

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**July 28, 2006**  
**Action Items**



## **I. FISCAL**

### **A. 2006/ 2007 Documentary Stamp Tax Appropriation Split Documentary Stamp Tax Allocation**

#### **1. Background**

Each state fiscal year Florida Housing Finance Corporation is appropriated spending authority from documentary stamp tax collections in the State Housing Trust Fund (SHTF). This appropriation may be used to fund the State Apartment Incentive Loan Program (SAIL), the Predevelopment Loan Program (PLP), the Homeownership Assistance Program (HAP), HOME Match, Florida Affordable Housing Guarantee Program Debt Service, Affordable Housing Study Commission, the Catalyst Program and Florida Housing's contribution to the Housing Data Clearinghouse.

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

- a) For state fiscal year 2006/2007, Florida Housing has available spending authority of \$70,500,000 in the State Housing Trust Fund for programs.
- b) Each program area was given the opportunity to request funds from the 2006/2007 allocation based on program expectations.
- c) The chart at Exhibit A shows the historical allocation of funds to each of the programs and a recommended allocation of funds for the current state fiscal year.
- d) Staff recommends \$55,102,200 for SAIL based on the anticipated demand in the current state fiscal year.
- e) Staff recommends \$8,000,000 for HAP, primarily to fund Down Payment Assistance, based on the increased activity in the First Time Homebuyer program and anticipated demand in the current state fiscal year.
- f) Staff recommends that no allocation be made for HOME match this year because Florida Housing's federal match obligation can be satisfied this year from other sources.
- g) Staff recommends that no allocation be made for PLP this year because program demands can be met through uncommitted funds and recycling repayments within the program.
- h) Staff recommends \$6,400,000 be allocated to the Guarantee Fund to satisfy the current year's principal portion of debt service on the program's capitalizing bonds.
- i) Staff recommends that \$175,000 be allocated to fund the Affordable Housing Study Commission to cover costs.
- j) Staff recommends that \$672,800 be allocated to fund the Catalyst Program to cover costs of the program.
- k) Staff recommends the allocation of \$150,000 to fund part of this year's payment to the Housing Data Clearinghouse. The remaining funds to cover this cost will come from the Local Government Housing Trust Fund.

3. **Recommendation**

Approve the allocation of funds for the 2006/2007 state appropriation as shown in [Exhibit A](#).

## MULTIFAMILY BONDS

### *Action*

## II. MULTIFAMILY BONDS

- A. **Request Approval Of The Credit Underwriters Recommendation For The Release From The Mortgage Of A Portion Of The Site Of Hampton Point Apartments And Disposition Of The Sale Proceeds, If Any, From The Transfer Of The Property As Directed By The Guarantee Program**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Hampton Point Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”/“Owner”/“Developer”):</b>	<b>Hampton Point, Limited Partnership/Picerne Development Corporation/Picerne Investment Corporation/Robert M. Picerne</b>
<b>NUMBER OF UNITS:</b>	<b>284</b>
<b>LOCATION (“County”):</b>	<b>Charlotte</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental/Family (MMRB and HC)</b>
<b>SET ASIDE:</b>	<b>40% @ 60% (MMRB) 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$11,020,000 of Tax-Exempt Bonds and \$2,180,000 Taxable Bonds</b>
<b>ADDITIONAL COMMENTS: Release from the Mortgage of a Portion of Development Site and Disposition of the Sale Proceeds, if any, from the property Transfers as directed by the Guarantee Program</b>	

### 1. **Background**

In 2003, Florida Housing financed the construction of the Development with \$11,020,000 in tax-exempt bonds and \$2,180,000 in taxable bonds, designated as 2003 Series Q. The Florida Affordable Housing Guarantee Program (“Guarantee Program”) provided credit enhancement for the Florida Housing Bonds.

### 2. **Present Situation**

- a) Picerne Development Corporation, (the “Owner”), in a letter dated January 30, 2006 ([Exhibit A](#)), requested permission to transfer approximately 10.7 acres of the development to Hampton Point Phase II Limited Partnership, (the “Purchaser”). The Purchaser intends to develop the property into a second phase of the original development using local housing finance authority bonds which will be credit enhanced through the Guarantee Program, and hurricane relief funds. The 10.7 acres will simultaneously be released from the mortgage securing the original development. The disposition of the proceeds from the transfer of the 10.7 acre property from the phase I Development to the phase II development, if there are any, will be directed by the Guarantee Program in accordance with the bond documents for Phase I and the requirements of the Guarantee Program for its consenting to the release of a portion of its collateral securing Phase I and for its credit enhancing Phase II.
- b) The Guarantee Program staff has recommended that the two phases (Phase I financed with Florida Housing bonds and Phase II financed with local housing finance authority bonds) be cross collateralized.
- c) A Final Credit Underwriting Report dated July 11, 2006, is attached as [Exhibit B](#).

## MULTIFAMILY BONDS

### *Action*

3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated July 11, 2006, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, Credit Enhancer, Syndicator, and the appropriate Florida Housing staff, approve the release of the 10.7 acre parcel from the phase I mortgage, and approve the cross-collateralization of the existing Hampton Point Apartments with the proposed Phase II and authorize counsel and staff to prepare necessary documentation to effectuate such approvals.

## MINUTES

### *Action*

#### III. MINUTES

- A. Consider Approval of the [June 9, 2006, Board of Directors' Meeting Minutes](#).

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### Action

#### IV. PREDEVELOPMENT LOAN PROGRAM (PLP)

##### A. Request Approval of PLP Loan Extension for Hancock Place (PLP 00-023)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Hancock Place</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>St. Johns Housing Partnership, a non-profit corporation</b>
<b>CO-DEVELOPER:</b>	<b>n/a</b>
<b>NUMBER OF SET-ASIDE UNITS:</b>	<b>32</b>
<b>LOCATION (“County”):</b>	<b>St. Johns</b>
<b>TYPE:</b>	<b>Homeownership</b>
<b>SET ASIDE:</b>	<b>100% @ 80% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>500,000</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval.</b>	

##### 1. Background

On July 31, 2003, the Developer closed on a PLP loan in the amount of \$320,000 for the non-site acquisition portion of the loan and subsequently closed on February 13, 2004 for the site acquisition portion of the loan in the amount of \$180,000. To date, the Developer has used \$361,984.23 for eligible predevelopment costs.

##### 2. Present Situation

- a) On June 20, 2006, staff received correspondence from the Developer requesting to extend the term of the PLP Loan ([Exhibit A](#)). This loan is scheduled to mature on July 31, 2006 for non-site acquisition portion of the loan and February 13, 2007 for the acquisition portion of the loan.
- b) As provided in [Exhibit A](#), the Developer has cited obstacles that impeded the progress of the Development at the rate initially anticipated.
- c) Although behind schedule, there are currently 5 homes under construction scheduled for completion in August 2006. At that time the Developer anticipates beginning another 10 homes with anticipated completion being in December 2006. In accordance with the executed loan documents, the PLP Loan will be repaid on a pro rated basis as the homes are sold.
- d) The TAP has recommended an extension for both the site and non-site acquisition portions of the loan and that the extended maturity dates be simultaneous. This would result in a one year extension on the non-site acquisition portion of the loan and also a five month extension on the site acquisition portion of the loan. The TAP believes approval of this request will result in the success of the Development ([Exhibit B](#)). The TAP has submitted a revised Timeline ([Exhibit C](#)).
- e) Staff has reviewed the request as well as the revised timeline and believes that this request is reasonable and necessary in order to allow for the completion and ultimate sale of these homes to low to moderate income households.

## **PREDEVELOPMENT LOAN PROGRAM (PLP)**

### *Action*

3. **Recommendation**

Approve the Developer's request for extensions for the site and non-site acquisition portions of the loan allowing for a simultaneous maturity on July 31, 2007.



## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### V. PROFESSIONAL SERVICES SELECTION (PSS)

##### A. Requests for Qualifications (RFQ) for Management Company Services (RFQ 2006-03)

###### 1. Background

At its June 10, 2005 meeting Florida Housing's Board of Directors authorized staff to begin the RFQ process, and establish a review committee to make recommendations to the Board on a pool of management companies from which Florida Housing staff may choose from to provide management company services.

###### 2. Present Situation

- a) An RFQ process was initiated and RFQ 2006-03 was issued on Friday, April 14, 2006. The deadline for receipt of proposals was 2:00 p.m. Wednesday, May 17, 2006.
- b) The following proposals were received in response to the RFQ:
  - (1) Banyan Realty Management, LLC
  - (2) Cambridge Management Services, Inc.
  - (3) Cameo Professionals, Inc.
  - (4) Lyra Management, Inc.
  - (5) Parent Management Company
  - (6) Royal American Management
  - (7) Services-Taylor Made, Inc.
  - (8) The Apogee Companies
  - (9) WRH Realty Services, Inc.
- c) The Review Committee members, designated by the Executive Director, were Wallisa Cobb (Chairperson), Single Family Program Administrator; Tim Kennedy, Special Assets Manager; Brian Williams, Guarantee Program Senior Asset Manager; Janet Peterson, Asset Management Systems Manager; and Allison Richardson, Financial Manager.
- d) Each member of the Review Committee individually reviewed the proposals prior to convening for the first Review Committee meeting which was held at 2:00 p.m., on Wednesday, May 24, 2006.
- e) Section Three, paragraph A., of the RFQ provides that "An Offeror must submit an original and eight (8) copies of the Response in a sealed envelope marked "RFQ 2006-03." At its May 24<sup>th</sup> meeting, the Review Committee unanimously rejected the proposal submitted by WRH Realty Services, Inc. for failure to provide the eight (8) copies of their Response.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

- f) Four of the Review Committee members met again on Wednesday, June 7, 2006, at 3:00 p.m. Janet Peterson was absent for the meeting. Results of the Review Committee's scoring are provided as [Exhibit A](#).
- g) The Review Committee voted to accept the top four (4) proposals. Those proposals are as follows:
  - (1) Cambridge Management Services, Inc.
  - (2) Cameo Professionals, Inc.
  - (3) Royal American Management
  - (4) The Apogee Companies

### 3. **Recommendation**

Accept the top four (4) proposals for inclusion within Florida Housing's pool of Management Companies and authorize staff to enter into contract negotiations.

# RENTAL RECOVERY LOAN PROGRAM

## *Action*

### VI. RENTAL RECOVERY LOAN PROGRAM

#### A. Rental Recovery Loan Program

##### 1. Background

The 2006 RRLP Application Instructions provide that each Application that is assigned an Application number will receive a random lottery number at or prior to the issuance of final scores and that the lottery numbers will be assigned by having Florida Housing's internal auditors run the total number of assigned Application numbers through a random number generator program.

##### 2. Present Situation

The seed number must be selected so that the internal auditors will be able to randomly generate the lottery numbers at the appropriate time.

##### 3. Recommendation

The Chair should select a seed number from the listing of numbers provided by internal audit.

### VII. UNIVERSAL CYCLE

#### A. 2006 Universal Cycle Ranking

##### 1. Background/Present Situation

Upon Board approval of the recommended orders, staff will present the final ranking of the Applications for the Board's consideration and approval. Staff will provide supplemental materials at the Board meeting.

##### 2. Recommendation

Approve the ranking and direct staff to proceed with the issuing of invitations to credit underwriting and preliminary commitment letters to those Applicants that are in the funding range.

## UNIVERSAL CYCLE

### *Action*

#### **B. 2007 Universal Cycle**

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

- a) A public meeting will be held following the July 28, 2006, Board meeting to solicit comments concerning Rule Chapters 67-21 and 67-48, F.A.C., and the 2007 Universal cycle.
- b) Staff would like to begin the rule development process by scheduling a rule development workshop following the September 8, 2006, Board meeting.

##### **2. Recommendation**

Authorize staff to proceed with the 2007 rule development process.

## LEGAL

### *Action Supplement*

#### I. LEGAL

##### A. In Re: 2006 Universal Cycle Appeals

###### 1. Background

- a) On or before February 1, 2006, Applicants submitted applications to Florida Housing for the award of SAIL, MMRB or HOME funds and/or an allocation of Housing Credits in the 2006 Universal Cycle program.
- b) On March 18, 2006, 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) One applicant requested an informal hearing; however, due to the existence of disputed issues of material fact, the file was forwarded to the Division of Administrative Hearings.
- d) One applicant filed a petition for formal hearing, which was also forwarded to DOAH.
- e) On or about May 26, 2006, petitioners filed 10 petitions challenging Florida Housing's scoring decisions. Requests for hearings are as follows:
  - (1) Seven applicants filed petitions requesting informal hearings which were heard before a contract hearing officer.
  - (2) One applicant filed a petition requesting a formal hearing; as there were no disputed issues of material fact, an informal hearing was held before the contract hearing officer.
  - (3) One applicant filed a petition for informal hearing, which was withdrawn prior to hearing.
  - (4) Informal hearings were held before Florida Housing contract Hearing Officers on June 19, 20, 21 and 26, 2006.

###### 2. Present Situation

- a) The resulting Recommended Orders are attached as follows:
  - (1) [Exhibit A](#) – Villages at Delray, Ltd.
  - (2) [Exhibit B](#) – Nautilus Development Partners, LLLP
  - (3) [Exhibit C](#) – MBCDC: Villa Maria, LLC
  - (4) [Exhibit D](#) – Plaza La Isabela, LLC
  - (5) [Exhibit E](#) – Marion Manor, Inc.
  - (6) [Exhibit F](#) – Palafox Landing, Ltd.

## LEGAL

### *Action Supplement*

(7) [Exhibit G](#) – Cypress Senior Village, LLC

#### 3. **Recommendation**

Staff recommends that the Board accept all of the Recommended Orders and the one withdrawal and enter Final Orders in these matters.