	\$ 4,085,462	\$ 12,041		\$ 12,041	\$ 56,000			\$ 159,402	\$ 12,041	13.24
3	\$ 908,734	\$ 4,994,196	\$ 15,491		\$ 15,491	\$ 56,000			\$ 203,360	\$ 15,491	13.13
4	\$ 908,084	\$ 5,902,280	\$ 18,936		\$ 18,936	\$ 56,000			\$ 243,870	\$ 18,936	12.88
5	\$ 908,084	\$ 6,810,364	\$ 22,379		\$ 22,379	\$ 56,000			\$ 280,933	\$ 22,379	12.55
6	\$ 1,060,834	\$ 7,871,198	\$ 25,823		\$ 25,823	\$ 56,000			\$ 314,554	\$ 25,823	12.18
7	\$ 908,084	\$ 8,779,282	\$ 29,845		\$ 29,845	\$ 56,000			\$ 344,731	\$ 29,845	11.55
8	\$ 766,457	\$ 9,545,739	\$ 33,288		\$ 33,288	\$ 56,000			\$ 370,886	\$ 33,288	11.14
9	\$ 908,084	\$ 10,453,823	\$ 36,194		\$ 36,194	\$ 56,000			\$ 393,598	\$ 36,194	10.87
10	\$ 908,084	\$ 11,361,907	\$ 39,637		\$ 39,637	\$ 56,000			\$ 413,404	\$ 39,637	10.43
11	\$ 908,084	\$ 12,269,991	\$ 43,081		\$ 43,081	\$ 56,000			\$ 429,766	\$ 43,081	9.98
12	\$ 911,334	\$ 13,181,325	\$ 46,524		\$ 46,524	\$ 56,000			\$ 442,686	\$ 46,524	9.52
13	\$ 908,084	\$ 14,089,409	\$ 49,979		\$ 49,979	\$ 56,000			\$ 452,162	\$ 49,979	9.05
14	\$ 950,365	\$ 15,039,774	\$ 53,422		\$ 53,422	\$ 56,000			\$ 458,183	\$ 53,422	8.58
15	\$ 960,226	\$ 16,000,000	\$ 57,026		\$ 57,026				\$ 404,761	\$ 57,026	7.10
16		\$ 16,000,000	\$ 60,667		\$ 60,667	\$ 280,000			\$ 627,735	\$ 60,667	10.35
17		\$ 16,000,000	\$ 60,667		\$ 60,667				\$ 567,068	\$ 60,667	9.35
18		\$ 16,000,000	\$ 60,667		\$ 60,667				\$ 506,402	\$ 60,667	8.35
19		\$ 16,000,000	\$ 60,667		\$ 60,667				\$ 445,735	\$ 60,667	7.35
20		\$ 16,000,000	\$ 60,667		\$ 60,667				\$ 385,068	\$ 60,667	6.35
21		\$ 16,000,000	\$ 60,667		\$ 60,667				\$ 324,402	\$ 60,667	5.35
22		\$ 16,000,000	\$ 60,667		\$ 60,667				\$ 263,735	\$ 60,667	4.35
23		\$ 16,000,000	\$ 60,667		\$ 60,667				\$ 203,068	\$ 60,667	3.35
24		\$ -	\$ 60,667	\$ 16,000,000	\$ 16,060,667		\$ 4,650,000	\$ 11,350,000	\$ 16,142,402	\$ 16,060,667	1.01
Total	\$ 16,000,000	\$ -	\$ 1,038,265	\$ 16,000,000	\$ 17,038,265	\$ 1,120,000	\$ 4,650,000	\$ 11,350,000	\$ 81,735	\$ 17,038,265	

Notes:  
(1) All-in Bond interest rate of 4.55% includes the LIBOR base rate plus a spread of 1.80% plus a 0.25% underwriting cushion.  
(2) Borrower will fund a construction loan interest reserve account at closing in the amount of \$1,120,000 to pay interest during the construction period.

**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

---

**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Determination  
**DATE:** February 8, 2019

---

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$9,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (THE PALMS AT TOWN CENTER)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$9,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the "Bonds") for the purpose of financing the new construction of an 88-unit workforce affordable housing community located in Flagler County, Florida (The Palms at Town Center). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

**RECOMMENDATION:** It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE  
OF AN AMOUNT NOT EXCEEDING \$9,000,000 FLORIDA HOUSING FINANCE  
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,  
2019 (SERIES TO BE DESIGNATED) (THE PALMS AT TOWN CENTER)**

**WHEREAS**, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$9,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the "Bonds") for the purpose of financing the new construction of an 88-unit workforce affordable housing community located in Flagler County, Florida (The Palms at Town Center); and,

**WHEREAS**, the Corporation has requested the State Board of Administration of Florida (the "Board") to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

**WHEREAS**, the Bonds shall be secured by a Trust Indenture; and,

**WHEREAS**, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

**WHEREAS**, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

**WHEREAS**, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

**WHEREAS**, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**



**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (The Palms at Town Center), in an amount not exceeding \$9,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

**ADOPTED** February 26, 2019

**STATE OF FLORIDA)**

**:**

**COUNTY OF LEON )**

**I, Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting February 26, 2019, making the fiscal determination in connection with the issuance of an amount not exceeding \$9,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (The Palms at Town Center).

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 26th day of February 2019.

---

**Ashbel C. Williams, Executive Director & CIO**

**(SEAL)**

February 4, 2019

VIA EMAIL

Mr. Ash Williams  
Executive Director/Chief Investment Officer  
State Board of Administration  
P.O. Box 13300  
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds  
Not to Exceed \$9,000,000 Tax-Exempt Bond  
The Palms at Town Center

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced bond issue prepared by the Bond Placement Agent, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This bond issue will be a Private Placement. We request that this item be placed on the agenda for approval at the State Board of Administration's February 26<sup>th</sup> Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,



Tim Kennedy  
Assistant Director of Multifamily Programs

TK/jg

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Ron DeSantis, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman  
Natacha Bastian • Renier Diaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith • Mario Facella  
Ken Lawson, Florida Department of Economic Opportunity

Harold "Trey" Price, Executive Director

**Florida Housing Finance Corporation**  
**Multifamily Mortgage Revenue Bonds**  
**The Palms at Town Center**  
**\$9,000,000**

**Combined Debt Coverage Table**

	Revenue	Bond Payments (3) (4)		SAIL Loan (5)	Bond Fee Payments		Total Debt Service	Debt Service Coverage		Bond Balance
	Net Operating Income (1)	Principal (2)	Interest	Interest + Fees	Compliance Monitoring	Issuer + PLS + Trustee Fees		Bond Debt Service DCR	Total DCR with Fees	
<b>YR 1</b>	\$ 310,653	\$ 44,984	\$ 146,297	\$ 96,246	\$ 3,156	\$ 17,092	\$ 307,774	1.62	1.01	\$ 3,000,000
<b>YR 2</b>	313,863	\$ 47,243	\$ 144,038	\$ 96,274	\$ 3,251	\$ 17,092	\$ 307,897	1.64	1.02	\$ 2,907,773
<b>YR 3</b>	317,026	\$ 49,616	\$ 141,665	\$ 96,303	\$ 3,348	\$ 17,092	\$ 308,024	1.66	1.03	\$ 2,858,158
<b>YR 4</b>	320,137	\$ 52,107	\$ 139,173	\$ 96,333	\$ 3,449	\$ 17,092	\$ 308,154	1.67	1.04	\$ 2,806,050
<b>YR 5</b>	323,191	\$ 54,724	\$ 136,556	\$ 96,364	\$ 3,552	\$ 17,092	\$ 308,288	1.69	1.05	\$ 2,751,326
<b>YR 6</b>	326,185	\$ 57,472	\$ 133,808	\$ 96,395	\$ 3,659	\$ 17,092	\$ 308,427	1.71	1.06	\$ 2,693,854
<b>YR 7</b>	329,113	\$ 60,359	\$ 130,922	\$ 96,428	\$ 3,768	\$ 17,092	\$ 308,569	1.72	1.07	\$ 2,633,496
<b>YR 8</b>	331,970	\$ 63,390	\$ 127,891	\$ 96,462	\$ 3,881	\$ 17,092	\$ 308,716	1.74	1.08	\$ 2,570,106
<b>YR 9</b>	334,751	\$ 66,573	\$ 124,707	\$ 96,496	\$ 3,998	\$ 17,092	\$ 308,867	1.75	1.08	\$ 2,503,533
<b>YR 10</b>	337,450	\$ 69,917	\$ 121,364	\$ 96,532	\$ 4,118	\$ 17,092	\$ 309,022	1.76	1.09	\$ 2,433,616
<b>YR 11</b>	340,062	\$ 73,428	\$ 117,853	\$ 96,569	\$ 4,241	\$ 17,092	\$ 309,182	1.78	1.10	\$ 2,360,188
<b>YR 12</b>	342,580	\$ 77,115	\$ 114,165	\$ 96,606	\$ 4,369	\$ 17,092	\$ 309,348	1.79	1.11	\$ 2,283,073
<b>YR 13</b>	344,528	\$ 80,988	\$ 110,292	\$ 96,645	\$ 4,500	\$ 17,092	\$ 309,518	1.80	1.11	\$ 2,202,085
<b>YR 14</b>	346,111	\$ 85,055	\$ 106,225	\$ 96,685	\$ 4,635	\$ 17,092	\$ 309,693	1.81	1.12	\$ 2,117,030
<b>YR 15</b>	2,464,596	\$ 2,117,030	\$ 101,954	\$ 96,727	\$ 4,774	\$ 17,092	\$ 2,337,576	1.11	1.05	\$ -
-		\$ 3,000,000	\$ 1,896,910	\$ 1,447,066	\$ 58,698	\$ 256,380				

(1) NOI based on 'Projected Operating Revenue' Schedule.

(2) Based on estimated Bond sinking fund schedule.

(3) The Bond Interest Rate is based on current market conditions for a negotiated private placement. The estimated interest rate of 4.91% includes a 25 bp cushion.

(4) The Bonds have a 15 year term with amortizing debt service based on a 30 year schedule. Upon the maturity date in 15 years, the Borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the Development. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Bondholder will present the Bonds to the Trustee for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In the final year, the Net Operating Income includes an amount to fully repay the Bonds.

(5) The Subordinate Mortgage debt service repayments are all contingent upon available cash flow after all other fees, expenses and senior mortgage debt service payments.