

MEETING OF THE STATE BOARD OF ADMINISTRATION

**GOVERNOR SCOTT AS CHAIR
CHIEF FINANCIAL OFFICER PATRONIS
ATTORNEY GENERAL BONDI**

January 18, 2018

To View Agenda Items, Click on the Following Link:

www.sbafla.com

AGENDA

ITEM 1. REQUEST APPROVAL OF THE MINUTES OF THE NOVEMBER 7, 2017 CABINET MEETING.

(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 \$14,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2018 (SERIES TO BE DESIGNATED) (LAKE MANGONIA APARTMENTS)

(See Attachment 2)

ACTION REQUIRED

STATE OF FLORIDA
OFFICE OF THE GOVERNOR AND CABINET

IN RE: CABINET MEETING

CABINET: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
COMMISSIONER ADAM PUTNAM
CFO JIMMY PATRONIS

DATE: NOVEMBER 7, 2017

TIME: 9:00 a.m. - 11:40 a.m.

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

REPORTED BY: YVONNE LAFLAMME, FPR
COURT REPORTER and
NOTARY PUBLIC

C & N REPORTERS
CERTIFIED PROFESSIONAL REPORTERS
P.O. BOX 3093
TALLAHASSEE, FLORIDA 32315
(850) 697-8314

I N D E X P A G E

| | PAGE NO. |
|---|----------|
| DEPARTMENT OF HIGHWAY SAFETY By Director Terry Rhodes | 4 |
| DEPARTMENT OF VETERANS AFFAIRS By Director Glenn Sutphin | 7 |
| OFFICE OF FINANCIAL REGULATION By Commissioner Drew Breakspear | 9 |
| STATE BOARD OF ADMINISTRATION By Director Ash Williams | 11 |

STATE BOARD OF ADMINISTRATION

GOVERNOR SCOTT: Next, I would like to recognize Ash Williams with the State Board of Administration.

Good morning, Ash.

GOVERNOR SCOTT: Good morning, Ash.

Good morning, Governor.

Trustees Item 1. Request approval of the minutes of the October 17, 2017, Cabinet meeting.

ATTORNEY GENERAL BONDI: So moved.

CFO PATRONIS: Second.

DIRECTOR WILLIAMS: I think there was a delay.

GOVERNOR SCOTT: That's fine. We'll withdraw and do it next time.

DIRECTOR WILLIAMS: Sorry. We might need a referral versus a withdraw.

GOVERNOR SCOTT: Is there a motion to defer until next time?

CFO PATRONIS: So moved.

GOVERNOR SCOTT: Is there a second?

ATTORNEY GENERAL BONDI: Second.

GOVERNOR SCOTT: Is that all right?

ATTORNEY GENERAL BONDI: Of course.

GOVERNOR SCOTT: Any questions? No.

Okay. Hearing none, the motion carries.

DIRECTOR WILLIAMS: Thank you.

Item 2 is one we deferred from the last meeting. This was authorization for the SBA to file a direct action against Valeant Pharmaceuticals. We've been working with the Attorney General's Office. Subsequent to the last meeting, I think we're in position to move ahead with that one. I will be happy to answer any questions.

ATTORNEY GENERAL BONDI: Yeah. Governor, this is one we had asked for more time, because we just wanted to look and review with counsel, and I think general counsel -- I don't think you could have picked finer counsel in the country, so thank you.

GOVERNOR SCOTT: Is there a motion on Item 2?

CFO PATRONIS: So moved.

ATTORNEY GENERAL BONDI: So moved. Second.

GOVERNOR SCOTT: Okay. No comments or objections? The motion carries.

DIRECTOR WILLIAMS: Thank you. The Item 3 is the annual evaluation for the executive director.

GOVERNOR SCOTT: What do you think on this

1 one?

2 DIRECTOR WILLIAMS: I tend to be inclined to
3 recommendation to adopt this one and IFC's
4 recommendations are in the background materials and
5 they seemed to have gotten into a --

6 GOVERNOR SCOTT: Is there a motion on the
7 item?

8 ATTORNEY GENERAL BONDI: So moved.

9 CFO PATRONIS: I've got a question. Does the
10 evaluation -- you typically -- whenever you come
11 before Cabinet, you're either wearing something
12 garnet or gold, and I don't see any of that today.

13 GOVERNOR SCOTT: Do you want to defer this?

14 CFO PATRONIS: I'm just kind of curious if
15 he's just trying to appeal to...

16 GOVERNOR SCOTT: Gators up here?

17 CFO PATRONIS: The Gators up here.

18 DIRECTOR WILLIAMS: Well, actually, this is
19 subtle, like a lot of things in life; you do have
20 some garnet and gold embedded.

21 GOVERNOR SCOTT: Very subtle.

22 CFO PATRONIS: I just want to vote for the
23 record, this is an incomplete presentation.

24 GOVERNOR SCOTT: Commissioner, you're missing
25 the fact that he's harassing him because he thinks

1 he's trying to --

2 CFO PATRONIS: Appeal.

3 GOVERNOR SCOTT: -- appeal to Gators up here.

4 COMMISSIONER PUTNAM: Neither one of us have a
5 whole lot to brag about.

6 ATTORNEY GENERAL BONDI: Agreed.

7 DIRECTOR WILLIAMS: Fair enough.

8 GOVERNOR SCOTT: So Attorney General moved and
9 CFO seconded; no comments or objections, and the
10 motion carries.

11 DIRECTOR WILLIAMS: Thank you.

12 GOVERNOR SCOTT: That concludes today's
13 meeting. Our next meeting is December 11th.

14 Thanks everyone.

15 (Meeting concluded.)

CERTIFICATE

STATE OF FLORIDA)
COUNTY OF LEON)

I, YVONNE LaFLAMME, FPR, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

DATED this 12th day of NOVEMBER, 2017.

YVONNE LaFLAMME, FPR
Court Reporter

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

TO: Ash Williams
FROM: Robert Copeland 
SUBJECT: Fiscal Determination
DATE: December 26, 2017

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$14,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2018 (SERIES TO BE DESIGNATED) (LAKE MANGONIA APARTMENTS)

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$14,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (the "Bonds") for the purpose of financing the acquisition and rehabilitation of a multifamily rental development located in Palm Beach County, Florida (Lake Mangonia Apartments). 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 \$14,000,000 FLORIDA HOUSING FINANCE
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,
2018 (SERIES TO BE DESIGNATED) (LAKE MANGONIA APARTMENTS)**

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$14,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (one or more series to be designated) (the "Bonds") for the purpose of financing the acquisition and rehabilitation of a multifamily rental development located in Palm Beach County, Florida (Lake Mangonia Apartments); 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, 2018 (one or more series to be designated) (Lake Mangonia Apartments), in an amount not exceeding \$14,000,000, 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 January 18, 2018

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 January 18, 2018, making the fiscal determination in connection with the issuance of an amount not exceeding \$14,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (Lake Mangonia Apartments).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 18th day of January 2018.

Ashbel C. Williams, Executive Director & CIO

(SEAL)

December 21, 2017

VIA HAND DELIVERY

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 Bond
Not to Exceed \$14,000,000 Tax-Exempt Bond
Lake Mangonia Apartments

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 Underwriter, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This bond issue will be a public offering. We request that this item be placed on the agenda for approval at the State Board of Administration's January 18, 2018 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,



Brantley Henderson
Director of Multifamily Development

BH/rg

Enclosures

Rick Scott, Governor

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

Harold "Trey" Price, Executive Director

Florida Housing Finance Corporation
 Multifamily Housing Revenue Bonds, 2018 Series_
 Lake Mangonia Apartments

Principal Amount of Bonds Issued: \$ 14,000,000
 Interest Rate: 2.000%
 Assumed Initial Deposit to the Bond Fund: \$ 420,000.00
 Assumed US Treasury Investment: U.S. Treasury Obligations

Deposit of Funds: It is assumed that the bond proceeds will be deposited at closing to the Project Fund and funds derived from the FHA Loan will be deposited to the Collateral Fund and the Capitalized Interest Account of the Bond Fund. Shortly after closing, bond proceeds will be used to acquire and rehabilitate the development. Amounts on deposit in the Collateral Fund and Capitalized Interest Account will be invested in qualified investments.

Cash Flow Report

| Date | Funds Available to Pay Debt Service (1) | | | | Debt Service And Fees Payable | | | Remaining Assets | Debt Coverage Ratio (2) |
|--------------|--|---|----------------------------------|--------------------------------------|-------------------------------|------------------------|-------------------------------------|-------------------------------|-------------------------------|
| | Cumulative Funds on Deposit In Collateral Fund | Cumulative Funds on Deposit In the Capitalized Interest Account | Earnings On Investments at 0.00% | Total Assets On Deposit In Indenture | Interest Due On Bonds | Principal Due On Bonds | Total Debt Service And Fees Payable | Balance Remaining In Accounts | P&I Debt Coverage Ratio (DCR) |
| 2/15/2018 | \$ 14,000,000.00 | \$ 420,000.00 | | \$ 14,420,000.00 | | | \$ - | \$ 14,420,000.00 | |
| 7/1/2018 | \$ 14,000,000.00 | \$ 420,000.00 | \$ - | \$ 14,420,000.00 | \$ 105,777.78 | | \$ 105,777.78 | \$ 14,314,222.22 | 136.32 |
| 1/1/2019 | \$ 14,000,000.00 | \$ 314,222.22 | \$ - | \$ 14,314,222.22 | \$ 140,000.00 | | \$ 140,000.00 | \$ 14,174,222.22 | 102.24 |
| 7/1/2019 | \$ 14,000,000.00 | \$ 174,222.22 | \$ - | \$ 14,174,222.22 | \$ 140,000.00 | \$ 14,000,000.00 | \$ 14,140,000.00 | \$ 34,222.22 | 1.00 |
| Total | | | | | \$ 385,777.78 | \$ 14,000,000.00 | \$ 14,385,777.78 | | |

Notes:

- (1) At the bond closing cash proceeds from the FHA Loan will be deposited with the Trustee as pledged assets to fully collateralize the repayment of the Bonds as well as the payment of future anticipated debt service through to maturity.
- (2) The DCR is provided to demonstrate the overall coverage of pledged assets against the total amount due at each Semi-Annual Bond Debt Service payment and upon final maturity when principal is due.