I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHP) PROGRAM

A. Green Building Certification Orientation and Training for Affordable and Workforce Housing Developers

1. Background
   a) Florida Housing expects to open the next funding cycle of the Community Workforce Housing Innovation Pilot (CWHP) Program later this year. As part of the innovation requirements, applicants for funding will be expected to choose from one of three types of green building certification for their proposed developments: energy star certification, Florida Green Building Coalition certification or LEED certification.

   b) Green building information is readily available at this time, but most developers know little about the green building process. Understanding the various certification requirements and what makes sense for an applicant’s development can be time consuming and confusing. However, it is critical that a developer carry out green building planning at the front end of the development process to ensure that a comprehensive approach is brought to the development – this is key to getting certified.

2. Present Situation
   a) Florida Housing expects to contract with the Florida Solar Energy Center (Center), associated with the University of Central Florida, a leader in green building and the certification process, to provide a half day training to interested developers and stakeholders on green building certification. The training will provide an overview of the various certification processes and requirements with the objective of orienting potential CWHP applicants to help them make predevelopment decisions about their green building approaches.

   b) Florida Housing anticipates that the fee for such service will be less than $3,000 and will be paid out of CWHP administrative funds provided to Florida Housing pursuant to section 420.5095 (15), Florida Statutes. Florida Housing’s procurement rule, Chapter 67-49, Florida Administrative Code, specifically R. 67-49.001(11) and 67-49.002(1)(b), allows us to procure contractural services without a competitive bid or proposal when the purchase price of a commodity or contractural service does not exceed $25,000 in any fiscal year, and written quotes are not required when the purchase price does not exceed $3,000. Because the Center already provides detailed training on certification throughout the state and manages aspects of two of the three green certification processes, Florida Housing believes the Center is the most appropriate entity with which to contract.

   c) We expect to offer this orientation to the development community in November. The staff will provide you with further information about the training when details are finalized.

October 26, 2007 Florida Housing Finance Corporation
II. FISCAL
   
   A. Operating Budget Analysis for September 2007

      a) The Financial Analysis for September 30, 2007, is attached as Exhibit A.

      b) The Operating Budget for the period ending September 30, 2007, is attached as Exhibit B.
III. GUARANTEE PROGRAM

A. Guarantee Program Capacity (Exhibit A)
IV. SINGLE FAMILY BONDS

TIBOR PARTNERS Inc.
8039 Collingwood Court
University Park, Florida 34201-2358
Telephone & Fax: 941-355-6276
Email: wmlj3@comcast.net

William L. Johnston III
President

October 1, 2007

Members, Board of Directors
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Mr. Stephen P. Auger, Executive Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: 2007 Homeowner Mortgage Revenue Bond Sale Recommendations

$ 250,000,000*
Homeowner Mortgage Revenue Bonds
Phase Four (multiple series)
* Estimated not to exceed amount

Dear Board Members and Mr. Auger

Pursuant to my financial advisory contract with Florida Housing Finance Corporation dated August 23, 2007 and at your request I have reviewed the following actions and data related to the proposed single family program:


2) The Draft Terms Memorandum and Draft Program Summary contained in the Fiscal Sufficiency Presentation

3) Additionally I have participated in related meetings and conference calls, which included both senior staff and members of the entire financing team.
SINGLE FAMILY BONDS

Information

History
This proposed financing was authorized by the Board Resolution dated July 27, 2007 and the approval of fiscal determination by the State Board of Administration dated August 28, 2007. The program is meant to not only provide a continuous supply of lendable funds for home ownership (approximately $250,000,000. [not to exceed amount] as currently contemplated is to be provided), but to allow the Corporation limited flexibility to adjust mortgage rates in

As a result of my review of the information made available to me I offer the following observations and recommendations:

The Proposed Financing

The proposed debt issue contains specific components which are proposed to be sold through negotiated and competitive methods of sale. Competitive bids will be or have been utilized for necessary elements of the transaction as follows:

i) Guaranteed Investment Contract, (if any)
ii) Bond Trustee services,
iii) Master Loan Servicer, and
iv) Arbitrage Rebate Analyst

The negotiated components of the debt contemplate the issuance of an estimated $250,000,000 of Tax Exempt Bonds.

Analysis

The specific negotiated components are appropriate methods of sale considering the structure of these particular financings; the negotiated sale is conducive to obtaining favorable pricing for the Corporation as well as accomplishing the Program’s objectives. Reasons for the negotiated components in this phase are:

i) The complex structure associated with Mortgage Revenue Bonds,
ii) Current bond market conditions and interest rate environment, as well as the unforeseeable nature of future long-term interest rates, which directly impact mortgage loan prepayments and resultant bond redemptions.
iii) Within the structure of the Bonds to be negotiated, and in order to strive for the lowest cost of funds the Investment Banking team may utilize Premium and/or Par Planned Amortization Class Capital Appreciation, Stepped Coupon, Capital Appreciation, Fixed Rate Term as well as Serial Bonds.

October 26, 2007 Florida Housing Finance Corporation
In summary, taking into account the complex nature of the financing and the program needs as identified by the Corporation, as well as the existing outstanding issues and the mortgage rates attached thereto, it is my opinion that the proposed financing before you is reasonable, prudent and advisable and one that I can recommend.

Sincerely,

TIBOR PARTNERS Inc.

William L. Johnston III
By: William L. Johnston III, President

cc: Ms. Barbara E. Goltz
    Ms. Melanie Weathers
V. SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

A. Single Family Mortgage Revenue Bond Program


The participating lenders continue to be enthusiastic about the First Time Homebuyer Program and the level of reservations reflects this. The 2006 series 6, 2007 series 1, and 2007 series 2 bond issue are fully originated. The 2007 series 3-4 bond issue has only been available since June 25th and over 89% of these funds are reserved.
The average loan amount has increased with each bond issue, as shown in the chart below. Average Loan amount has increased $10,051 or 7.73% from the 2006 Series 6 to 2007 Series 3-4.
The increase of the loan amounts is also reflective of the increase in the total amounts borrowers are paying for the homes, which is the purchase price. The purchase price has also increased with each successive bond issue. The increase in the average loan amount correlates with the increase in the purchase price from the 2006 series 6 issue to the 2007 series 3-4 bond issue. The chart below reflects the significant increases in the purchase price and loans amounts shown against the incomes of borrowers being served.
Borrowers continue to use the available down payment assistance programs. However, as the amount of assistance available has decreased from $14,999 in the 2006 series 6 bond issue to $10,000 available in the current bond issues, the percentage of total borrowers using the down payment programs has decreased, which is shown below:

<table>
<thead>
<tr>
<th>% of Loans with Seconds</th>
<th>88.90%</th>
<th>44.47%</th>
<th>38.92%</th>
<th>35.74%</th>
</tr>
</thead>
</table>
B. Single Family Marketing and Outreach

Partnership Between Florida Housing and Agency for Workforce Innovation (AWI)

a) In an effort to expand our marketing and communications efforts on our homeownership programs for active military, veterans and their families in Florida, Florida Housing is participating in the Florida Vets First strategic planning team. Florida Vets First Team will develop ideas for a Strategic Plan of Services for Veterans, including a branding and marketing campaign for serving Florida’s veterans. Discussion will also address all services and programs benefiting veterans and military families, Military Family Employment Advocacy Program, Recovery and Employment Assistance Lifelines (REALifelines) initiative, Federal and State Veterans’ Preference, Troops to Teachers/Hometown Heroes Teach Programs, Veterans’ Workforce Investment Program and Homeless Veterans’ Reintegration Program Grants, etc.

b) Comprehensive Strategic Planning Conference with Florida Vets First team will include representatives of the following agencies and organizations:

(1) Agency for Workforce Innovation (AWI)
(2) Workforce Florida, Inc. (WFI)
(3) Regional Workforce Boards (RWB)
(4) Florida Dept. of Veterans’ Affairs (FDVA)
(5) Office of the Governor
(6) Florida Legislature – House and Senate Military and Veterans’ Affairs Committees
(7) U.S. Dept. of Veterans’ Affairs (VA)
(8) Florida Defense Alliance
(9) Florida Department of Military Affairs/Florida National Guard
(10) Veterans’ Employment and Training Service (VETS)
(11) Office of Federal Contractor Compliance Programs (OFCCP)
(12) Florida Departments of Education and Corrections (FDOE/FDOC)
(13) Florida Housing Finance Corporation
(14) Florida Council of 100/Florida Chamber of Commerce
(15) Small Business Administration (SBA), Florida Small Business Development Center (FSBDC) Network
(16) Veterans’ Service Organizations (America Legion, Veterans’ of Foreign Wars, etc.)
SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

Information

(17) Florida Commission on Veteran Affairs
(18) Community/Faith-Based Organizations (CBO/FBO)
(19) Statewide Veterans Planning Group
(20) Volunteers of America – Florida (VOA – FLA)
(21) County Veteran Service Officers (CVSO) Association
(22) Coalition to Salute America’s Heroes

c) Topics include the following:

(1) Housing, Veterans’ Homelessness, Incarcerated Veterans services
(2) Financial Assistance
(3) Marketing, Web Sites and Internet Capabilities
(4) Women Veteran Issues
(5) Employment, Education/Training, Grants
(6) Veterans’ Healthcare, Florida Seamless Transition Program
(7) Veterans Benefits, financial assistance, housing mortgages, educational benefits, etc.
(8) Housing, Veterans’ Homelessness
(9) Marketing, Communications, Promotional Outreach, Web-Based Information

Ongoing Marketing

Florida Housing recently participated in the Florida League of Cities Conference in their Grants and Resource Center and Exhibit Hall in Orlando. There were approximately 1,000 local elected officials in attendance. We also be participated in the Sarasota Housing Fair in September as an exhibitor promoting our First Time Homebuyer and other housing programs to interested homebuyers.

Realtor Trainings, Partnerships and Marketing

a) Communications and Single Family staff will be launching a new marketing tool box for Realtors who have successfully completed Florida Housing’s Realtor training program. Florida Housing is going to start listing all approved Realtors and their contact information on the website. We anticipate this going in early 2008.

b) Our 2007 Realtor CE Course trainings that are held in partnership with state and local Realtor associations are the following:

(1) January 20, 2007-Florida Assoc. of Realtors Conference-Orlando

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(2) March 16, 2007- Chipola Area Board of Realtors-Chipley
(3) March 27, 2007- Realtor Assoc. of Greater Miami and the Beaches-Miami
(4) March 28, 2007-Realtor Assoc. of the Palm Beaches-Lake Worth
(5) March 29, 2007- South Broward Board of Realtors-Ft. Lauderdale
(6) April 21, 2007- National Assoc. of Real Estate Brokers-Tallahassee
(7) April 25, 2007- Emerald Coast Realtor Assoc.- Ft. Walton Beach
(8) June 15, 2007- Orlando Regional Realtors Assoc.- Orlando (during National Homeownership Month)
(9) August 28, 2007- Space Coast Assoc. of Realtors-Merritt Island
(10) September 14, 2007- Northeast Florida Assoc. of Realtors- Jacksonville
(11) September 24, 2007- Realtor Assoc. of Greater Ft. Lauderdale- Ft. Lauderdale
(12) October 11, 2007- Realtor Assoc. of the Palm Beaches- Lake Worth
(13) October 25, 2007- Realtor Assoc of Miami-Dade
(14) November 8, 2007- Realtor Assoc. of Martin County- Stuart
(15) November 28, 2007- Orlando Regional Realtors Assoc.- Orlando

Call Center

Single Family and Communication’s staff recently implemented the switch from Patlive to CitiMortgage Inc. to handle our statewide call center. The transition to the CitiMortgage Call Center has gone very smoothly. Consumers call a toll-free number and it is answered by a live operator who directs them to the appropriate participating lender. Information on the callers is given to the lender and the lender must follow up with the borrower within 48 hours. The lenders have been very happy with the new system.

Annual Homebuyer Expo

Communications staff is already booking dates and times for our 2008 National Homeownership Month events. Florida Housing’s 2008 Homebuyer Expo will be held in Orlando on Saturday June 7 at the Orange County Convention Center, and the Gala will be held on Friday, June 6 at the Peabody Orlando. Florida Housing will begin conducting internal meetings to plan initial outreach efforts in September. The 2008 expo website will be launched in late November 2007.
IV. UNIVERSAL CYCLE

A. 2008 Universal Cycle

1. Background/Present Situation

   a) To solicit comments concerning Rule Chapters 67-21 and 67-48, F.A.C., and the 2008 Universal funding cycle, a public meeting was held following the July 27, 2007 Board meeting and a rule development workshop was held following the September 21, 2007 Board meeting.

   b) Staff will continue the rulemaking process by soliciting additional public comments at a second rule development workshop scheduled following the October 26, 2007 Board meeting. A third rule development workshop is tentatively scheduled following the December 7, 2007 Board meeting in Orlando.

V.