FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
November 2, 2012
Information Items

I. COMMUNICATIONS

A. Hardest-Hit Fund

1. Background/Present Situation

a) Since the implementation of the statewide launch, Florida Housing has received press on the program in the following media outlets (including print, broadcast and Internet):

(1) ABC 13 (WMBB.com)

(2) Bay News 9 Tampa

(3) Boston Today Newspaper

(4) Bradenton Herald Newspaper

(5) CBS 4 in Miami

(6) Clay Today Newspaper

(7) CitrusDaily.com Online

(8) Daytona News-Journal Newspaper

(9) First Coast News.com Online

(10) Florida Courier

(11) Florida Current

(12) Florida Times Union Newspaper

(13) Florida Today Newspaper

(14) Florida Trend

(15) Fox News

(16) Free-Press-Release.com

(17) Herald Tribune Newspaper

(18) Highlandstoday.com Online

(19) Housingwire.com Online

(20) Huffington Post

(21) Miami Herald Newspaper

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(22) Mortgageorb.com Online

(23) News Channel 5 (online)

(24) News-Press Newspaper in Fort Myers

(25) News 13 Online

(26) New York Times

(27) NorthEscambia.com Online

(28) Ocala.com Online

(29) Ocala Star Banner Newspaper

(30) Orlando Sentinel

(31) Palm Beach Post

(32) Pensacola News Journal Newspaper

(33) RealEstateRama.com Online

(34) Stateline.org Online

(35) St. Augustine Record Newspaper

(36) St. Pete Times Newspaper

(37) Sun-Sentinel Newspaper

(38) Tampa Bay Times Online

(39) TCPalm.com Online

(40) Tomrollins.com Online

(41) Treasury Notes

(42) Watchdog

(43) WBBH Channel 2 Charlotte County

(44) WCTV

(45) WDEF News Channel 12 online wdef.com

(46) WEAR Channel 3 Pensacola

(47) WESH 2 News Orlando

(48) WFTV News Orlando

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(49) WJXT Channel 9 Jacksonville

(50) WOFL Channel 35 Lake Mary

(51) WPTV Channel 5 West Palm Beach

(52) WTVT Channel 13 Fox Tampa

(53) WUFT 89 FM Radio Gainesville

(54) WZVN ABC Channel 7 Fort Myers

b) HHF and Communications staffs continue to participate in single-servicer events. Recently, there were two one-day CitiMortgage events that Communications staff coordinated and attended to support HHF underwriting staff from Florida Housing and the HHF Advisors on-site.

c) Wells Fargo also has expressed interest in having HHF staff at their upcoming Mortgage Outreach events in Jacksonville, Tampa, Orlando, Sarasota, West Palm Beach and Miami. Communications staff is coordinating with Wells for all six events, which began in October and will end mid-December. Staff will attend three of the events to support the advisors and the servicer partnership.

d) Also, the federal Making Home Affordable (MHA) Program hosted a one-day multi-servicer event in Orlando. HHF staff was on-site to assist homeowners who may qualify for assistance.

e) During the past summer, American Airlines announced that the company would give layoff notices to approximately 1,400 employees located mainly in the South Florida area. Florida Housing has joined with South Florida Workforce to have a presence at the Re-employment Center being established to assist displaced workers from this and other ancillary companies to the airline industry. Actual layoffs are expected to begin in late November and continue through mid- to late January. Communications staff is coordinating this effort and will provide a more detailed update in the December Board package.

B. Corporate Marketing/Outreach

1. <u>Background/Present Situation</u>

a) Communications will debut the new electronic *What's Developing* corporate newsletter in October /November 2012. This new format for the newsletter will allow for increased distribution at a lower cost. The newsletter will focus on showcasing affordable housing success stories from throughout the state, with at least one story featuring Florida HHF, special needs housing (i.e., Veterans, youth aging out of foster care, elderly, etc.), and/or green building, just to name a few. The goal is to be able to use the newsletter as way to put the "human" face on the work that Florida Housing does to fulfill our mission.

b) There also will be regular sections to the newsletter, including program updates (single family/multifamily), legislative updates, housing policy, foreclosure prevention, and groundbreakings/ribbon-cuttings.

c) In an effort to continue building relationships with affordable housing advocates and providers, Communications staff attended and was an exhibitor at the Florida Housing Coalition Annual Conference in Orlando in September and helped to host NCSHA's Annual Conference in October, also in Orlando.

II. FISCAL

A. Operating Budget Analysis for September 2012

1. **Background/Present Situation**

a) The Financial Analysis for September 30, 2012, is attached as Exhibit A.

b) The Operating Budget for the period ending September 30, 2012, is attached as Exhibit B.

III. GUARANTEE PROGRAM

A. Status of the Guarantee Program Portfolio

1. Background/Present Situation

a) Since the implementation of the Guarantee Program in 1993, it has guaranteed 120 transactions, facilitating the construction of over 28,000 housing units in Florida. In November 1994, the Guarantee Program entered into an agreement with HUD to participate in the Risk-Sharing Program; characterized by a 50/50 sharing of default risk in connection with the mortgage guarantee. Of the 73 multifamily developments in the Guarantee Program portfolio today, 52 are Risk-Sharing transactions.

b) Since November 2008, there have been eight (8) multifamily claims filed on the Guarantee Program, representing the total (and only) multifamily claims incurred in its 18-year history. The last multifamily claim occurred in April 2010. The chart in Exhibit B reflects the developments that have been foreclosed as of September 30, 2012, listed in chronological order by claim filed date.

c) There are no foreclosures in inventory.

d) As of September 30, 2012, there were two (2) developments in the portfolio in monetary default (due to the borrower's failure to make timely payments on the note):

Development	Location	Closing Date	Total units	Mtg. bal.	Risk-share	Gen Ptr	Ltd Ptr	Status
Tuscan Isle	Naples	12/4/2002	298	$17,069,342	Yes	Creative Choice Homes	Hunt Capital	Past due: 8/15/12, 9/15/12, 10/15/12 pmts
Colony Park	West Palm Beach	8/24/2001	130	$9,039,294	No	Wentwood Capital	Wentwood Capital	Past due: 8/15/12, 9/15/12, 10/15/12

e) Between 2008 and 2009, Tuscan Isle, Creative Choice Homes (Dilip Barot), was in “rolling” default status for over a year. In March 2009, the general partner and limited partner (Capmark, at the time) reached agreements to share in the funding of operating deficits and cure the monetary default. The latter was cured in October 2009. Capmark filed bankruptcy in late 2009. At the end of 2011, Hunt Capital acquired Capmark’s portfolio, including its interest in Tuscan Isle.

f) Colony Park was originally developed by Housing Trust Group (Randy Rieger), who, in April 2007, transferred the general partner interest to Shelter Corporation (Shelter). Furthermore, the original limited partner, Capmark, filed bankruptcy in 2009 and their interest was subsequently acquired by Wentwood Capital (Wentwood). In May 2010, Wentwood removed Shelter as general partner and assumed control.

B. Capitalizing Debt and Risk Exposure

1. **Background/Present Situation**

a) The global liquidity crisis of 2008 collapsed the market for the variable rate bonds capitalizing the Guarantee Program corpus, ultimately leading staff to restructure the debt, paying off approximately $89 million and refinancing the remaining $156.2 million in variable rate bonds to a 5-year term loan with Citibank, closing on December 31, 2009.

b) At that time, the Guarantee Program's total risk exposure; single-family and multifamily combined, was $754.5 million. Since then, total risk exposure (Exhibit C, chart "Guarantee Fund Capacity", line item "Total Commitments") has consistently decreased, as reflected below:

Portfolio Risk Exposure

12/31/2009	12/31/2010	12/31/2011	Last Board Meeting (as of 7/31/2012)	This Board Meeting (as of 9/30/2012)
$754,475,974	$728,323,576	$578,754,817	$519,068,360	$490,938,998

c) Management has since aggressively reduced the Guarantee Program capitalizing debt, paying off $90.2 million on April 20, 2011 and another $15 million on July 29, 2011, leaving $51.0 million outstanding. Another principal reduction, potentially paying off the remaining $51.0 million balance, is anticipated before December 31, 2012. The Board will be apprised accordingly as to the status of this proposed principal reduction.

C. Corpus Investments

1. Background/Present Situation

The Guarantee Fund corpus contains approximately $213 million in invested capital, all of which is currently invested in the Florida Treasury, Special Purpose Investment Account (SPIA), rated "A+f" by Standard & Poor's as of August 31, 2012.

D. FHFC Actions to Effectively Manage the Guarantee Program (Exhibit A)

E. Guarantee Program Foreclosure Summary (**Exhibit B**)

F. Guarantee Program Portfolio Summary and Guarantee Fund Capacity (**Exhibit C**)

IV. HOUSING CREDITS

A. Changes to Construction Features & Amenities and/or Resident Programs

1. Background/Present Situation

a) The Development reflected below has requested, and staff has approved, changes to the Construction Features & Amenities in their Application since the most recent Board meeting:

Griffin Heights Apartments (#2009-522C) has replaced the "Outside recreation facility: Basketball court" committed to in their Application with the "Outside recreation facility: Shuffleboard court." (Each option represents two points).

b) Staff will amend the extended use agreement.

B. Changes to Development General Information

1. Background/Present Situation

a) The Development reflected below has requested, and staff has approved, changes to the Development information contained in Exhibit B, Part A, since the most recent Board meeting:

River Ridge Apartments (#2011-513C) actually has thirteen (13) buildings that contain residential units as opposed to the four (4) stated in their Application. No points are involved with this revision.

b) Staff will amend the extended use agreement.

V. HOME RENTAL

A. Land Use Restriction Agreement (LURA) Amendment

Development Name: Maxwell Manor Phase II ("Development")	**Location: St. Johns County**
Developer/Principal: Halo Properties, Inc. ("Developer")	**Set-Aside: 22% @ 50% AMI and 78% @ 60% AMI 36 HOME units**
Number of Units: 36	**Allocated Amount: $2,496,000**
Type: New Construction	**Demographics: Family**

1. <u>Background/Present Situation</u>

a) The Land Use Restriction Agreement dated March 27, 2006 for Maxwell Manor Phase II (2003-133H) states the three bedroom units contain two baths and one-half; however, the three bedroom units contain two baths.

b) This is a scrivener's error in the credit underwriting report. Staff will amend the Land Use Restriction Agreement for this development as appropriate.

VI. MULTIFAMILY BONDS

A. Changes to Construction Features and Amenities and/or Resident Programs

1. <u>Background/Present Situation</u>

a) The following developments have requested, and staff has approved, changes to the Construction Features & Amenities and/or Resident Programs in their Application since the last Board meeting:

(1) Lincoln Fields (2009 Series L) has requested the exchange of "Energy Star Refrigerators and dishwashers in each unit" (1 point) (although they will still provide the Energy Star refrigerators) for "ceiling fans in all bedrooms and living room areas" (2 points). Scoring of the Application will remain unaffected.

(2) Hilltop Village (2009 Series Q) has requested the exchange of "Energy Star Refrigerators and dishwashers in each unit" (1 point) (although they will still provide the Energy Star refrigerators) for "wall insulation of R-7 or better" (1 point). Scoring of the Application will remain unaffected.

b) Staff will amend the Land Use Restriction Agreements and/or Extended Use Agreements for each of the developments as appropriate.

VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Changes to Construction Features and Amenities and/or Resident Programs

1. <u>Background/Present Situation</u>

a) The development listed below has requested, and staff has approved, changes to the Construction Features & Amenities and/or Resident Programs in its Application since the last Board meeting:

(1) Lakeside Park I (RFP 2008-01-06) has revised the unit mix.

(a) Original Unit Mix:

5 Two bedroom/one bath units

9 Three bedroom/one bath units

2 Four bedroom/two bath units

(b) Revised Unit Mix:

5 Two bedroom/one bath units

5 Three bedroom/one bath units

4 Four bedroom/two bath units

2 Five bedroom/two bath units

b) Staff will amend the Land Use Restriction Agreement for the development as appropriate.

VIII. SINGLE FAMILY BONDS

A. Single Family Professional Development and Outreach

1. Background/Present Situation

a) Florida Housing continues to honor our commitment to have funds continuously available for qualifying homebuyers through our First Time Homebuyer (FTHB) Program. Florida Housing's Program provides assistance to eligible homebuyers by offering low cost, 30-year, fixed-rate mortgages together with down payment and closing cost assistance. Current allowable mortgage loan products include: Federal Housing Administration (FHA), Department of Veterans Affairs (VA), United States Department of Agriculture - Rural Development (USDA-RD), as well as conventional loan products offered through Fannie Mae and Freddie Mac.

b) Borrowers must have a minimum 640 FICO score and complete a 6-8 hour face-to-face homebuyer education class in order to qualify for assistance through our FTHB Program. Our increase in credit score had already been adopted by many of our participating lenders. This change will serve to "level the playing field" for lenders originating our FTHB loans. Through close monitoring of loan performance (i.e. loan delinquency and early payment defaults) and based upon discussions that we have had with our Lender Advisory Board, we found it necessary to make additional program changes that should help strengthen the program and its borrowers. We have eliminated the use of co-signors because we found that their use can be abusive, allowing borrowers to purchase more home than they can afford. Another change that we think will help ensure a stronger borrower and commitment to long term homeownership is requiring a minimum cash contribution to the loan of $1000 from the borrower's own funds. These funds can be a gift as allowed by FHA. All of these changes became effective May 1st, when we rolled out our newest bond issue, 2011 Series C & 2009 B-5 (Series B-5). Additionally on October 1st we implemented a maximum 45% debt to income ratio for our borrowers. This new credit overlay is a result of our recently negotiated servicing agreement renewal with US Bank, our Master Servicer. We have determined that this change will have a negative impact on loan production based upon analysis of our borrower profile. Unfortunately, since US Bank is currently the only major servicer that provides HFA servicing, we had no choice but to accept it.

c) Florida Housing offers qualified homebuyers two down payment and closing cost assistance programs in the form of second mortgage loans. Florida Assist is a 0% deferred payment $7,500 second mortgage that serves homebuyers with an area median income (AMI) of up to 120%, adjusted for family size. Another recent change was the increase of the Florida Assist income limits to 120% AMI, up from 100% AMI, as permissible by the Florida Statutes. Homeowner Assistance for Moderate Incomes (HAMI) serves households up to Program first mortgage income limits. This product provides a qualified buyer with up to $5,000 of assistance in the form of a 10-year, amortizing second mortgage, currently at a 5% fixed rate. These second mortgage products may only be used in conjunction with Florida Housing's first mortgage products.

d) Since 2003, Single Family Program Staff has taught a three hour, Department of Business and Professional Regulation (DBPR) approved, continuing education ("CE") course for Realtors which is coordinated through local Realtor boards throughout the state. We have received our recertification of the class from DBPR, which is required every three years. We recently conducted a class in Merritt Island in Brevard County which was well attended. Realtors who attend these classes receive a general 3 hour CE credit while learning about our First Time Homebuyer Program, our Mortgage Credit Certificate Program, and other affordable housing programs available to their potential homebuyers.

e) Our program has experienced a reduction in participating lenders as a result of industry consolidation and attrition that began with the financial meltdown in 2008. As a result, we have recently begun to accept new applications from potential lending partners at any time during the year rather than one time a year as had been our previous policy. This change created a need to have the ability to quickly and efficiently train new lenders. In response to this need, US Bank launched our long anticipated online lender training platform in mid-June. The lender training can be accessed by the staff of newly approved lenders as well as any new staff added by our existing participating lenders 24/7 and will greatly accelerate and improve our training efforts.

f) Florida Housing continues to sponsor a toll-free telephone line (800-814-HOME), for first time homebuyers to call for information about our program. For the months of August and September, we received 798 total calls of which 304 were transferred to the Single Family Staff. The remaining callers that were not transferred to the Single Family Staff were able to receive information by accessing our First Time Homebuyer Wizard tool, which is located on our website. We continue to closely monitor these calls to evaluate the best way to efficiently handle the call volume in the long term.

g) At the January 27, 2012 meeting, the Board approved the renewal of the Mortgage Credit Certificate (MCC) Program. This program provides qualifying first time homebuyers an ongoing annual tax credit that reduces the amount of taxes owed. This increases disposable income and provides the homeowner more money towards their mortgage payment. MCC's are offered through approved participating lenders and are issued in connection with the lender's in-house fixed rate mortgage product. We anticipate that MCC's will assist borrowers with higher incomes than those who currently use the FTHB Program. The Program was officially launched on June 1, 2012. The first 90 days were centered on recruiting and training participating lenders. To date we have approved 16 lenders who have each paid a $750 participation fee to Florida Housing. We are encouraging our current group of approved FTHB participating lenders to also offer this affordable housing program to their eligible borrowers. We have just issued our first two MCC's to qualified first time homebuyers and have an additional four in the pipeline. We charge a $500 issuance fee for each MCC. This can be paid for by the buyer, seller, or anyone else that chooses to pay the fee.

B. Single Family Bonds Information (Exhibit A)

IX. SUBORDINATED MORTGAGE INITIATIVE (SMI)

A. Program Update

1. Background/Present Situation

a) As of this date the Board has approved funding for a total of thirty-two (32) Subordinated Mortgage Initiative (SMI) loans. The purpose of these loans is to provide subordinate financing on these developments which are credit enhanced by the Guarantee Program, and determined to be in financial distress, in order to provide temporary assistance in funding their mortgage debt service obligations for a period of up to twenty-four (24) months. Florida Housing provided funding for up to one mortgage payment per each three month period. The developer is required to make the remaining payments. This process is to be repeated for up to twenty-four (24) months, with Florida Housing potentially making up to a total of eight mortgage payments and the developer making a total of sixteen mortgage payments during this period.

b) Attached as Exhibit A is a spreadsheet of the status of the SMI loans approved to date. Highlights of the data are as follows:

(1) The Board has approved a total of thirty-two (32) SMI loans in the amount of $19,120,000.

(2) Thirty (30) of these SMI loans have been closed to date in the principal amount of $17,834,309.01, of which $17,284,326.30 has been disbursed as of October 12, 2012.

(3) One SMI loan, Woods of Vero, received SAIL/ELI funding prior to the final disbursement under the SMI loan. The SAIL/ELI loan reduced the first mortgage balance; as a result the three remaining SMI disbursements for Woods of Vero were reduced accordingly, reducing its SMI loan by $14,116.97, effectively reducing the amount closed to date to $17,820,192.04.

(4) Two (2) loans, representing two different developers, approved in the total amount of $675,000, have yet to be closed.

(5) It does not appear at this time that these two loans will be closed due to an inability to obtain the required consent of the investment limited partner.

(6) As of October 12, 2012, the final disbursement has been made on twenty-six (26) of the thirty (30) loans closed to date. All accrued interest will be due on these loans twenty four months after the final disbursement. The loan will then be amortized based on a twenty year amortization with a balloon payment due at the end of year six.

(7) One loan, Villas at Lake Smart, was paid in full on April 11, 2011. There was $151,730.22 in undisbursed SMI funds at the time. Another loan, Woodbridge Apartments, was paid in full on December 13, 2011. A third loan, Spring Harbor Apartments, was paid in full on May 21, 2012.

Information

c) Since the inception of the Subordinated Mortgage Initiative, only two developers, Shelter Corporation, involving two SMI loans, Venetian Isles I and Venetian Isles II, and Creative Choice, involving Tuscan Isle f/k/a Heron Cove, have failed to make a required payment under their obligations as outlined in the SMI loan. The required payments were ultimately made on both Venetian Isles I and Venetian Isles II, and the payments remain current. However, Tuscan Isle remains in default. The Guarantee Program has been working closely with both the Developer and the Limited Partner in order to resolve this matter; however, there has been no resolution at this time. As of this date there have been no claims made on the Guarantee Fund Program for any development receiving SMI funding.

X. SPECIAL ASSETS

A. Parameters for Review of General Partnership Transfers to Non-Profits

1. Background

a) Senate Bill 360 (SB 360), titled the "Community Renewal Act", was approved by the Legislature on the last day of the Session, May 1, 2009. SB 360 was approved by the Governor and became law on June 1, 2009. SB 360 amends 196.1978, Fla. Stat., to extend the affordable housing property ad valorem tax exemption to property that is held for the purpose of providing affordable housing to persons and families meeting the income restrictions in 159.603(7), Fla. Stat., and 420.0004, Fla. Stat. The property must be owned by a Florida-based limited partnership, the sole general partner of which is a not-for-profit corporation, or be owned by a nonprofit entity that is a not-for-profit corporation. The not-for-profit corporation must qualify as charitable under section 501(c) (3) of the Internal Revenue Code and in compliance with Rev. Proc. 96-32, 1996-1 C.B. 717.4 The bill provides that any property owned by a limited partnership which is disregarded as an entity for federal income tax purposes will be treated as if owned by its sole general partner.

b) SB 360 incorporated the language from Senate Bill 1042 (SB 1042) relating to affordable housing by Sen. Bennett. The Bill Analysis and Fiscal Impact statement from SB 1042 relating to ad valorem tax exemptions for exempt charitable organizations taking affirmative steps to provide affordable housing, estimated a negative impact to local governments of $200,000 each year over the next five years. The staff analysis appears to have been based on then-existing nonprofit projects, and did not contemplate large numbers of conversions from for profit to nonprofits General Partners.

c) The statutory changes made in 2009 offer substantial financial benefits to affordable housing developments that qualify for full or partial ad valorem tax exemption under 2009 amendments to section 196.1978, Fla. Stat.

d) An update on General Partner transfers to non-profits was provided at the April 30, 2010 Board meeting and proposed parameters to address General Partner transfer requests to nonprofits was presented and discussed at the June 18, 2010 Board meeting. Shortly after its enactment, SB 360 was challenged as unconstitutional in the courts by several local governments and was ultimately declared unconstitutional on August 26, 2010. The affordable housing provisions contained in the 2009 SB 360 were reenacted by the Legislature in SB 176 in the 2011 Session.

e) At the October 14, 2011 Board meeting, the Board authorized staff to begin the process to promulgate rules governing the transfer of for profit General Partner interests to nonprofit General Partners. After a Rule Workshop in January 2012, it was determined that Florida Housing's current Rules were sufficient to govern these transfers.

2. **Present Situation**

a) To date, staff has received 100 requests for transfers of general partnership interests to non-profits for purposes of the ad valorem tax exemption, with an estimated negative impact to local governments of $14,022,330 each year. These requests statistically represent a shift in the risk profiles for each deal. Quantitative research for HUD's Office of Policy Development and Research performed in 1979 by The Urban Institute examining relationships between failures of multifamily projects and sponsor type found non-profits failed twice as often as for profit sponsors. The 2009 lifetime defaults as a percentage of disbursements published in 2010 by the Office of Management and Budget indicate the default rate for non-profit developments when compared to that of for profit developments has risen from the last published studies where non-profits failed twice as often as for profit sponsors to almost three times as often with non-profit multifamily lifetime defaults at 42.36% compared to for profit multifamily lifetime defaults of 14.72%. Because of this statistical shift in the risk profiles and the number of transfer requests, staff wants to again make the Board aware of the key credit underwriting parameters for these requests.

b) Florida Housing's rules, governing loan and land use restriction agreements provide the overall framework for reviewing these requests. With the exception of Low Income Housing Tax Credits that have already received a Final Housing Credit Allocation (IRS Forms 8609), any material changes in the ownership structure of a borrower require prior approval of the Florida Housing Board of Directors, after considering the facts and circumstances of each request and associated credit underwriting reports. Florida Housing, or it credit underwriter, among other things, may:

(1) consider the creditworthiness of the proposed non-profit sole general partner and such party's management ability with respect to the development;

(2) consider whether the borrower or proposed transferee are currently in financial arrears or default to Florida Housing or its servicer under any program or otherwise in noncompliance beyond any cure period contained under existing documents relating to any Florida Housing program;

(3) consider whether or not the security for repayment of the loan and other payment obligations under the financing agreements, and the performance of the covenants and other obligations under the loan documents (without regard to whether any loans are outstanding), or Florida Housing's ability to enforce its rights, remedies and recourses with respect to such security or performance will be impaired in any way or to any degree by the proposed transfer;

(4) consider the conditions within the property and require that any deferred maintenance be addressed in accordance with a plan acceptable to Florida Housing;

(5) consider the provisions with respect to property insurance, repairs, alterations, payment of taxes, reserves and assessments, delinquency charges, default remedies, and additional security as are deemed necessary to address new problems or market situations and which are satisfactory to Florida Housing;

(6) require that Florida Housing be reimbursed for all reasonable costs and expenses incurred by Florida Housing, its counsel and servicer in connection with such transfer;

(7) require the payment of all payment obligations of the borrower under the loan documents, including but not limited to accrued obligations not yet payable, escrows for potential contests by local property appraisers (it has been Florida Housing's experience that litigation with local property appraisers can take 3 or more years to settle), any amount reasonably determined by Florida Housing as being necessary to compensate it for monitoring costs and expenses for the balance of the compliance period;

(8) require the execution of a document(s) evidencing the express, unconditional assumption of all payment and performance obligations under the loan documents, any guarantee of recourse obligations and environmental indemnity relating to the development and any other document, agreement guaranty or instrument evidencing or securing the borrower's obligations under the loan documents by the proposed non-profit sole general partner (without the release of the borrower/current guarantors from liability for such obligations);

(9) require the execution of modification agreements, supplemental security documents, financing statements and such other documents, agreements and instruments as Florida Housing or its counsel may reasonably require; and

(10) require endorsements to any existing title insurance policies insuring Florida Housing's liens and security interests covering the property and delivery of legal opinions by counsel for the transferee.

c) GP Transfer Requests: Exhibit A

XI. UNIVERSAL CYCLE

A. 2013 Universal Cycle

1. **<u>Background/Present Situation</u>**

a) To solicit comments concerning Rule Chapters 67-21 and 67-48, F.A.C., the 2013 Universal Application Cycle, and the 2013 Qualified Allocation Plan, staff has held six (6) rule development workshops: April 26, 2012, June 7, 2012, July 19, 2012, August 14, 2012, September 6, 2012, and October 1, 2012.

b) As a result of these workshops, staff has continued to revise the Universal Application and the rules governing the multifamily programs and expects to submit the proposed Rules, Application and Qualified Allocation Plan for Board approval at the December 7, 2012 meeting.