

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
July 22, 2005  
Information Items



# FISCAL

## *Informational*

### I. FISCAL

#### A. Operating Budget Analysis for May 2005

##### 1. Background/Present Situation

- a) The Financial Analysis for May 31, 2005, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending May 31, 2005, is attached as [Exhibit B](#).

## **GUARANTEE PROGRAM**

### *Information*

#### **II. GUARANTEE PROGRAM**

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

## LEGAL

### *Information*

### III. LEGAL

#### A. In Re: Florida Coalition for the Homeless v. Florida Housing Finance Corporation

##### 1. Background

- a) On January 19, 2005, Florida Coalition for the Homeless, Inc., a Florida corporation, Alice Laguerre, Josephine Gonzales, and The Center For Affordable Housing, Inc., a Florida corporation, (“Petitioners”) filed a Petition to Determine Invalidity of Florida Housing Finance Corporation Proposed Rule Chapters 67-21 and 67-48 (“Petition”).
- b) Florida Housing filed a Motion to Dismiss (“Motion”) the Petition. The Petitioners filed a Response to the Motion and the Administrative Law Judge (“ALJ”) denied the Motion. The Petitioners filed a Motion to Stay Further Proceedings (“Motion to Stay”), Florida Housing filed a Response to the Motion to Stay and the ALJ issued an Order Denying the Motion to Stay.
- c) Florida Housing filed a Motion to Dismiss for Lack of Particularity, for Lack of Standing and Lack of Jurisdiction (“Second Motion”). Petitioners filed a Response to the Second Motion. Florida Housing filed a Petition for Review of Non-final Administrative Order and Petition for Writ of Prohibition with the 1<sup>st</sup> District Court of Appeal; the Appeal was denied. The ALJ issued an Order Granting Motion to Dismiss with Leave to Amend and Canceling Hearing. The Petitioners filed a Petition to Determine Invalidity of Florida Housing Finance Corporation Proposed Rule Sections 67-48.002, 67-48.004, and 67-21.003. Florida Housing filed a Motion to Dismiss the Amended Petition. The Administrative Law Judge entered a Summary Final Order dismissing the Amended Petition on April 22, 2005. On May 20, 2005, Petitioners filed a Notice of Appeal with the First District Court of Appeals.

##### 2. Present Situation

Petitioners have until August 1, 2005 to file their Initial Brief.

#### 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 First Union National Bank, 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.

## LEGAL

### *Information*

- 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 Aloma 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. Aloma has refused to pay Florida Housing or the Trustee and 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 that 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 Florida Housing’s Complaint as to Thollander, which was denied on August 14, 2003. Aloma and Thollander did not file an answer to the Complaint by September 3, 2003. Defendant Betsy Spano’s motion to dismiss for failure to join an indispensable party was denied on August 14, 2003. Defendant, Christopher T. Spano was served via alternative service through the Secretary of State, and did not file a proper answer within the allotted time. A motion for default on other defendants will also be heard in the near future, but the date has not yet been set. On December 1, 2004, the judge verbally granted Florida Housing’s motion for summary judgment was granted, in part, finding that Aloma Bend failed to assign the proceeds from the condemnation of the subject property to Florida Housing and failed to deposit those proceeds into an Insurance and Condemnation Proceeds Fund, as required by the Mortgage and Security Agreement and by the Loan Agreement. The litigation will continue as to the other issues in the case. On February 16, 2005, the judge issued an Order Granting, In Part, Plaintiff’s Motion For Summary Judgment; Denying Defendants’ Motion to Strike Late Filed Document. Aloma Bend has filed a Motion for Referral to Mediation on the issue of the amount Aloma Bend owes. That motion will most likely be granted.

#### C. **Collier County, Florida v. April Circle, Ltd., et al.**

##### 1. **Background**

On July 26, 2004, Plaintiff, Collier County, filed a Petition in eminent domain to condemn a portion of April Circle’s property in the Circuit Court of Collier County, Florida seeking to take a portion of the property for the widening of Immokalee Road.

##### 2. **Present Situation**

Florida Housing will continue to monitor the litigation.

## LEGAL

### *Information*

#### **D. Bank of America, FSB v. Tower Place Apartments Limited, et al.**

##### **1. Background**

On October 2, 2001, Plaintiff, Bank of America, served a lawsuit on Florida Housing. Bank of America filed the lawsuit in the Circuit Court in Duval County seeking to foreclose the mortgage on the development known as Tower Place Apartments. The complaint also requests an action on the note and an action to foreclose the security interest. 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 the 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 is set for April 12, 2002; the Non-Jury Trial is 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, but the Court had entered an Order Confirming Chapter 11 Plan on May 15, 2003 – effectively delaying the foreclosure action for the period of bankruptcy. On October 18, 2004, Bank of America moved to re-open the foreclosure case and to amend their complaint on the grounds that Tower Place has defaulted under the Bankruptcy Plan in addition to the original Bank of America loan documents. The Court ruled on these Motions and has allowed the foreclosure to begin.

##### **2. Present Situation**

Florida Housing continues to monitor this ongoing litigation.

#### **E. Seminole County, Florida v. Seminole County S.R. 46, Ltd. (Seminole Pointe Apartments), et al.**

##### **1. Background**

a) On June 14, 2005, Plaintiff, Seminole County, filed a Petition in eminent domain to condemn a portion of Seminole Pointe Apartments' property in the Circuit Court of Seminole County, Florida seeking to take a portion of the property for the regional stormwater facility/road improvement project construction.

b) Florida Housing is preparing its answer to the Petition in eminent domain.

##### **2. Present Situation**

Florida Housing will continue to monitor the litigation.

## LEGAL

### *Information*

#### **F. In Re: 2005 Universal Cycle Appeals**

##### **1. Background**

- a) On or before February 16, 2005, Applicants submitted applications to Florida Housing for the award of SAIL, MMRB or HOME funds and/or an allocation of Housing Credits in the 2005 Universal Cycle program.
- b) On March 18, 2005, Florida Housing notified all applicants of its score, provided all applicants with a Notice of Rights pursuant to Sections 120.569 and 120.57, Florida Statutes, and an Election of Rights form.
- c) On or about June 16, 2005, petitioners filed 12 petitions challenging Florida Housing's scoring decisions. Requests for hearings are as follows:
  - (1) Nine applicants filed petitions requesting informal hearings which will be set for a hearing before a contract hearing officer.
  - (2) One applicant filed a petition requesting a formal hearing. After review, Florida Housing determined that the petition did not set forth a disputed issue of material fact; it will be set for an informal hearing before a contract hearing officer.
  - (3) One applicant filed a petition for formal hearing and withdrew its petition.
  - (4) One applicant filed a petition and was dismissed for failing to comply with the filing requirements as set forth in R. 28-106.104(2) and 28-106.301(2), Florida Administrative Code.

##### **2. Present Situation**

The Legal Department is preparing for informal hearings July 6, 11, 12 and 15.

# RENTAL RECOVERY PROGRAM

## *Information*

### IV. RENTAL RECOVERY LOAN PROGRAM

#### A. Program Update

##### 1. Background/Present Situation

- a) On May 26, 2005, the Governor signed into law Chapter 2005-92 appropriating, in part, \$42 Million for the Rental Recovery Loan Program (RRLP) as described in the Hurricane Housing Work Group Recommendations to Assist in Florida's Long Term Housing Recovery Efforts report dated February 16, 2005.
- b) To assist staff in the implementation of this new program, a Rule Development Workshop was held on July 8, 2005, in Tallahassee, to receive public comments concerning the RRLP rule and application.
- c) On July 13, 2005, Emergency Rules 67ER05-8 through 67ER05-19, F.A.C., were filed for adoption with the Department of State, effective immediately upon filing. The Emergency Rules were also filed with the Joint Administrative Procedures Committee.
- d) The RRLP Application cycle opened on July 13, 2005 and will close on August 11, 2005.



## SINGLE FAMILY BONDS

### *Information*

#### V. SINGLE FAMILY BONDS

##### A. 2005 Series 1 Single Family Mortgage Revenue Bond Program

###### 1. Background/Present Situation

- a) On March 4, 2005 the Board authorized issuance of the 2005 Series 1 Bonds. The origination period began on June 1, 2005. The last date for Lenders to reserve loans in the program is May 1, 2006.
- b) Lendable proceeds totaling \$35,071,220 were made available and offered at an interest rate of 5.49%. There is currently \$24,884,632 available as of June 29, 2005.
- c) Lendable proceeds totaling \$2,500,000 were made available and offered at an interest rate of 5.99%. There is currently \$1,972,707 available as of June 29, 2005.
- d) Lendable proceeds totaling \$5,000,000 were made available and offered at an interest rate of 4.99%. There is currently \$4,477,182 available as of June 29, 2005.
- e) Additionally, \$10,000,000 funding was set-aside for special targeting for purchases in Urban Infill, Targeted Areas, HOPE VI and Front Porch Communities; the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program; and for individuals with Disabilities at an interest rate of 4.99%. There is currently \$9,492,349 available as of June 29, 2005.
- f) As of June 29, 2005, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved \$ Amount	Number	\$ Amount Available	% Used
Low Rate Spot Pool	\$35,071,220	\$10,186,589	101	\$24,884,632	29.0
Assisted Spot Pool	\$2,500,000	\$527,293	5	\$1,972,707	21.1
Community Rate	\$5,000,000	\$522,818	4	\$4,477,182	10.5
Subsidized Rate Pool	\$10,000,000	\$507,651	6	\$9,492,349	5.0

## SINGLE FAMILY BONDS

### *Information*

- g) As of June 29, 2005, the following activity was reported for the Downpayment and Closing Costs Assistance Programs:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
HAMI Loans	Pooled	\$10,000	2	Pooled	N/A
HAP D/P	Pooled	\$331,851	35	Pooled	N/A
HOME Loans	Pooled	\$1,302,849	54	Pooled	N/A

#### **B. Marketing and Outreach**

##### **1. Background/Present Situation**

Florida Housing celebrated National Homeownership Month in June with an array of events on June 10 & 11 in Orlando, Florida. Lenders participating in Florida Housing's First Time Homebuyer Program and were recognized at the Second Annual Lender Appreciation Awards Dinner on Friday, June 10 at the Rosen Centre Hotel in Orlando. The top producing lenders were honored for their hard work and support of Florida Housing's First Time Homebuyer Program. These award winning lenders work directly with consumers applying for Florida Housing's mortgages and down payment and closing cost assistance programs. The guest speaker for the event was Mr. Vaughn D. Irons of Freddie Mac, who is the National Director of Housing & Community Investments in Expanding Markets. Mr. Irons spoke of the importance of continuing affordable housing programs in our communities and the support needed in order to provide homeownership options to low to moderate income households. He also indicated that although these housing programs have evolved over time, there is still more to be done to serve more communities better.

#### **C. Advertising**

##### **1. Background/Present Situation**

Florida Housing began its statewide advertising campaign on the First Time Homebuyer Program in early July. Through a partnership with the Florida Cable Association, a 30 second television commercial will run on all nine cable outlets in the state over a 90-day period. This will result in well over 3,000 placements of the commercial. In addition, a 60 second radio commercial will run in 13 markets over 30 days and a newspaper ad will run in both mainstream and minority newspapers over 30 days.

# SINGLE FAMILY BONDS

## *Information*

### **D. Marketing**

#### **1. Background/Present Situation**

- a) The scheduling of Realtor CE Courses and bonds training began in June 2005. Thus far, we are teaching realtor classes in Orlando, Ft. Myers, and Fernandina Beach. Single Family recently introduced a new component of the First Time Homebuyers program called the Community Spot Loan. This program is targeted to teachers, police officers, fire fighters, and healthcare workers who are looking to purchase a home for the first time. The program offers these professions a lower 30-year fixed interest rate of 4.99%.
- b) We have sent promotional information to various state agencies, local governments, associations, and organizations that target teachers, police officers, fire fighters, and healthcare workers. They are sending flyers and blast e-mails, and putting language on their websites and in their newsletters about this program.

### **E. Public Affairs Programming**

#### **1. Background/Present Situation**

WCOT Channel 13, City of Tallahassee's public access channel will start airing our Florida Housing commercial in July on their station free of charge. Also, a representative from Florida Housing is scheduled to be on Gary Yordon's, Usual Suspects television show to speak about our Community Spot Loan and other affordable housing programs. The show is scheduled to be aired in either July or August. We are currently looking at other city stations as well.

### **F. Publications**

#### **1. Background/Present Situation**

Single Family has begun writing its newsletter, The Communicator. This newsletter informs lenders and Realtors about the First Time Homebuyer Program, funding availability, bond financial issues, Realtor CE Courses, and much more. The newsletter will be published quarterly beginning this June 2005.