

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
August 1, 2003
Informational Items

FISCAL

Informational

I. FISCAL

A. Operating Budget Analysis for June 2003

1. Background/Present Situation

- a) The Financial Analysis for June 30, 2003, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending June 30, 2003, is attached as [Exhibit B](#).

GUARANTEE PROGRAM

Informational

II. GUARANTEE PROGRAM

A. Notice of Issuance of Commitment to Guarantee

1. Background

Pursuant to the expedited review processing procedure authorized by the Board on March 7, 2002 in connection with the issuance of a Commitment to Guarantee, Florida Housing's Chief Financial Officer, the Guarantee Program Administrator, TIBOR PARTNERS, Inc., and Guarantee Program counsel have reviewed and approved the Final Credit Underwriting Report for Hibiscus Pointe Apartments, a proposed multifamily rental development to be located in Miami-Dade County, Florida and financed by bonds issued by the Housing Finance Authority of Miami-Dade County. The proposed Hibiscus Pointe transaction is credit enhanced by the Guarantee Program and the HUD Risk-Sharing Program. The total proposed loan amount to be guaranteed is \$8,705,000.

2. Present Situation

Staff submitted its recommendation for this proposed transaction to each Board member electronically and provided the Board with the required 72-hour review period. No objections were received and the review period has expired.

GUARANTEE PROGRAM

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B. Notice of Issuance of Commitment to Guarantee

1. Background

Pursuant to the expedited review processing procedure authorized by the Board on March 7, 2002 in connection with the issuance of a Commitment to Guarantee, Florida Housing's Chief Financial Officer, the Guarantee Program Administrator, TIBOR PARTNERS, Inc., and Guarantee Program counsel have reviewed and approved the Final Credit Underwriting Report for Harbour Cove Apartments, a proposed multifamily rental development to be located in Broward County, Florida and financed by bonds issued by the Housing Finance Authority of Broward County. The proposed Harbour Cove transaction is credit enhanced by the Guarantee Program and the HUD Risk-Sharing Program. The total proposed loan amount to be guaranteed is \$14,600,000.

2. Present Situation

Staff submitted its recommendation for this proposed transaction to each Board member electronically and provided the Board with the required 72-hour review period. No objections were received and the review period has expired.

GUARANTEE PROGRAM

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C. Guarantee Program Capacity ([Exhibit A](#))

LEGAL

Informational

III. LEGAL

A. Ybor III, Ltd. v. Florida Housing Finance Corporation

Developer: Citizens Housing Development Co. – Tom McMullen

1. Background

- a) On November 29, 2001, Petitioner, Ybor III, Ltd. (“Ybor”) filed a Notice of Administrative Appeal with the First District Court of Appeal. Ybor appealed Florida Housing’s dismissal of its petition challenging the scoring of a competitor’s application in the 2001 Combined Cycle. Ybor requested oral argument, which was held on February 19, 2003. The Court issued its opinion on April 23, 2003.
- b) The Court found that Ybor had standing to seek an administrative hearing and that Fla. Admin. Code R. 67-48.005 (2001) did not provide a point of entry into the administrative hearing process. The Court remanded the case with directions for Florida Housing to forward Ybor’s petition to the Division of Administrative Hearings for a formal hearing. Rule 67-48.005 Fla. Admin. Code R., as amended in 2002, provides a point of entry for applicant’s to challenge the scoring of another application.
- c) The case was forwarded to the Division of Administrative Hearings for a formal hearing on May 27, 2003.

2. Present Situation

A hearing has been set for August 7, 2003, at 9 a.m. Petitioner’s attorney filed a Motion for Leave to Withdraw as Counsel on June 20, 2003, which was granted on July 1, 2003.

LEGAL

Informational

B. Florida Housing Finance Corporation v. Aloma Bend, Ltd., a Florida Limited Partnership; Christopher T. Spano, Robert Thollander and Betsy Spano, as Individuals.

1. Background

- a) On December 30, 1997, Aloma Bend, Inc. ("Aloma") closed its Multi-Family Mortgage Revenue Bond loan. Florida Housing allocated \$15,500,000.00 in Multi-Family Mortgage Revenue Bond Program funds for this development. The bond documents provide that the proceeds from any condemnation are to be paid to the Trustee.
- b) On November 21, 2000, Plaintiff, The State of Florida, Department of Transportation ("DOT") filed a Petition in eminent domain to condemn a portion of Aloma's property in the Circuit Court of Seminole County, Florida seeking to take a portion of the property for widening the road adjacent to the development known as Barrington Place.
- c) On March 28, 2002, the Circuit Court entered a Stipulated Final Judgment Including Attorneys Fees and Costs awarding Aloma the total amount of \$235,000 and requiring that Spano additionally deposit \$51,100 into the registry of the Clerk of Court ("Condemnation Proceeds").
- d) In April of 2002, Florida Housing requested from Aloma an accounting of the Condemnation Proceeds. The statement provided by Aloma demonstrates that the Condemnation Proceeds were used to repair and pay for expenses at other unrelated properties.
- e) On June 12, 2002, Florida Housing demanded the return of the Condemnation Proceeds to Florida Housing or the Trustee, and Aloma has otherwise failed to perform their obligations under the Loan Agreement and Guaranty.
- f) On April 24, 2003, Florida Housing filed a Complaint in the Circuit Court of Leon County, Florida, requesting the court enter an Order enforcing the Guaranty and entering a judgment against Aloma and related parties. A copy of the Complaint was attached to the June 20, 2003 informational package as Exhibit A.

2. Present Situation

On June 23, 2003, Aloma filed a Motion to Dismiss the Plaintiff's Complaint. Florida Housing will continue to monitor the litigation. A hearing on the Motion has been set for August 14, 2003.

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C. In Re: 2002 Universal Cycle

1. Present Situation

Cases referred to the Division of Administrative Hearings:

Fifth Avenue Estates, Ltd. – Upon a stipulation that no material facts were in dispute, the Division of Administrative Hearings relinquished jurisdiction to Florida Housing. Chris Bentley, the Hearing Officer will issue a Recommended Order.

LEGAL

Informational

D. Seminole County, et al. v. TWC Ninety-Five, Ltd., et al. (Windchase Apartments)

Developer : The Wilson Companies; TWC Ninety-Five, Ltd.

1. Background

- a) On May 15, 1997, TWC Ninety-Five, Ltd. ("TWC") closed its loan. Florida Housing allocated \$15,100,000 in Housing Revenue Bonds (1997 Series C) funds for this development.
- b) On October 28, 2002, Plaintiff, Seminole County, filed a Petition in eminent domain to condemn a portion of TWC Twenty-Five. Ltd.'s property in the Circuit Court of Seminole County, Florida seeking to take a portion of the property for widening the road adjacent to the development known as Windchase Apartments.
- c) Section 11 of the Land Use Restriction Agreement requires that the proceeds of any condemnation be deposited with the Trustee.
- d) A hearing has been set for May 15, 2003, on the Motion to Allow Withdrawal of Funds filed by TWC on March 28, 2003. Florida Housing filed a Response to the Motion to Allow Withdrawal of Funds by TWC on April 15, 2003.

2. Present Situation

Florida Housing is monitoring the litigation

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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IV. SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

A. 2003 1-4 Single Family Mortgage Revenue Bond Program

1. Background/Present Situation

a) On May 2, 2003, the Board authorized issuance of the 2003 Series 1, 2, 3 and 4 Bonds. The bonds closed on June 18-19, 2003, and the origination period began on June 25, 2003.

(1) Lendable proceeds totaling \$41,032,500 are currently offered at an interest rate of 5.10%.

(2) Special targeting is as follows:

(a) \$1,000,000 was set aside for purchases in HOPE VI and Front Porch Communities. The interest rate is 4.50%.

(b) \$3,000,000 was set aside for purchases in Urban Infill and Targeted Areas. The interest rate is 4.50%.

(c) \$1,000,000 was set aside for the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program. The interest rate is 4.50%.

b) As of July 14, 2003, the following activity was reported:

Allocation Pool	Amount Allocated	Purchased/Reserved		Amount Available	% Used
		Amount	Number		
Spot Pool	41,032,500	3,132,458	37	37,900,042	7.6%
Builder	5,000,000	0	0	5,000,000	0%
Urban Infill	3,000,000	153,396	2	2,846,604	5.1%
HOPE VI /Front Porch	1,000,000	75,008	1	924,992	7.5%
RD Self Help	1,000,000	341,288	4	2,105,844	34.1%
HAP D/P	Pooled	184,800	19	Pooled	N/A
HOME Loans	Pooled	345,000	23	Pooled	N/A

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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B. 2002 1-3 Single-Family Mortgage Revenue Bond Program

1. Background/Present Situation

- a) On April 26, 2002, the Board authorized issuance of the 2002 Series 1, 2, and 3 Bonds. The origination period began on November 8, 2002.
- (1) Lendable proceeds totaling \$50,689,250 are currently offered at an interest rate of 5.92%.
- (2) Special targeting is as follows:
- (a) \$1,520,677 was initially set aside for purchases in HOPE VI and Front Porch Communities. The interest rate is 4.99%
- (b) \$3,041,355 was initially set aside for purchases in Urban Infill and Targeted Areas. The interest rate is 4.99%.
- (c) \$506,411 was initially set aside for the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program. The interest rate is 4.99%.
- (d) Effective April 1, 2003, the Board authorized the combination of the subsidized loan pools (HOPE VI and Front Porch, Section 523 Mutual Self-Help and Urban Infill).
- (3) Staff negotiated with three participants in the Builder program to relinquish unused allocation that could be better utilized in the Spot Pool. As a result, \$5,289,581 was reallocated from the Builder Pool to the Spot Pool.
- b) As of July 14, 2003, the following activity was reported:

Allocation Pool	Amount Allocated	Purchased/Reserved		Amount Available	% Used
		Amount	Number		
Spot Pool	37,410,387	37,312,097	447	98,290	99.7%
Builder	8,210,419	8,085,976	91	124,443	98.5%
Urban Infill, RD Self Help HOPE VI /Front Porch	5,068,443	5,069,348	77	0	100%
HAP D/P	Pooled	3,503,370	355	Pooled	N/A
HOME Loans	Pooled	3,310,545	222	Pooled	N/A

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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C. **Satisfactions**

1. **Background/Present Situation**

The Corporation reflects the following information regarding satisfactions of Second Mortgages for the time period of January 1, 2003 to June 30, 2003:

Program	Total \$ Amount of Payoffs	Total # of loans
HAL/disasters	339,397	16
HOME w/ bonds	1,369,532	113
HAP/HAP Perm	1,294,523	389
Totals	3,003,452	518

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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D. Marketing and Outreach

1. Background/Present Situation

- a) In July, Staff launched the 2003 Single Family Media Campaign. Marketing included newspaper advertisements, statewide cable PSA's (video commercial), and radio spots. All marketing will be conducted in both English and Spanish languages.
- b) Staff is actively working to recruit additional participating lenders to obtain statewide "local" access to the program.
- c) Staff is in the process of reviewing how information is disseminated to our first time homebuyers via the Florida Housing website and the program brochure in both English and Spanish. These two major marketing tools will be revamped to ensure effective communication of information to our constituents. The professional Spanish translation for the website for the First Time Homebuyer Program has been completed and is in the process of being uploaded to the website as an option.
- d) Staff has integrated Fannie Mae's HFA Community Solutions program into its First-Time Homebuyer Program. HFA Community Solutions is a homeownership initiative that specifically targets Teachers, Policemen, Firefighters and Healthcare workers. Program features include a lower down payment requirement and more lenient underwriting criteria as compared to other conventional products.

E. Loan Information/Summary Report (See [Exhibit A](#) - dated as of July 21, 2003)

SHIP

Informational

V. SHIP PROGRAM

A. Local Housing Assistance Plan

1. Background

- a) To receive SHIP funds, a local government must submit a Local Housing Assistance Plan for approval by the Corporation's SHIP Review Committee. These plans have a minimum effective date of one (1) state fiscal year and a maximum of three (3) state fiscal years. A local government may amend its plan to add or delete strategies consistent with SHIP Program requirements.

2. Present Situation

- a) By May 2, 2003, twenty-seven (27) local governments are required to submit new Local Housing Assistance Plans to maintain eligibility to receive SHIP funds.

SHIP

Informational

B. Local Housing Assistance Program Annual Reports

1. Background

- a) Annually, by September 15, a county or eligible municipality participating in the SHIP Program must submit a report of its local affordable housing program accomplishments and its funding expenditure and leveraging using forms provided by the Corporation pursuant to Section 420.9075(9), Florida Statutes. The annual reports document the local government's compliance with the Florida Statutes and SHIP program requirements and must be timely and correctly filed as a condition of receiving funds.

2. Present Situation

- a) The reports were due to the Corporation by September 15, 2002 to cover activities and expenditures for state fiscal years 1999-2000 (close out reports as of 6/30/02), fiscal year 2000-2001, and fiscal year 2001-2002 (interim reports as of 06/30/02).
- b) Currently, annual reports have been received from all local governments.
- c) One (1) local government, Marion County, has an expenditure extension for fiscal year 1999-2000 funds.

SHIP

Informational

C. **Financial Status**

1. **Background**

- a) Created in 1992 by the William E. Sadowski Affordable Housing Act, SHIP is funded with proceeds of the documentary stamp tax on recorded deeds deposited into the Local Government Housing Trust Fund.
- b) The state fiscal year 2003-2004 total appropriation available for the SHIP Program is \$130,886,000.00 with an anticipated set-aside of \$5,000,000.00 for disaster relief and \$129,499.00 for the Housing Data Clearing House. The current available funding is \$125,756,501.00.

2. **Present Situation**

- a) Total SHIP allocation due to the local governments for fiscal year 2003-2004 is \$125,756,501.00.
- b) Total SHIP disaster relief funding available to the local governments for fiscal year 2003-2004 is \$5,000,000.00.

UNIVERSAL CYCLE

Informational

VI. UNIVERSAL CYCLE

A. 2003 Universal Cycle Update

1. Background/Present Situation

- a) Notice of Possible Scoring Error (NOPSE) scores were issued on June 9, 2003. Applicants had until 5:00 p.m. Eastern Time, on June 19, 2003, to file cures relative to items which, during preliminary and/or NOPSE scoring, failed to receive maximum points, maximum proximity points and/or failed threshold, as applicable. Applicants then had until 5:00 p.m., Eastern Time, on June 27, 2003, to file a written Notice of Alleged Deficiency (NOAD) relative to an Applicant's cure. A total of 102 cures and 63 NOADs were received.
- b) Final scores and a notice of appeal rights were issued to each Applicant on July 21, 2003. Petitions for Hearings are due no later than 5:00 p.m., Eastern Time, on August 12, 2003. Informal appeal hearings will be scheduled during the period August 28 through September 12, 2003. Final orders and final rankings will be presented to the Board for approval at its October 9, 2003, meeting.