

MEETING OF THE STATE BOARD OF ADMINISTRATION

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

February 26, 2019

To View Agenda Items, Click on the Following Link:

www.sbafla.com

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

C & N REPORTERS
POST OFFICE BOX 3093
TALLAHASSEE, FLORIDA 32315-3093
(850) 697-8314
nancy@metzke.com
candnreporters.com

INDEX

PAGE NO.

Executive Director, Department
Of Revenue 4

State Board of Administration
By Ash Williams 7

* * * *

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?

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

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

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

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

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

7 GOVERNOR DESANTIS: Great. Proceed.

8 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

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

17 And to the extent there's a social or other
 18 issue that is of interest and is perceived as
 19 problematic, then from time to time the Trustees
 20 and the Legislature will work with us to put our
 21 heads together and see if there's a way that we can
 22 try and embrace constructive change and embrace a
 23 direction that carries with it some consistency
 24 with moral imperative or other values and do so in
 25 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.

1 GOVERNOR DESANTIS: Okay. Great.

2 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

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

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

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

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

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

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

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

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

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

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

22 GOVERNOR DESANTIS: Thank you.

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

25 (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).

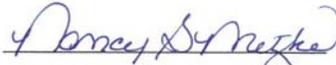
20 * * * * *

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**

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 \$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 26th 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

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

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 \$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.

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 26th 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

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											
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	Debt Service Coverage Ratio
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 26th 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

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