

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**January 14, 2005**  
**Information Items**



# FISCAL

## *Informational*

### I. FISCAL

#### A. Operating Budget Analysis for November 2004

##### 1. Background/Present Situation

- a) The Financial Analysis for November 30, 2004, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending November 30, 2004, is attached as [Exhibit B](#).

## **GUARANTEE**

### *Informational*

## **II. GUARANTEE**

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

## LEGAL

### *Informational*

### III. LEGAL

#### A. **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.
- 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. Florida Housing will continue to monitor the litigation.

**LEGAL**

***Informational***

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

**1. Background**

- a) 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.
- b) On October 14, 2004, Florida Housing filed its answer to the Petition in eminent domain.

**2. Present Situation**

Florida Housing will continue to monitor the litigation.

## LEGAL

### *Informational*

#### C. In Re: 2004 Universal Cycle Appeals - Ranking Disputes

##### 1. Background

- a) On March 31, 2004, Applicants submitted applications to Florida Housing for the award of SAIL, MMRB or HOME funds and/or an allocation of Housing Credits in the 2004 Universal Cycle program.
- b) On April 29, 2004, 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) Hearings were held during August and September, 2004, and on October 14, 2004, final ranking was issued for the 2004 Universal Cycle.
- d) On November 8, 2004, two Applicants filed Petitions for Informal Hearings. Goodbread Hills, Ltd. and Tiger Bay of Gainesville, Ltd.

##### 2. Present Situation

Florida Housing is preparing for informal hearings to be held on February 16, 2005.

## LEGAL

### *Informational*

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

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

- a) 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.

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

- a) 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. As of the date of this report, the Court has not ruled on these Motions. Florida Housing continues to monitor this ongoing litigation.

## MULTIFAMILY BONDS

### *Informational*

#### IV. MULTIFAMILY BONDS

##### A. 2004 Supplemental Application Cycle

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

- a) The 2004 Supplemental MMRB Application cycle closes on January 14, 2005.
- b) At the April 2, 2004 meeting, the Board authorized the MMRB Program to conduct a supplemental application cycle.
- c) As of December 23, 2004, four applications had been submitted. Two (Lynn Lake and Woods at Casselberry) were recommended for funding and two (Hunter's Run and Mission Bay) decided to pursue a remarketing of existing bonds rather than issue additional bonds.
- d) Applicants may still apply for the MMRB Program in the 2005 Universal Application Cycle, scheduled to open on January 18, 2005.



## SINGLE FAMILY BONDS

### *Informational*

#### V. SINGLE FAMILY BONDS

##### A. 2004 Series 5-6 Single Family Mortgage Revenue Bond Program

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

- a) On September 11, 2004, the Board authorized issuance of the 2004 Series 5-6 Bonds. The origination period began on December 17, 2004.
- b) Lendable proceeds totaling \$30,000,000 were made available and offered at an interest rate of 5.55%. There is currently \$25,944,915 available as of December 23, 2004.
- c) Lendable proceeds totaling \$15,000,000 were made available and offered at an interest rate of 6.25%. There is currently \$15,000,000 available as of December 23, 2004.
- d) Additionally, \$5,000,000 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 \$4,113,204 available as of December 23, 2004.
- e) As of December 23, 2004, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Low Spot Pool	\$30,000,000	\$4,055,085	38	\$25,944,915	8.6
Assisted Spot Pool	\$15,000,000	0	0	\$15,000,000	0.0
Subsidized rate pool	\$5,000,000	\$886,796	11	4,113,204	17.7
HAMI Loans	Pooled	0	0	Pooled	N/A
HAP D/P	Pooled	\$39,995	4	Pooled	N/A
HOME Loans	Pooled	\$44,997	3	Pooled	N/A

## SINGLE FAMILY BONDS

### *Informational*

#### **B. 2004 Series 1-2 Single Family Mortgage Revenue Bond Program**

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

- a) On January 23, 2004, the Board authorized issuance of the 2004 Series 1-2 Bonds. The origination period began on March 25, 2004.
- b) Lendable proceeds totaling \$70,028,640 were made available and offered at an interest rate of 5.46%. There is currently \$24,193 available as of December 21, 2004.
- c) Additionally, funding was set-aside for special targeting at an interest rate of 4.99% as follows:
  - (1) \$5,000,000 for purchases in Urban Infill, Targeted Areas, HOPE VI and Front Porch Communities;
  - (2) \$1,500,000 for the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program; and
  - (3) \$1,000,000 for individuals with Disabilities.
- d) As of December 21, 2004, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Spot Pool	\$70,028,640	\$70,004,447	717	24,193	99.9
Urban Infill, Front Porch and HOPE VI	\$5,759,057	\$5,661,464	71	97,593	98.3
USDA Self Help	\$324,582	\$324,582	5	Pooled	N/A
Disabled Homebuyers	\$1,416,370	\$1,412,212	18	4,158	99.7
HAMI Loans	Pooled	\$164,728	34	Pooled	N/A
HAP D/P	Pooled	\$4,353,066	445	Pooled	N/A
HOME Loans	Pooled	\$3,977,697	258	Pooled	N/A

#### **C.**

# SINGLE FAMILY BONDS

## *Informational*

### D. **Satisfactions**

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

- a) The Corporation reflects the following information regarding satisfactions of Second Mortgages for the time period of January 1, 2004 to November 30, 2004:

<b>Program</b>	<b>Total \$ Amount of Payoffs</b>	<b>Total # of loans</b>
HAL/Disaster	\$939,520	47
HOME Project	\$1,815,004	117
HOME w/ bonds	\$3,637,236	303
HAP DPA	\$1,088,900	403
HAP Perm	\$1,041,163	90
HAP Perm Project	\$177,412	16
<b>Totals</b>	<b>\$8,699,235.00</b>	<b>976</b>

# SINGLE FAMILY BONDS

## *Informational*

### **E. Marketing and Outreach**

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

During the month of December, staff conducted one of its largest Statewide Lender Training for its First Time Homebuyer Program in Ft. Pierce, Ft. Lauderdale, Tampa, Orlando, Jacksonville, Pensacola, and Tallahassee. Current and prospective lenders from across the state attended and learned the step-by-step process for originating bond loans. Lenders were also provided an opportunity to enhance their affordable housing expertise by networking with each other in the beginning of each of the training sessions. This venue was also an opportunity to network and recruit non-participating lenders who were interested in the First Time Homebuyer Program. Mortgage Credit Certificates were also discussed at the trainings. Lenders were highly receptive to the product which is expected to commence by March 2005.

## UNIVERSAL CYCLE

### *Informational*

#### VI. UNIVERSAL CYCLE

##### A. 2005 Universal Cycle

###### 1. Background

Rule hearings on Chapters 67-21 and 67-48, F.A.C., were held on January 7, 2005, in Tallahassee. The hearings included discussions on the proposed revisions to the Universal Application.

###### 2. Present Situation

Following review of the public comments received at the rule hearings and comments received from the Joint Administrative Procedures Committee (JAPC), staff will proceed as follows:

- (1) If it is determined that a Notice of Change (NOC) is not required to modify the proposed rules that were presented at the last board meeting and any revisions subsequently approved by the Chair, it is anticipated that the rules will be filed for adoption on January 18, 2005, with an effective date of February 7, 2005. Therefore, the 2005 Universal Cycle will open on January 18, 2005 and close on February 16, 2005. Application workshops are scheduled for January 27 and 28, 2005, in Tallahassee. The January 27<sup>th</sup> workshop will be oriented toward potential applicants new to the Universal Application process and the January 28<sup>th</sup> workshop will be oriented toward persons who are familiar with the Universal Application process.
- (2) If it is determined that a NOC is required, a supplement to the Board Package will be provided which contains the proposed NOC. If approved by the Board, staff will then file the NOC for publication in the Florida Administrative Weekly and the NOC will be filed with JAPC for its review. Provided that a second NOC is not necessary, it is anticipated that the rules will be filed for adoption on February 14, 2005, with an effective date of March 6, 2005, that the application cycle will open on February 14, 2005 and close on March 15, 2005, and that the Application workshops will be scheduled for February 24 and 25, 2005, in Tallahassee.