

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
May 2, 2003
Information Items



FISCAL

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I. FISCAL

A. Operating Budget Analysis for March 2003

1. Background/Present Situation

- a) The Financial Analysis for March 2003, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending March 31, 2003, is attached as [Exhibit B](#).

GUARANTEE FUND

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II. GUARANTEE FUND

A. General Information

- a) Approval of Issuance of Conditional Commitments to Guarantee for Guarantee Program Credit Enhancement of seven (7) multifamily bond transactions to be financed by the Florida Housing Finance Corporation
- b) Pursuant to the expedited processing procedure approved by the Board on March 7, 2002 in connection with the issuance of a Conditional Commitment to Guarantee, the Guarantee Program, on April 1, 2003, issued Conditional Commitment letters to the applicants identified in [Exhibit A](#) for the proposed developments also identified therein. [Exhibit A](#) also identifies the anticipated mortgage amount for each proposed development. The issuance of the Conditional Commitments to Guarantee was subject to the electronic distribution to the Board of the Guarantee Program's and TIBOR PARTNERS, Inc.'s recommendation, the expiration of the 72-hour Board review period, and review and approval by Florida Housing's Chief Financial Officer, the Guarantee Program Administrator, TIBOR PARTNERS, Inc., and Guarantee Program counsel. No objections were received and the review period has expired.

B. Review of Application for Guarantee Program Credit Enhancement for Summerset Village

1. Background

- a) Qualified Lending Institutions interested in applying for credit enhancement through the Guarantee Program are encouraged to complete the Application for Credit Enhancement ("Application").
- b) The Housing Finance Authority of St. Johns County (a Qualified Lending Institution) recently submitted an Application for Summerset Village.

2. Present Situation

- a) The Guarantee Program, along with TIBOR PARTNERS, Inc., will be conducting a review of the Application and will seek discussion with and guidance from the Committee, as needed.

Project	Developer	Lender	Project Type	Corp. Programs	Set-Aside	Units	Estimated Mortgage Amt.
Summerset Village	Regency Development	HFA of St. Johns County	New Construction	Housing Credits	40% @ 60%	216	\$18,034,798

- b) Guarantee Program Capacity ([Exhibit B](#))

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III. LEGAL

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

Developer: Citizens Housing Development Co. – Tom McMullen

1. Background

On November 29, 2001, Petitioner, Ybor III, Ltd. (“Ybor”) filed a Notice of Administrative Appeal with the First District Court of Appeal. Ybor is appealing Florida Housing’s dismissal of its Petition challenging the scoring of a competitor’s application in the 2001 Combined Cycle. All briefs have been filed. Ybor requested oral argument

2. Present Situation

Oral Argument was held on February 19, 2003. The Court of Appeal has not yet rendered an opinion.

B. Bank of America, FSB v. Tower Place Apartments Limited, et al.

Developer: Tower Place Apartments Limited and Southern Development Partners, LLC – Walter McGill, Jr.

1. Background

On October 2, 2001, Plaintiff, Bank of America, served a complaint on Florida Housing in the Circuit Court in Duval County seeking to foreclose its mortgage and security interest perfected against real property for a development known as Tower Place Apartments. Tower Place Apartments, Ltd., failed to make the principal and interest payment due on May of 2001 and failed to repay the loan at maturity, which was August 10, 2001. Florida Housing allocated \$380,000.00 in low-income housing tax credits for this development. First Housing was the credit underwriter for the allocation of the housing credits issued by virtue of an Extended Low-Income Housing Agreement dated December 28, 1999. Florida Housing filed its answer to Bank of America’s Complaint on October 12, 2001. On November 26, 2001, the Circuit Court granted Bank of America’s Motion to Require Deposit of Rents. On March 13, 2002, the Circuit Court entered an Order Setting Case for Non-Jury Trial and for Pretrial Conference. The Pretrial Conference was set for April 12, 2002, the Non-Jury Trial was set for May 8, 2002. On March 28, 2002, Tower Place filed a Notice of Pending Chapter 11 Reorganization. On April 15, 2002, Bank of America filed a Motion to Dismiss the bankruptcy. A hearing was held and a Motion for Summary Judgment was submitted by Bank of America. An Order granting the Motion for Summary Judgment was entered on August 6, 2002. An Order Closing File was issued by the Court on February 4, 2003.

2. Present Situation

As a result of the Order granting the Motion for Summary Judgment, Tower Place maintains possession of the property and the Bank of America loan has an outstanding balance of \$3,136,684.66, with accrued costs and interest.

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C. **The State of Florida, Department of Transportation v. Aloma Bend, Inc., et al.**

Developer: T. V. Spano; Aloma Bend, Inc.

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.
- 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 January 25, 2002, Florida Housing filed its Response and Petition for Distribution of Funds.
- d) On January 25, 2002, Florida Housing filed a Motion to Withdraw Funds with Respect to Parcel #158 and #838.
- e) On February 14, 2002, the Circuit Court of Seminole County, Florida, issued an Order Setting Trial Date; the trial date was set for April 29, 2002.

2. **Present Situation**

Florida Housing is monitoring the litigation.

D. **Ybor III, Ltd. v. Florida Housing Finance Corporation**

Developer: Citizens Housing Development Co. – Tom McMullen

1. **Background**

- a) On October 11, 2001, Petitioners, Creative Choice Homes, XI, Ltd. and Tidewater Revitalization, Ltd. (“Creative and Tidewater”) and Ybor, III, Ltd. (“Ybor”) filed challenges to the validity of Rule 67-48.005, Florida Administrative Code, which did not allow applicants to contest another applicant’s score. The Division of Administrative Hearings consolidated these cases. In October of 2001, Florida Housing’s Motion to Dismiss was denied. The parties drafted language for consideration in the 2002 Universal Application Cycle to address Petitioner’s concerns by amending Rules 67-48.005 and 67-21.0035, Florida Administrative Code. Notices of Proposed Rule Development were published in the Florida Administrative Weekly (“FAW”) on February 15, 2002.
- b) The rule amendments approved by the Board at the August meeting were filed for adoption on September 18, 2002 and became effective on October 8, 2002. During its review, the Joint Administrative Procedures Committee (“JAPC”) commented on some of the terminology used in the rules. Due to rulemaking deadlines, JAPC agreed that Florida Housing may address the committee’s concerns by filing a Notice of Rulemaking which implements the JAPC

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comments. The rules have been revised and Notices of Change (“NOC”) have been prepared. With the approval of the Board, the NOCs were filed with FAW for publication and with the JAPC for approval. On October 15, 2002, Petitioners Creative and Tidewater filed a Notice of Voluntary Dismissal of the rule challenge. On December 23, 2002, Ybor filed a Status Report and requested to hold this case in abeyance until April 17, 2003.

2. **Present Situation**

The Division of Administrative Hearings issued an order holding this case in abeyance until April 17, 2003.

E. **In Re: 2002 Universal Cycle**

1. **Present Situation**

a) Cases referred to the Division of Administrative Hearings:

- (1) Fifth Avenue Estates, Ltd. – DOAH action is abated during pendency of Petition for Rule Waiver which is now before the Board. A status report is due on May 9, 2003.
- (2) Florida Low Income Housing Associates, Inc. (There are three cases which have been consolidated: Magic Lake Villas – Ranking and Scoring dispute/Magnolia Village – Ranking dispute) – A hearing was held on February 25, 2003. Proposed Recommended Orders were filed by the parties on April 1, 2003. Florida Housing is awaiting the issuance of the Recommended Order by the Administrative Law Judge.

b) Final Orders on appeal with the First District Court of Appeal:

- (1) Tidewater Revitalization, Ltd. – The Initial Brief of the Appellant was due January 2, 2003. The Appellant filed a motion for extension of time to file the Initial Brief on March 20, 2003. The motion for extension of time was granted and the Initial Brief is now due on May 23, 2003.

F. **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.

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- 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.

2. Present Situation

Florida Housing is monitoring the litigation.

MULTIFAMILY BONDS

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IV. MULTIFAMILY BONDS

A. **The Transfer of Ownership of a small parcel of property on the site of The Park at Palm Bay Apartments, 2000 Series R, \$8,095,000, Tax-Exempt Bonds and \$2,960,000, Taxable Bonds, 234 Units, Palm Bay, Brevard County, Florida.**

1. **Background**

In 2000, Florida Housing financed the construction of The Park at Palm Bay Apartments with \$8,095,000 in tax-exempt bonds, designated as 2000 Series R.

2. **Present Situation**

- a) Florida Housing received a letter from Ruden, McClosky, Smith, Schuster & Russell, P.A., counsel for The Park at Palm Bay Limited Partnership (“Owner”), dated April 2, 2003, requesting permission to transfer an abandoned right-of-way inadvertently included in the legal description of the property. This letter is attached as [Exhibit A](#). The owner intended the right-of-way to be part of the adjacent property and utilized in connection with The Park at Palm Bay Phase II development. The right-of-way is intended to serve as a private access for Phase II.
- b) The proposed transaction will be reviewed by the Credit Underwriter, Bond Counsel, Special Counsel, Disclosure Counsel, Credit Enhancer and the appropriate Florida Housing staff.

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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V. SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

A. 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.
- b) Lendable proceeds totaling \$50,689,250 are currently offered at an interest rate of 5.92%.
- c) Special targeting is as follows:
 - (1) \$1,520,677 was set aside for purchases in HOPE VI and Front Porch Communities. The interest rate is 4.99%.
 - (2) \$3,041,355 was set aside for purchases in Urban Infill and Targeted Areas. The interest rate is 4.99%.
 - (3) \$506,411 was set aside for the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program. The interest rate is 4.99%.
 - (4) 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).
- d) As of April 10, 2003, the following activity was reported:

Allocation Pool	Amount Allocated	Purchased/Reserved		Amount Available	% Used
		Amount	Number		
Spot Pool	32,120,806	23,065,765	279	9,055,041	71.8%
Builder	13,500,000	7,809,247	89	5,690,753	57.9%
Urban Infill, RD Self Help HOPE VI /Front Porch	5,068,443	5,052,251	75	15,933	99.7%
HAP D/P	6,000,000	2,486,370	253	4,371,690	41.4%
Home Loans	2,557,889	2,305,520	155	252,369	90.1%

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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- e) The Corporation reflects the following information regarding satisfactions of Second Mortgages for the time period of January 1, 2003 to March 31, 2003:

Program	Total \$ Amount of Payoffs	Total # of loans
HAL/disasters	156,853	8
HOME w/bonds	674,992	56
HAP/HAP Perm	602,941	188
Totals	\$1,434,786	252

B. Marketing and Outreach

- a) Staff has mailed out a total of 2,975 brochures since the program started on November 8, 2002. In addition, the list of participating lenders has been downloaded 17,084 times between December 16, 2002 and April 10, 2003 from the Corporation website.
- b) Staff surveyed 99 Public Housing Authorities throughout the State regarding the Section 8 Homeownership Program. Of the 25 responses received, all indicated a willingness to distribute FHFC marketing materials, 6 informed Staff that they administer a Section 8 Homeownership Program and 10 foresee administering a Section 8 Homeownership Program in the foreseeable future.
- c) In efforts to create strategic alliances and foster more awareness of the Program among real estate professionals, Staff mailed 71 surveys to Realtor Boards and Associations. The responses included requests for marketing materials and/or a Staff visit. Also, Staff has developed a training course for real estate professionals (AFF101) that will be utilized for obtaining Continuing Education Credits. Upon approval by the Florida Real Estate Commission (FREC), successful completion of this course will result in 3 continuing education credit hours.
- d) The Corporation has sent formal letters to 12 public relations firms located in Florida that focus on public relations tailored to the State's various Latin residents. Staff expects to receive informal proposals by April 14, 2003 outlining the costs associated with the preparation of a brochure translated into Spanish, production of a Spanish-language Public Service Announcement (PSA), and other marketing resources that will aid in the effective communication with Hispanic constituents.
- e) Staff attended and sponsored the Tallahassee Lender Consortium's 12th Home Buyer Showcase held at the Leon County Fairgrounds. There were approximately 250 people in attendance.
- f) On March 28th and 29th Staff attended the Southeast Florida Housing Summit, which was sponsored by the Congressional Black Caucus Foundation and hosted by Congresswoman Corinne Brown.

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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C. Loan Information Report – County Totals

[\(See Exhibit A\)](#)

SHIP PROGRAM

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VI. SHIP PROGRAM

A. Local Housing Assistance Plans

1. Background

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 state fiscal year and a maximum of three 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.
- b) Three (3) local governments have submitted their Local Housing Assistance Plans for review with the following status: One (1) Plan is approved. One (1) Plan is approved with comments and one (1) is set for review on April 9, 2003.

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 Statute 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) Five (5) local governments have expenditure extensions for fiscal year 1999-2000 funds: City of Pompano Beach and Flagler, Hillsborough, Leon and Marion Counties.

SHIP PROGRAM

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C. Chapter 67-37, F.A.C., Rulemaking

1. Background

Due to legislative changes, SHIP staff has initiated rulemaking to revise Chapter 67-37 of the Florida Administrative Code. A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on September 27, 2002, which provided for Rule Development Workshop dates of October 15, 2002 and October 17, 2002.

2. Present Situation

- a) Currently, comments have been received from the above-referenced workshops and interested parties.
- b) In anticipation of proposed legislative changes during the 2003 legislative session, rulemaking is currently on hold. After the legislative session is complete, rulemaking will commence.
- c) After incorporating changes to the Rule, a Notice of Proposed Rulemaking and Rule Hearing will be published in the Florida Administrative Weekly. The strikethrough version of the Rule will be made available to interested parties through our web site at www.floridahousing.org.
- d) Following the Rule hearing, a Notice of Change or Notice of No Change will be provided to the Board for consideration prior to filing the Rule for adoption.

D. 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 2002-2003 total appropriation available for the SHIP Program is \$163,443,545 with an anticipated set-aside of \$5,000,000 for disaster relief. The current available funding excluding the aforementioned set aside is \$158,443,545.00.

2. Present Situation

- a) Total SHIP disbursements to the local governments to date are \$158,443,545.00.
- b) Total SHIP allocation due to the local governments is zero (\$0). Total SHIP disaster relief funding expected to be available to the local governments is \$5,000,000.00.

UNIVERSAL CYCLE

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VII. UNIVERSAL CYCLE

A. 2003 Universal Cycle

1. Background/Present Situation

- a) The 2003 Universal Cycle opened on March 7, 2003, and closed at 5:00 p.m., Eastern Time, on April 8, 2003.
- b) A breakdown of the number of applications received, demographic commitments, designation selections, funding availability and funding request amounts is provided as [Exhibit A](#).
- c) Staff anticipates issuing the preliminary scores on May 12, 2003.