

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
June 10, 2005
Information Items



FISCAL

Informational

I. FISCAL

A. Operating Budget Analysis for April 2005

1. Background/Present Situation

- a) The Financial Analysis for April 30, 2005, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending April 30, 2005, is attached as [Exhibit B](#).

GUARANTEE PROGRAM

Information

II. GUARANTEE PROGRAM

A. Consideration of Request for Change of General Contractor – Andrews Place II

1. Background

Pursuant to the expedited review procedure authorized by the Board on March 7, 2002, the Guarantee Program, along with TIBOR Partners, Inc. and First Housing Development Corporation, has conducted a review of a requested change to the Andrews Place II general contractor and is recommending that the Board approve said change to the development's general contractor.

2. Present Situation

On May 9, 2005, a supplemental letter to the final credit underwriting report, TIBOR PARTNERS, Inc.'s Modified Project Suitability Assessment and Risk Evaluation Report, and staff's recommendation for this proposed transaction was submitted to each Board member electronically and the Board was provided the required 72-hour review period. No objections were received and the review period has expired.

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

LEGAL

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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 1st 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.

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- 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

- a) 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

- 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.

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- 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.

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.

SINGLE FAMILY BONDS

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IV. 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. The last date for Lenders to reserve loans in the program was August 31, 2005.
- b) Lendable proceeds totaling \$46,036,716 were made available and offered at an interest rate of 5.55%. There is currently \$302,230 available as of May 20, 2005.
- c) Lendable proceeds totaling \$1,715,758 were made available and offered at an interest rate of 6.25%. There is currently \$0 available as of May 20, 2005.
- 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 \$837,525 available as of May 20, 2005.
- e) As of May 20, 2005, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Low Rate Spot Pool	\$46,036,716	\$45,734,486	443	\$302,230	99.3
Assisted Spot Pool	\$1,715,758	\$1,715,758	13	\$0	100
Subsidized Rate Pool	\$5,000,000	\$4,162,475	48	\$837,525	83.2

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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. The last date for Lenders to reserve loans in the program was March 15, 2005.
- b) Lendable proceeds totaling \$70,653,640 were made available and offered at an interest rate of 5.46%. There is currently \$258,456 available as of May 20, 2005.
- 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 May 20, 2005, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Spot Pool	\$70,653,640	\$70,395,184	728	\$258,456	99.6
Urban Infill, Front Porch and HOPE VI	\$5,734,526	\$5,603,663	71	\$130,863	97.7
USDA Self Help	\$176,182	\$176,182	3	---	100
Disabled Homebuyers	\$1,455,466	\$1,455,466	18	---	100

e)

SINGLE FAMILY BONDS

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- f) As of May 20, 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	\$235,073	48	Pooled	N/A
HAP D/P	Pooled	\$6,339,549	646	Pooled	N/A
HOME Loans	Pooled	\$9,750,359	556	Pooled	N/A

C. Marketing and Outreach

1. Background/Present Situation

- a) Florida Housing released \$60 million in Mortgage Credit Certificates (MCC) on May 9, 2005. Two telephonic lender training sessions were held during the month of May. Over 120 loan originators were trained on how to reserve loans via our in-house reservation system for the issuance of a MCC.
- b) Single Family Staff attended a "Return to Home" event in Polk County sponsored by US HUD and USDA in collaboration with the Polk County local government. This event provided an opportunity for local disaster victims to come on site at the Lakeland Convention Center and get assistance with home repairs, rental and mortgage assistance and a host of other services. More than 3,000 people attended the event throughout the course of the day on May 14, 2005. Florida Housing participated in this event by setting up booth to provide information regarding rental vacancies and first time homebuyer opportunities.
- c) June is National Homeownership Month and as part of celebrating homeownership, Florida Housing is hosting a number of events in Orlando, Florida. Of the many events, the Second Annual Lender Appreciation Awards banquet will be held on Friday, June 10th at 6:00 p.m. at the Rosen Centre Hotel in Grand Ballroom D. This event highlights the successes of Florida Housing's top producing lenders in our First Time Homebuyer Program. The evening begins with a networking reception at 6:00 p.m., followed by a dinner and awards ceremony that will begin at 7:00 p.m. To date, over 100 lenders and other affordable housing advocates have confirmed their attendance.

SINGLE FAMILY BONDS

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D. Homebuyer Expo

1. Background/Present Situation

- a) On Saturday, June 11th from 10:00 a.m. to 3:00 p.m., Florida Housing will host the 2005 Homebuyer Expo at the Orange County Convention Center, Hall B1 - West Building. This year's expo will include:
 - (1) Homeownership Booths and Exhibits
 - (2) Realtor CE Courses
 - (3) An Affordable Housing Forum — a lively debate on current affordable housing issues
 - (4) Available Lenders
 - (5) Credit Counseling
 - (6) Homeownership Seminars
 - (a) How Much Can I Afford
 - (b) Energy Efficiency
 - (c) Homebuyer Education Course
 - (d) Credit Counseling
 - (7) Local, state, federal housing programs

E. Expo Partners

1. Background/Present Situation

- a) Our partners and sponsors this year are as follows:
 - (1) Front Porch Florida
 - (2) City of Orlando
 - (3) City of Deltona
 - (4) Seminole County
 - (5) Progress Energy
 - (6) Metropolitan Orlando Urban League
 - (7) SunTrust Mortgage Inc.
 - (8) HANDS of Central Florida

SINGLE FAMILY BONDS

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- (9) Hispanic Chamber of Commerce
- (10) Harbor Federal Credit Union
- (11) Orange County Housing Finance Authority
- (12) Orlando Regional Realtors Association

F. Affordable Housing Forum

1. Background/Present Situation

- a) As part of the 2005 Homebuyer Expo, Florida Housing will host a lively discussion about affordable housing issues in the Central Florida. The forum is scheduled for Saturday, June 11 from Noon to 1:30 p.m. in Hall B1- West Building of the Orange County Convention Center in Orlando. Our panelists are as follows:
 - (1) Bob Ansley-Orlando Neighborhood Improvement Corporation
 - (2) Dr. Lance McCarthy – CEO Orlando Metro Urban League
 - (3) John Hazelroth- Nonprofit Housing Roundtable
 - (4) Cora Fulmore-Mortgage and Credit Counselors
 - (5) Robert Gray – Strategic Planning
 - (6) Runa Saunders- Vice President Retail Banking/CRA, Harbor Federal Bank
 - (7) Lelia Allen - Orlando Housing Director, City of Orlando
 - (8) Vivian Bryant- Executive Director, Orlando Housing Authority
 - (9) W.D. Morris - Executive Director , Orange County Housing Finance Authority
 - (10) Mitchell Glasser- Director of Housing and Community Development, Orange County
 - (11) Ricardo Soto-Lopez-Senior Housing Planner, City of Winter Park
 - (12) Orlando Cabrera – Executive Director, Florida Housing Finance Corporation
 - (13) Paul “Buz” Ausley – Orlando Regional Director, U.S. Department of Housing and Urban Development
 - (14) Bedilia Campbell, Executive Director ,Hannibal Square Community Land Trust

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- b) Topics to be covered include:
 - (1) Art in Architecture
 - (2) Preservation
 - (3) Energy Star Homes
 - (4) Rising Home Prices
 - (5) Regulatory Barriers
 - (6) Market Expectations
 - (7) Evolving Mortgage Products
 - (8) Private Sector Involvement
 - (9) Income thresholds

G. Advertising

1. Background/Present Situation

- a) In the area of advertising, Florida Housing will be promoting the Homebuyer Expo on cable and network television, English and Hispanic radio stations, and in minority newspapers. Specifically, ads will appear in the *Orlando Times*, the *Central Florida Advocate*, and on Channels 6 and 27. Ads will also appear through Brighthouse Cable Network on stations such as Lifetime, BET, MSNBC and others whose audiences match the program's target market. Ads will also appear on WJHM 102 JAMZ and on WMMO 98.9.

H. Public Affairs Programming

1. Background/Present Situation

- a) Florida Housing is currently working with Channel 6 in Orlando and WJHM 102 JAMZ to schedule public affairs programming appearances in the week leading up to the homebuyer expo.
- b) These programs will give Florida Housing staff an opportunity to discuss the upcoming events and take phone calls from prospective attendees.

SINGLE FAMILY BONDS

Information

I. Partnerships

1. Background/Present Situation

- a) Florida Housing has also partnered with the Hispanic Chamber of Commerce in Orlando to promote the expo to Hispanic consumers in the area. In addition, Florida Housing will be teaching an affordable housing Realtor CE Course at the Homebuyer Expo and has partnered with several area Realtor associations in order to increase attendance. These groups include:
 - (1) Orlando Regional Realtor Association
 - (2) Avon Park Area Board of Realtors
 - (3) Bartow Board of Realtors
 - (4) East Polk County Association of Realtors
 - (5) Florida Association of Realtors
 - (6) Greater Lake County Association of Realtors
 - (7) Highland Association of Realtors
 - (8) Lake Wells Association of Realtors
 - (9) Lakeland Association of Realtors
 - (10) Melbourne Area Association of Realtors
 - (11) Ocala/Marion County Association of Realtors
 - (12) Osceola County Association of Realtors
 - (13) Wauchula Board of Realtors
 - (14) West Volusia Association of Realtors
- b) The Orlando Regional Realtor Association will be publishing an article about the expo and National Homeowners Month including quotes from Deputy Development Officer Esrone McDaniels on why it benefits a business and the business community in general to help its employees become homeowners.

J. Local Governments

1. Background/Present Situation

- a) Florida Housing has also partnered with cities and counties in the Orlando MSA to promote the homebuyer expo. These local governments will be including information about the event either on their websites or in their newsletters.
- b) For more information about the homebuyer expo, visit www.floridahousing.org/expo.

UNIVERSAL CYCLE

Information

V. UNIVERSAL CYCLE

A. 2005 Universal Cycle – Update

1. Background/Present Situation

- a) Notice of Possible Scoring Error (NOPSE) scores were issued on April 15, 2005. Applicants had until 5:00 p.m., Eastern Time, on April 26, 2005, to file cures relative to items which, during preliminary and/or NOPSE scoring, failed to receive maximum points, maximum proximity points and/or failed threshold, as applicable. Applicants then had until 5:00 p.m., Eastern Standard Time, on May 4, 2005, to file a written Notice of Alleged Deficiency (NOAD) relative to another Applicant's cure. A total of 83 cures and 26 NOADs were received
- b) Final scores and a notice of appeal rights were issued to each Applicant on May 25, 2005. Petitions for Hearings are due no later than 5:00 p.m., Eastern Standard Time, on June 16, 2005. Informal appeal hearings will be scheduled for early to mid-July. Final orders and final rankings will be presented to the Board for approval at its August 25, 2005, meeting.

B. Rental Recovery Loan Program

1. Background/Present Situation

- a) A rule development workshop will be held on July 8, 2005 in Tallahassee to solicit comments concerning the new Rental Recovery Loan Program.
- b) In order to expedite the rulemaking process, the Legislature granted the Corporation emergency rulemaking authority. With the expedited schedule, staff anticipates opening the application cycle on July 13, 2005 and closing the cycle on August 11, 2005, with final ranking being presented to the Board for approval at its October 14, 2005 meeting.