Action Items
I. FISCAL

A. Operating Budget for 2004

1. Background
   a) Florida Housing uses a zero-based budget system to develop the annual operating budget. Prior year experience is used only for information and for comparison purposes. All line items are independently substantiated and developed.
   b) The major components of revenue are investment income, administrative fees, and program fees.
   c) Each cost center/program area submits a narrative outlining its plan for the upcoming fiscal year as the basis for its budget request. Once the budget requests and narratives are received, Finance compiles and reviews each item. Further revisions to the requests occur through numerous reviews.

2. Present Situation
   a) The Corporate Operating Budget for 2004 has been compiled and reviewed and is included as Exhibit A.
   b) An Account Guide describing the budget categories is included as Exhibit B.

3. Recommendation
   Approve the Operating Budget for 2004.
II. FISCAL/PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request to Charge Off Uncollectible Loan in the PLP Program (PLP 98-027 Three Points Development)

1. Background

After successfully competing in the 1998 Application Cycle, Florida Housing Trust, Inc (“Developer”) received an Invitation to Participate in the Program (“Invitation”). Florida Housing Trust accepted the Invitation. The Developer’s acceptance to participate included a provision that the borrower may receive an advance of funds to pay for certain expenses including a market and feasibility analysis (“MFA”). Florida Housing advanced the cost of completing the MFA and the MFA was completed and demonstrated that conditions were favorable for the proposed development. Subsequently conditions for the proposed Development changed and on October 16, 2000 Florida Housing Trust requested forgiveness of the MFA fees because the project was not going to be able to meet the standard of the feasibility set by the MFA. No action was taken by staff.

2. Present Situation

There has been no activity since October 16, 2000. Records of the Florida Department of State, Division of Corporations, indicate that Florida Housing Trust, Inc. is an inactive corporation which means it has been dissolved as a corporation in the State of Florida. The loan is uncollectible and therefore should no longer be considered an asset of the corporation. In prior years staff had reserved 20% of the balance in the loan loss reserve.

3. Recommendation

Approve Florida Housing staff to write off this loan balance in the amount of $5,000.00 against the loan loss reserves to remove this loan as an asset.
III. GUARANTEE

A. Consider Approval of the October 9, 2003 Guarantee Program Committee Minutes

B. Consideration of Delegation of Authority to FHFC Staff to File Claims or Make Optional Guarantee Payments in the Event of Default

1. Background
   a) The Florida Affordable Housing Guarantee Program (Guarantee Fund) has guaranteed 108 mortgage loans during its 10 years of existence. Such guarantees have taken several forms, including stand-alone guarantees of mortgage loans securing multifamily bonds issued by FHFC and local housing finance authorities, and “Risk-Sharing” transactions under the HUD risk-sharing program, whereby the Guarantee Fund (after construction) guarantees FHFC’s portion of the 50% loss arrangement with HUD on multifamily mortgage loans secured by HUD insurance. With respect to risk-sharing transactions which have been endorsed by HUD, the applicable mortgage loan documents generally work as follows:

   (1) Borrower fails to make monthly promissory note payment when due;
   (2) Claim is made on the Operating Deficit Guarantee (if still in effect);
   (3) Within 75 days from initial default, submit a claim to HUD for payment in full of the mortgage loan.

   b) In the event a claim is made, HUD will pay the loan in full, which amount, together with amounts on deposit in the debt service reserve fund established under the documents, will be sufficient to redeem the outstanding bonds in full. At that point, the Guarantee Fund is required to segregate within the Fund an amount equal to the full amount of the HUD claim plus interest for five years at the HUD debenture rate, and FHFC is directed to foreclose on the property. Once the foreclosure sale occurs, the loss on the property is determined, and the Guarantee Fund is obligated to pay 50% of such loss (including 50% of interest at the HUD debenture rate from the date of claim payment to the date of settlement) to HUD.

   c) With respect to non-risk sharing (stand-alone) transactions, the mechanism generally works as follows:

   (1) Borrower fails to make monthly promissory note payment when due;
   (2) Claim is made on the Operating Deficit Guarantee (if still in effect) and the Guarantee Fund;
   (3) The Guarantee Fund is required to pay the mortgage loan in full within 60 days after a claim is made.

2. Present Situation
   a) In both risk-sharing and non-risk-sharing transactions, the Guarantee Fund is presented with two options in the event of a borrower payment default which is
GUARANTEE

Action

not remedied by the borrower: (1) file a claim with HUD (in the case of risk-sharing), foreclose and pay FHFC’s portion of the loss (or in the case of non-risk-sharing transactions, to simply pay the claim in full), or (2) to make an “Optional Guarantor Payment,” which essentially means making a required monthly payment on the mortgage loan (or some portion thereof) to forestall the filing of a claim and foreclosure while the Fund attempts to restructure the transaction. A possible third option is the making of a one-time “partial claim” on HUD, which would have the effect of HUD and the Guarantee Fund jointly partially repaying some portion of the debt, thereby perhaps allowing the development to generate sufficient cash flow by means of reduced debt service. Although partial claims are permitted under the HUD regulations, staff’s discussions with HUD representatives indicate that HUD would refuse to consider any partial claims.

b) Recognizing each situation will be unique, it is highly probable that (2) above would be the preferred option causing the least financial impact to the Guarantee Fund and FHFC in any first attempt to work through a troubled situation.

c) Staff has undertaken a series of reviews to prepare for the circumstance of an unremedied borrower default, including walkthroughs of the documents, the establishment of a tickler system to ensure timely claims or payments, and the generation of an RFP for potential property management companies that FHFC might want to assign to a troubled development. In addition, FHFC has begun discussions on the establishment of a subsidiary corporation or corporations which might hold property in the event of a foreclosure. Although staff arguably has authority under existing documents and the Board’s approval of such prior transactions to file or pay a timely claim without specific Board approval, given staff’s prospective efforts to be fully prepared for such situation and the possibility of such situation and associated deadlines arising in between Board meetings, staff is requesting specific delegation to the Executive Director, Chief Financial Officer, Guarantee Program Administrator, and Director of Asset Management to (i) make an Optional Guarantor Payment from any available moneys (Guarantee Fund or FHFC) with respect to any guaranteed loan if in the judgment of such individuals with the advice of the Guarantee Fund’s counsel and financial advisor such would be in the best interest of the Fund, (ii) file a claim with HUD in accordance with applicable documents if in the judgment of the foregoing such would be in the best interest of the Fund, make the corresponding required segregation of assets within the Fund and foreclose on the property, (iii) make a full claim payment in non-risk-sharing transactions if in the judgment of the foregoing such would be in the best interest of the Fund, and (iv) select a property manager from the approved FHFC list for insertion into a troubled guaranteed development. In each case, staff would attempt to bring the issue before the Board for ratification at the earliest regularly scheduled Board meeting following such decision. It is not anticipated that more than two consecutive Optional Guarantor Payments would be made on a single development without specific Board approval.

3. Recommendation

Authorize the delegation to staff as outlined above.

December 12, 2003
Florida Housing Finance Corporation
C. **Consider Approval of Publication of Notice of Proposed Rulemaking**

1. **Background/Present Situation**

   a) Rule Development Workshops were held on October 9 and November 18, 2003 to solicit public comment on Rule Chapter 67-39, F.A.C.

   b) After consideration of these comments, Guarantee Program staff has made proposed revisions to the rules governing the Florida Affordable Housing Guarantee Program (Guarantee Program).

   c) The proposed rule revisions are attached as [Exhibit A](#). Following Board approval of the proposed Rule, a Notice of Proposed Rulemaking (NOPR) will be filed with the Florida Administrative Weekly for publication on December 19, 2003. The NOPR will announce the Rule Hearing which will be scheduled for January 9, 2004, in Tallahassee.

   d) Following review of the public comments received at the January 9, 2004 Rule Hearing and the comments received from the Joint Administrative Procedures Committee following its review of the NOPR, if required, Staff will prepare a Notice of Change (NOC) to incorporate all proposed modifications to the proposed rule.

   e) If a NOC is not required, it is currently anticipated that the Rule will be filed for adoption on January 20, 2004. If a NOC is necessary, it will be submitted for Board action at the January 23, 2004 meeting.

2. **Recommendation**

   Approve the proposed revisions to Rule Chapter 67-39, F.A.C.
D. Extension of “Conditional Commitments to Guarantee”

1. **Background**

   On March 31, 2003, the Guarantee Program issued Conditional Commitments to Guarantee (the “Commitments”) in connection with applications for proposed developments requesting 2003 FHFC Multifamily Bond allocation. A summary of the applications for which allocation was awarded, the Commitments that were issued and the applicants remain interested in using Guarantee Program credit enhancement is attached as Exhibit B. Due to the timing of the year 2003 multifamily tax exempt bond allocation awards, which were finalized on October 9, 2003, largely driven by the need of the combined cycle to comply with the Florida Administrative Procedures Act, the proposed transactions identified in Exhibit B will be unable to close prior to the Commitments’ December 31, 2003 expiration. No applicant receiving 2003 bond allocation is expected to close its transaction before the expiration of the Commitments.

2. **Present Situation**

   a) The applicants of the proposed developments require an extension of their Commitment in order to continue the credit underwriting process.

   b) The Guarantee Program, along with TIBOR Partners, Inc., has reviewed the Commitments and is recommending that the Committee extend the Commitments until June 30, 2004.

3. **Recommendation**

   Accept this recommendation of Staff and TIBOR Partners, Inc. to approve the extension of the Conditional Commitments to Guarantee for the proposed developments identified in Exhibit B until June 30, 2004.
GUARANTEE

Action

E. Consideration of “Commitment to Guarantee” for Clipper Bay Apartments

<table>
<thead>
<tr>
<th>Development Name (“Development”):</th>
<th>Clipper Bay Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal (“Developer”):</td>
<td>The Cornerstone Group</td>
</tr>
<tr>
<td>Number of Units:</td>
<td>276</td>
</tr>
<tr>
<td>Location:</td>
<td>Tampa, Hillsborough County</td>
</tr>
<tr>
<td>Construction Type:</td>
<td>New Construction</td>
</tr>
<tr>
<td>Bond Set-Aside:</td>
<td>85% @ 60%</td>
</tr>
<tr>
<td>HC Set-Aside:</td>
<td>98% @ 60%</td>
</tr>
<tr>
<td>Proposed Guarantee Amount:</td>
<td>$14,180,000</td>
</tr>
<tr>
<td>Subordinate Financing (Yes or No)</td>
<td>Yes</td>
</tr>
<tr>
<td>If yes, type and amount</td>
<td>SAIL Loan - $2,000,000</td>
</tr>
<tr>
<td>General Contractor</td>
<td>Alliance Construction, LLC</td>
</tr>
<tr>
<td>(Affiliated or Unaffiliated)</td>
<td>Affiliated</td>
</tr>
</tbody>
</table>

1. Background

The Clipper Bay Apartments is a proposed 276-unit multifamily rental development to be located in the City of Tampa, Hillsborough County, Florida. The Applicant, Clipper Bay Associates, Ltd., is expecting to receive a tax-exempt bond allocation in the amount of $13,500,000 from the Florida Housing Finance Corporation, in addition to $680,000 in taxable bonds.

2. Present Situation

a) The Guarantee Program, along with TIBOR Partners, Inc., has conducted a review of the proposed Clipper Bay transaction and is recommending that the Committee issue a “Commitment to Guarantee.”

b) A copy of TIBOR’s Project Suitability Assessment and Risk Evaluation Report is provided as Exhibit C.

3. Recommendation

Accept this recommendation of Staff and TIBOR Partners, Inc. to approve the issuance of a “Commitment to Guarantee” for the Clipper Bay Apartments, subject to the terms and conditions contained in the Project Suitability and Risk Evaluation Report, and subject to the Board’s approval of the Multifamily Bond Program’s recommendation. Further, that the guarantee amount, presently estimated at $14,180,000 (excluding the debt service reserve fund), may be adjusted by no more than 10%, solely to reflect actual interest rates and/or necessary modifications in the credit underwriter’s report, as long as the loan-to-value ratio does not exceed 90%, and the debt service coverage ratio is not less than 1.15:1.0.
GUARANTEE

Action

F. Consideration of “Commitment to Guarantee” for Garfield Place Apartments

<table>
<thead>
<tr>
<th>Development Name (“Development”):</th>
<th>Garfield Place Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal (“Developer”):</td>
<td>P.A.C. Land Development</td>
</tr>
<tr>
<td>Number of Units:</td>
<td>228</td>
</tr>
<tr>
<td>Location:</td>
<td>Deland, Volusia County</td>
</tr>
<tr>
<td>Construction Type:</td>
<td>New Construction</td>
</tr>
<tr>
<td>Bond Set-Aside:</td>
<td>100% @ 60%</td>
</tr>
<tr>
<td>HC Set-Aside:</td>
<td>100% @ 60%</td>
</tr>
<tr>
<td>Proposed Guarantee Amount:</td>
<td>$10,075,000</td>
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<tr>
<td>Subordinate Financing (Yes or No)</td>
<td>No</td>
</tr>
<tr>
<td>General Contractor</td>
<td>Winter Park Construction (Affiliated or Unaffiliated)</td>
</tr>
</tbody>
</table>

1. Background

The Garfield Place Apartments is a proposed 228-unit multifamily rental development to be located in the City of Deland, Volusia County, Florida. The Applicant, Garfield Place Apartments, Ltd., is expecting to receive a tax-exempt bond allocation in the amount of $10,075,000 from the Florida Housing Finance Corporation.

2. Present Situation

a) The Guarantee Program, along with TIBOR Partners, Inc., has conducted a review of the proposed Garfield Place transaction and is recommending that the Committee issue a “Commitment to Guarantee.”

b) A copy of TIBOR’s Project Suitability Assessment and Risk Evaluation Report is provided as Exhibit D.

3. Recommendation

Accept this recommendation of Staff and TIBOR Partners, Inc. to approve the issuance of a “Commitment to Guarantee” for the Garfield Place Apartments, subject to the terms and conditions contained in the Project Suitability and Risk Evaluation Report, and subject to the Board’s approval of the Multifamily Bond Program’s recommendation. Further, that the guarantee amount, presently estimated at $10,075,000 (excluding the debt service reserve fund), may be adjusted by no more than 10%, solely to reflect actual interest rates and/or necessary modifications in the credit underwriter’s report, as long as the loan-to-value ratio does not exceed 90%, and the debt service coverage ratio is not less than 1.15:1.0.
IV. HOME RENTAL

A. Request Approval of Credit Underwriting Report for Villa Seton, Inc. (2003-008H)

<table>
<thead>
<tr>
<th>Development Name:</th>
<th>Villa Seton, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal:</td>
<td>Catholic Charities of the Diocese of Palm Beach</td>
</tr>
<tr>
<td>Number of Units:</td>
<td>50</td>
</tr>
<tr>
<td>Location:</td>
<td>Port St. Lucie, St. Lucie County</td>
</tr>
<tr>
<td>Type: New Construction</td>
<td>No Demographic Targeting</td>
</tr>
<tr>
<td>Set Aside:</td>
<td>100% @ 50% AMI (49 total HOME Set-Aside Units)</td>
</tr>
<tr>
<td>Allocated Amount:</td>
<td>$1,205,650</td>
</tr>
<tr>
<td>Additional Comments:</td>
<td>Credit Underwriter has recommended approval with conditions as specified in attached report</td>
</tr>
</tbody>
</table>

1. Background/Present Situation

   a) On June 20, 2003, the Board approved the final scores and ranking for the 2003 HOME Rental Application Cycle and directed staff to proceed with all necessary credit underwriting activities.

   b) On July 3, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a HOME loan in an amount up to $1,474,268 for this 50-unit family development in St. Lucie County. This HOME loan will be secured by a second mortgage on the property.

   c) On November 20, 2003, staff received a credit underwriting report with the decrease in funding from $1,474,268 to $1,205,650 in order to balance the sources and uses of funds schedule (Exhibit A). This credit underwriting report reflects a debt service coverage ratio which does not meet HOME Rule 67-48.021(8)(a) which requires a minimum debt service coverage of 1.10 and maximum debt service coverage of 1.50 for the HOME loan and all other superior mortgages.

   d) The Applicant has filed a petition for rule waiver seeking a waiver of Rule 67-48.021(8)(a). This issue is more fully addressed in the Legal Section of this Board package.

2. Recommendation

Contingent upon approval of the rule waiver addressed in the Legal Section of this Board package, approve the final credit underwriting report recommending a HOME loan of $1,205,650 and direct staff to proceed with issuance of a firm loan commitment and loan closing activities.

December 12, 2003
Florida Housing Finance Corporation
LEGAL

Action

V. LEGAL

A. In Re: 2003 Universal Cycle Appeals

1. Background

a) On or about April 15, 2003, Applicants submitted applications to Florida Housing for the award of SAIL, MMRB or HOME funds and/or an allocation of Housing Credits in the 2003 Universal Cycle program.

b) On July 13, 2003, Florida Housing notified each applicant of its score and provided all applicants with a Notice of Rights advising applicants of their rights to challenge Florida Housing’s scoring of their own application pursuant to Sections 120.569 and 120.57, Florida Statutes, and Rule 67-48.005(2) and Rule 67-21.0035(2), Fla. Admin. Code.

c) Eagle Ridge Sebring Limited Partnership (“Eagle Ridge”) timely filed a petition for informal hearing.

d) The informal hearing in this case was held on September 11, 2003. On September 26, 2003, the Hearing Officer filed his Recommended Order for the informal proceedings. The Recommended Order is attached hereto as Exhibit A.

e) After the Recommended Order was filed on September 26, 2003, Eagle Ridge filed a “Motion to Transfer Case to Division of Administrative Hearings for Conduct of a Formal Administrative Hearing” (“Motion”) and Petitioner’s Written Argument (“Argument”). The Argument was filed within the correct time prescribed by Rule 67-48.005(3), Fla. Admin. Code. The Argument is attached hereto as Exhibit B. The Motion was filed on October 8, 2003, less than seven days prior to the October 9, 2003 Board meeting, so a hearing on the Motion was scheduled for the December 12, 2003 meeting. The Motion is attached hereto as Exhibit C. Florida Housing has filed its response to the Motion. The Response is attached hereto as Exhibit D.

2. Present Situation

a) The Board must dispose of the Motion before taking up the Recommended Order in this case.

b) If the Board denies the Motion, the Board must decide to accept or reject the Recommended Order and enter a Final Order.

3. Recommendation

Staff recommends that the Board deny the Motion, accept the Recommended Order and enter a Final Order in this matter.

December 12, 2003

Florida Housing Finance Corporation
B. In Re: 2003 HOME Ownership Loan Program

1. Background

   a) On or before June 16, 2003, Applicants submitted their Applications to Florida Housing for an award of funds from the 2003 Homeownership Loan Program (“Program”).

   b) On September 15, 2003, Florida Housing notified each Applicant of the results of the scoring of their Application and provided all Applicants with a Notice of Rights pursuant to sections 120.569 and 120.57, Fla. Stat.

   c) By October 6, 2003, petitioners had filed two petitions challenging Florida Housing’s scoring decisions. Requests for hearings are as follows:

      (1) One Petitioner, We Help Community Development Corporation, Inc. (“We Help”), timely filed a Petition for Hearing appealing its score and was set for a hearing before a contract hearing officer. The Recommended Order in the We Help case is attached hereto as Exhibit E.

      (2) Another Petitioner requested a hearing in the incorrect format and Florida Housing requested that the Petitioner send the request for hearing in the correct format. This petitioner did not revise the request for hearing and the case was dismissed for having insufficient information.

2. Present Situation

   The Board must decide to accept or reject the Recommended Order and enter a Final Order.

3. Recommendation

   Staff recommends the Board enter a Final Order in this matter.
I. LEGAL

A. In Re: 2003 Universal Cycle Appeals

1. Background

   a) On or about April 15, 2003, Applicants submitted applications to Florida Housing for the award of SAIL, MMRB or HOME funds and/or an allocation of Housing Credits in the 2003 Universal Cycle program.

   b) On July 13, 2003, Florida Housing notified each applicant of its score and provided all applicants with a Notice of Rights advising applicants of their rights to challenge Florida Housing’s scoring of their own application pursuant to Sections 120.569 and 120.57, Florida Statutes, and Rule 67-48.005(2) and Rule 67-21.0035(2), Fla. Admin. Code.

   c) Eagle Ridge Sebring Limited Partnership (“Eagle Ridge”) timely filed a petition for informal hearing.

   d) The informal hearing in this case was held on September 11, 2003. On September 26, 2003, the Hearing Officer filed his Recommended Order for the informal proceedings. The Recommended Order is attached as Exhibit A.

   e) After the Recommended Order was filed, Eagle Ridge filed a “Motion to Transfer Case to Division of Administrative Hearings for Conduct of a Formal Administrative Hearing” (“Motion”) and Petitioner’s Written Argument (“Argument”). The Argument was filed within the correct time prescribed by Rule 67-48.005(3), Fla. Admin. Code, on October 3, 2003. The Argument is attached as Exhibit B. The Motion was filed on October 8, 2003, less than seven days prior to the October 9, 2003 Board meeting, so the hearing on the Motion was scheduled for the December 12, 2003 meeting. The Motion is attached as Exhibit C. Florida Housing has filed its response to the Motion. The Response is attached as Exhibit D. Eagle Ridge filed its “Petitioner’s Amended Motion to Transfer Case to Division of Administrative Hearings for conduct of a Formal Administrative Proceeding and Motion to Reopen the Record and Admit Additional Evidence, or, in the Alternative, for Judicial Notice” (“Amended Motion”) on November 25, 2003. The Amended Motion is attached as Exhibit A, Supp. 1. Florida Housing filed has filed a Motion to Strike the Amended Motion. The Motion to Strike is attached as Exhibit B, Supp. 1. Eagle Ridge filed its “Petitioner’s Response to FHFC’s Motion to Strike” on December 9, 2003. The Response to the Motion to Strike is attached as Exhibit C, Supp. 1.

2. Present Situation

   a) The Board must dispose of the Petitioner’s Written Argument, Petitioner’s Motion, Florida Housing’s Response, Amended Motion, Florida Housing’s Motion to Strike and Petitioner’s Response to Florida Housing’s Motion to Strike before taking up the Recommended Order in this case.

   b) If the Board denies the Motion and the Amended Motion, the Board must decide to reject the Recommended Order or to adopt Recommended Order and enter a Final Order.
LEGAL

Action Supplement

3.
LEGAL

Action Supplement

Recommendation

Staff recommends that the Board deny the Written Argument, Motion and the Amended Motion, adopt the Recommended Order and enter a Final Order in this matter.
VI. MULTIFAMILY BONDS

A. 2003 Supplemental MMRB Application Cycle Ranking

1. Background/Present Situation
   a) The 2003 Supplemental MMRB Application Cycle opened on October 6, 2003 and closed on November 7, 2003. Six applications were submitted requesting a total of $132,755,000 in private activity bond allocation. The MMRB Program is in possession of sufficient allocation to fund each of these applications. The ranking spreadsheet is attached as Exhibit “A.”

   b) One application, Sandalgrove Apartments, applied to acquire and rehabilitate an 814-unit Development in Broward County. The current MMRB Program rule, as contained in the Application instructions, limits the size of MMRB Developments to 400 units. The applicant, Reliance-Cypress Grove Associates, Ltd. (“Reliance-Cypress”), has filed a petition asking the Board to waive this provision of the rule.

   c) MMRB staff does not object to the Reliance-Cypress rule waiver request because the 400-unit limit was designed to prohibit the slow lease-up and stabilization problems experienced by many large, new developments. Sandalgrove is a currently-occupied, acquisition and rehabilitation application and, therefore, does not have the slow lease-up concerns that the rule is designed to prevent.

2. Recommendation
   a) Approve the rankings, issue the Acknowledgement Resolutions and direct staff to invite all six of the applications in to credit underwriting.

   b) However, if the Board does not approve the Reliance-Cypress rule waiver request, then approve the rankings, issue the Acknowledgement Resolutions and direct staff to invite each of the applications in to credit underwriting, except for Sandalgrove Apartments.

December 12, 2003
Florida Housing Finance Corporation
VII. MINUTES

A. Consider Approval of the October 9, 2003, Board of Directors’ Meeting Minutes.
VIII. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Approval of Loan from PLP funds for Frenchtown Village. (PLP 00-024)

<table>
<thead>
<tr>
<th>DEVELOPMENT NAME (“Development”):</th>
<th>Frenchtown Village</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVELOPER/PRINCIPAL (“Developer”):</td>
<td>Frenchtown CDC</td>
</tr>
<tr>
<td>NUMBER OF UNITS:</td>
<td>24</td>
</tr>
<tr>
<td>LOCATION (County):</td>
<td>Leon</td>
</tr>
<tr>
<td>TYPE:</td>
<td>Homeownership</td>
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<tr>
<td>SET ASIDE:</td>
<td>100% @ 80%</td>
</tr>
<tr>
<td>ALLOCATED AMOUNT:</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

ADDITIONAL COMMENTS: The non acquisition portion ($100,000) of the loan was approved by the Board in December 2002. The acquisition portion of the loan ($400,000) was subject to credit underwriting approval. The Credit Underwriting has been completed and the credit underwriter is recommending approval on the remaining funds.

1. Background/Present Situation
   a) On July 25, 2002, Florida Housing issued an invitation to participate in the PLP program to Frenchtown CDC (the “Developer”). The Development will consist of 24 units, all of which are Homeownership units.
   b) On March 26, 2003, the non acquisition portion of the loan was closed on and the borrower began to draw those funds for predevelopment activities including credit underwriting. The credit underwriter has completed the report (Exhibit A) and is recommending approval of the acquisition funds in the amount of $400,000.

2. Recommendation

   Approve release of the acquisition funds from PLP funds for $400,000 to Frenchtown CDC for predevelopment costs as recommended by the Credit Underwriter.
IX. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Proposals (RFP) for Financial Advisor Services

1. **Background**

   At its September 12, 2003 meeting, the Board authorized staff to begin the RFP process, and establish a review committee, to select a financial advisor for all of Florida Housing’s programs, other than the Guarantee Program.

2. **Present Situation**

   a) The solicitation process was initiated and RFP 2003/04 was issued on October 24, 2003. Responses to the RFP were due on or before 2:00 p.m., Friday, November 21, 2003.

   b) The following responses were received by the deadline:

      1. CSG Advisors
      2. Caine Mitter & Associates
      3. Marianne Edmonds, Inc.
      4. WLJ Capital

   c) The review committee members, designated by the Executive Director, are Orlando Cabrera, Executive Director, Barbara Goltz, Chief Financial Officer, Esrone McDaniels, Deputy Development Officer, David Westcott, Multifamily Bonds Administrator, and Chris Buswell, Housing Credits Administrator.

   d) The Review Committee will review the responses to the RFP individually prior to convening for the Review Committee meeting. The Review Committee meeting will be held on Monday, December 8, 2003, at 10:00 a.m.

   e) Results of the Review Committee’s evaluation of the scored items will be provided in a supplement to the Board package.

3. **Recommendation**

   a) Recommendation will be provided in a supplement to the Board package.
PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Request for Qualifications (RFQ) for Arbitrage Rebate Analyst Services

1. Background

At its June 20, 2003 meeting, the Board authorized staff to begin the solicitation process to select up to four Arbitrage Rebate Analyst service providers.

2. Present Situation

a) The solicitation process was initiated and RFQ 2003/04 was issued on October 17, 2003. Responses to the RFP were due on or before 2:00 p.m., Friday, November 21, 2003.

b) The following responses were received by the deadline:

(1) Bond Logistix LLC
(2) Chapman and Cutler LLP
(3) Deloitte & Touche, LLP
(4) MuniFinancial
(5) PricewaterhouseCoopers LLP
(6) The Arbitrage Group, Inc.

c) The review committee members, designated by the Executive Director, are Diane Carr, Executive Financial Analyst, Angela Scott, Bond Fund Manager, Kevin Pichard, Assistant Director of Guarantee Program, Elizabeth Loggins, Multifamily Bonds Senior Analyst, and Raymond Anderson, Senior Financial Analyst.

d) The Review Committee will review the responses to the RFP individually prior to convening for the Review Committee meeting. The Review Committee meeting will be held on Friday, December 5, 2003, at 2:00 p.m.

e) Results of the Review Committee’s evaluation of the scored items will be provided in a supplement to the Board package.

3. Recommendation

a) Recommendation will be provided in a supplement to the Board package.
PROFESSIONAL SERVICES SELECTION (PSS)

Action

C. Court Reporting Services

1. **Background**

   a) At its March 7, 2003 meeting Florida Housing’s Board authorized staff to begin the Request for Proposals (RFP) process to select one or more entities to provide statewide court reporting services.

   b) An RFP process was initiated and RFP 2003/01 was issued on June 13, 2003. Responses to the RFP are due on or before 2:00 p.m., Friday, July 18, 2003.

   c) The Review Committee reviewed the responses to the RFP individually prior to convening for the July 28, 2003 Review Committee meeting.

   d) At its August 1, 2003 meeting, the Board directed staff to initiate contract negotiations with Accurate Stenotype Reporters, Inc. and Dorothy A. King, RPR, contingent upon both Offerors providing evidence of professional liability insurance and that they are authorized to do business in the State of Florida.

2. **Present Situation**

   a) Florida Housing staff has successfully completed contract negotiations with Dorothy A. King, RPR.

   b) Accurate Stenotype Reporters is requesting a waiver of the professional liability insurance. Accurate Stenotype Reporters has been in business since 1975, and has never held professional liability insurance and has never had a claim filed against them. Ms. Sandi Nargiz, President, Accurate Stenotype Reporters has been on the Board of Directors of the Florida Court Reporters Association, and recently checked with five other board members who own court reporting agencies. As a result Ms. Nargiz determined that one of the five court reporting agencies Ms. Nargiz contacted had professional liability insurance.

   c) Accurate Stenotype Reporters has been doing contract work covering the Federal Grand Jury in Tallahassee for over 10 years, State of Florida, particularly the Attorney General’s office, and the Florida Cabinet Meetings for the past 8 years, without a requirement for professional liability insurance.

   d) The cost of professional liability insurance would be approximately $5,000 based on the estimates Ms. Nargiz has obtained. Ms. Nargiz feels the requirement for Accurate Stenotype Reporters to obtain professional liability insurance is cost-prohibitive for this type of business.

3. **Recommendation**

   a) Florida Housing staff recommends the Board waive the requirement for professional liability insurance for the Court Reporters selected by the Review Committee and recommended by the Board under RFP 2003/01.

December 12, 2003

Florida Housing Finance Corporation
D. Request for Proposals (RFP) for Organizational Consultant Services

1. **Background**

   Florida Housing Finance Corporation came into existence in 1998. The basic organizational structure in place in 1998 is in place today.

2. **Present Situation**

   Beginning in 2000, many operational processes of Florida Housing have undergone tremendous change and many have been, or are currently being, newly created. The organizational structure and business processes, however, have remained in great part as they were in 1998. Additionally, many factors affecting affordable housing in general have changed, the financial climate of the country and Florida has changed, and the demographics of the state have changed, to name just a few.

3. **Recommendation**

   Authorize staff to initiate the RFP process to obtain the services of an organizational consultant to review Florida Housing’s organization structure and its business processes, and recommend changes, if needed, to assure Florida Housing is organized in a manner which will best serve our stakeholders and the State of Florida’s affordable housing needs for today and the future.

E. Request for Qualifications (RFQ) for Printing/Copying Services

1. **Background**

   Fla. Admin. Code, R. 67-49.002(b) provides that when the purchase price of commodities or contractual services exceeds or is estimated to exceed $25,000 in any twelve (12) month period, purchases of these commodities or contractual services, except as otherwise provided in subsection 67-49.002(4), (5) and (6), must be made pursuant to an Invitation to Bid, Invitation to Negotiate, Request for Proposals, or Request for Qualifications.

2. **Present Situation**

   Although, Fla. Admin. Code R. 67-49 could be read to apply the $25,000 single-source cap to an individual vendor; Florida Housing staff feel that a conservative approach (applying the limit to each specific service) is the better course of action.

3. **Recommendation**

   Authorize staff to begin the RFQ process, and establish a review committee, to select a pool of vendors from which Florida Housing staff may choose to purchase printing/copying services.
I. PROFESSIONAL SERVICES SELECTION

A. Request for Proposals (RFP) for Financial Advisor Services

1. Background

   At its September 12, 2003 meeting, the Board authorized staff to begin the RFP process, and establish a review committee, to select a financial advisor for all of Florida Housing’s programs, other than the Guarantee Program.

2. Present Situation

   a) The solicitation process was initiated and RFP 2003/04 was issued on October 24, 2003. Responses to the RFP were due on or before 2:00 p.m., Friday, November 21, 2003.

   b) The following responses were received by the deadline. They are as follows:

      (1) CSG Advisors

      (2) Caine Mitter & Associates

      (3) Marianne Edmonds, Inc.

      (4) WLJ Capital

   c) The review committee members, designated by the Executive Director, are composed of Orlando Cabrera, Executive Director, Barbara Goltz, Chief Financial Officer, Esrone McDaniels, Deputy Development Officer, David Westcott, Multifamily Bonds Administrator, and Chris Buswell, Housing Credits Administrator.

   d) The Review Committee reviewed the responses to the RFP individually prior to convening for the Review Committee meeting. The Review Committee was held on Monday, December 8, 2003, at 10:00 a.m.

   e) Results of the Review Committee’s evaluation of the scored items are provided in Exhibit A.

3. Recommendation

   The Review Committee recommends that the Board authorize staff to enter into contract negotiations with the top ranked Offeror which is CSG Advisors. If Florida Housing staff is unable to successfully negotiate a contract with CSG Advisors, the Review Committee further recommends that the Board authorize staff to enter into contract negotiations with Caine Mitter & Associates. If Florida Housing staff is unable to successfully negotiate a contract with Caine Mitter & Associates, the Review Committee further recommends that the Board authorize staff to enter into contract negotiations with WLJ Capital. If Florida Housing staff is unable to successfully negotiate a contract with WLJ Capital, the Review Committee further recommends that the Board authorize staff to reissue the RFP.
PROFESSIONAL SERVICES SELECTION (PSS)

Action Supplement

B. Request for Qualifications (RFQ) for Arbitrage Rebate Analyst Services

1. **Background**

At its June 20, 2003 meeting, the Board authorized staff to begin the solicitation process to select up to four Arbitrage Rebate Analyst service providers.

2. **Present Situation**

   a) The solicitation process was initiated and RFQ 2003/04 was issued on October 17, 2003. Responses to the RFP were due on or before 2:00 p.m., Friday, November 21, 2003.

   b) The following responses were received by the deadline. They are as follows:

      (1) Bond Logistix LLC

      (2) Chapman and Cutler LLP

      (3) Deloitte & Touche, LLP

      (4) MuniFinancial

      (5) PricewaterhouseCoopers LLP

      (6) The Arbitrage Group, Inc.

   c) The review committee members, designated by the Executive Director, are composed of Diane Carr, Executive Financial Analyst, Angela Scott, Bond Fund Manager, Kevin Pichard, Assistant Director of Guarantee Program, Elizabeth Loggins, Multifamily Bonds Senior Analyst, and Raymond Anderson, Senior Financial Analyst.

   d) The Review Committee reviewed the responses to the RFP individually prior to convening for the Review Committee meeting. The Review Committee meeting was held on Friday, December 5, 2003, at 2:00 p.m.

   e) Results of the Review Committee’s evaluation of the scored items are provided in Exhibit B.

3. **Recommendation**

The Review Committee recommends that the Board authorize staff to enter into contract negotiations with the top four ranked Offerors which are MuniFinancial, Bondlogistix LLC, Deloitte & Touche LLP and The Arbitrage Group, Inc. This recommendation is subject to MuniFinancial and The Arbitrage Group providing evidence that they are authorized to do business in Florida and receipt of their audited financial statements, and Deloitte & Touche providing a copy of the declaration page as evidence of current professional liability/errors and omissions insurance and receipt of their audited financial statements.
X. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval to Reallocate SAIL Cycle XV Funds That Have Become Available Due to the Withdrawal of Funding Request

1. Background/Present Situation

   a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Cycle and directed staff to proceed with all necessary credit underwriting activities for those developments within funding range.

   b) On October 23, 2003, Vestcor Fund XXIII, Ltd. requested withdrawal of its Danielle Woods Apartments application (2003-163BS) for funding in the amount of $1,500,000 (Exhibit A).

   c) In accordance with page 85 of the 2003 Universal Application Instructions (Exhibit B), if an invitation to credit underwriting has been declined, those funds attributable to the respective application will be allocated first to partially funded applications.

2. Recommendation

   Authorize staff to fully fund the SAIL request for Deer Run Apartments by providing the balance of its request ($507,366).
STATE APARTMENT INCENTIVE-loan PROGRAM (SAIL)

Action Supplement

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Holly Pointe, Cycle XIV, (2002-009CS)

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1. Background/Present Situation

a) On October 10, 2002, the Board approved the final scores and ranking for the 2002 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.

b) On October 14, 2002, staff issued a preliminary commitment letter and invitation to credit underwriting for a SAIL loan in an amount up to $1,650,000 for this 139-unit Farmworker development in Miami-Dade County.

c) On November 7, 2003, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of $1,650,000 (Exhibit A). The SAIL loan will be secured by a second mortgage on the property. Note that the general contractor listed in the application was Jencra, Inc. Subsequently, the Applicant chose Delant Construction Company. The new general contractor meets the minimum requirement of the application. The underwriter recommends that Delant Construction Company be accepted as the general contractor.

2. Recommendation

Approve the final credit underwriting report with the change in general contractor and direct staff to proceed with issuance of a firm loan commitment and loan closing activities.
XI. UNIVERSAL CYCLE

A. 2004 Universal Application

1. Background/Present Situation

   a) Rule development workshops were held on October 9, 2003, November 18, 2003 and December 11, 2003, and a public meeting was held on September 12, 2003, in order to solicit comments on Rule Chapters 67-21 and 67-48, F.A.C., and proposed changes to the Universal Application.

   b) As a result of these meetings, Staff has revised the Universal Application and the rules governing the multifamily programs. A supplement to the Board Package will be provided which contains the proposed Rules, Application and Qualified Allocation Plan (QAP).

   c) After the Board’s approval of the proposed Rules, Application and QAP, the Notice of Proposed Rulemaking (NOPR) will be filed with the Florida Administrative Weekly, for publication on December 26, 2003. The NOPR will announce the Rule Hearing which is scheduled for January 20, 2004, in Tallahassee.

   d) Following review of the public comments received at the January 20, 2004, Rule Hearing and the comments received from the Joint Administrative Procedures Committee following its review of the NOPR, if required, Staff will prepare a Notice of Change (NOC) to incorporate all proposed modifications to the proposed rules.

   e) If a NOC is necessary, it will be submitted for Board action at its meeting of January 23, 2004.

   f) If a NOC is not required, it is currently anticipated that the application cycle will open on February 4, 2004. If a NOC is required, it is currently anticipated that the application cycle will open March 1, 2004.

2. Recommendation

   Approve the proposed underline/strike through Rules, Universal Application, and QAP.