

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
September 8, 2006
Information Items



FISCAL
Information

I. FISCAL

A. Operating Budget Analysis for July 2006

- a) The Financial Analysis for July 31, 2006, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending July 31, 2006, is attached as [Exhibit B](#).

GUARANTEE PROGRAM

Information

II. GUARANTEE PROGRAM

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

LEGAL

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III. LEGAL

A. In Re: **Holly Ridge Limited Partnership v. Pritchett, et al**

1. Background

- a) Holly Ridge Limited Partnership (“Holly Ridge”), a property financed in part by Low Income Housing Tax Credits, challenged the tax assessment of its real property in Putnam County for 2002 and 2003. After a two-day non-jury trial, the Circuit Court for Putnam County, entered verbatim a 30-page Final Judgment which found that the assessments were in compliance with the requirements of law, and that Holly Ridge did not overcome the presumption of correctness to which the assessments were entitled.
- b) Holly Ridge appealed the Final Judgment, based in part on the trial court’s interpretation of § 420.5099, which provides that the Property Appraiser may not consider the tax credits as income to the property for valuation purposes, and must consider the effect of rent restrictions imposed by the LURA on the income produced by the property. Because of the potential statewide negative effect of the misapplication of § 420.5099 on other tax credit properties, Florida Housing filed an Amicus Curiae brief in support of Holly Ridge’s position, as did the Coalition of Affordable Housing Providers. Oral argument was held on July 6, 2006. On August 4, 2006, the Court filed its Opinion, reversing the trial court’s decision, finding that the restrictions imposed by the LURA on the project are considered to be land use restrictions, and that the Putnam County Property Appraiser erred in factoring the impact of the Low Income Housing Tax Credits in determining an (unreasonably low) capitalization rate, the result being an incorrect valuation of the property for ad valorem tax purposes.

2. Present Situation

- a) On August 18, 2006, Pritchett filed a “Motion for Certification of a Question of Great Public Importance and for Rehearing and/or Clarification” with the 5th District Court. This motion seeks certification of the question by the 5th DCA in order to get the case before the Florida Supreme Court. The rehearing/clarification asks the 5th DCA to reexamine its statement that the “result of [the property appraiser’s] using an unreasonably low capitalization rate was that the appraised value was significantly higher than the fair market value.” Pritchett argues that unless and until the case is remanded for re-valuation, there is no determination of fair market value on the property.

RENTAL RECOVERY LOAN PROGRAM

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IV. RENTAL RECOVERY LOAN PROGRAM

A. 2006 Rental Recovery Loan Program Update

1. Background/Present Situation

- a) The application cycle for the 2006 Rental Recovery Loan Program (RRLP) opened on July 5, 2006 and closed on August 3, 2006.
- b) A report of the Applications submitted, describing such information as number of applications received, demographic commitment, tier location, etc., is provided as Exhibit A.
- c) Staff issued preliminary scores for the 2006 RRLP Applications on August 17, 2006.
- d) Applicants had until 5:00 p.m., Eastern Time, on August 25, 2006, to file Notices of Possible Scoring Error (NOPSEs) relative to the preliminary scoring of another Applicant's Application. Most NOPSEs addressed multiple issues. The NOPSE scores (reflecting either a change or no change to the preliminary score) were issued to the Applicants on September 7, 2006.
- e) Upon receipt of the NOPSE scores, Applicants will be allowed to submit cures for 11 days on curable items. After expiration of the cure period, Applicants may submit Notices of Alleged Deficiencies (NOADs).

SINGLE FAMILY BONDS

Information

V. SINGLE FAMILY BONDS

A. 2006 Series 4-5 Single Family Mortgage Revenue Bond Program

1. Background/Present Situation

- a) Lendable proceeds totaling \$176,853,125 were made available on July 18, 2006. The origination period began on July 18, 2006. The last date for participating lenders to reserve loans in the program is March 1, 2007.
- b) Freddie Mac purchased \$30 million of the 2006 4-5 bond issue at a below-market rate which created a low rate spot pool specifically for homebuyers in the Wilma GO Zone.
- c) The pool sizes and rates are as follows:
 - (1) Lendable proceeds totaling \$91,753,125 for the Low Rate Spot pool were made available and offered at an interest rate of 5.97%.
 - (2) Lendable proceeds totaling \$14,500,000 for the Assisted Spot pool were made available and offered at an interest rate of 6.67%.
 - (3) Lendable proceeds totaling \$33,350,000 for the Community Spot pool were made available and offered at an interest rate of 5.72%.
 - (4) Lendable proceeds totaling \$24,000,000 for the Wilma GO Zone pool were made available and offered at an interest rate of 5.72%.
 - (5) Lendable proceeds totaling \$6,000,000 for the Wilma Cash Assisted pool were made available and offered at an interest rate of 6.42%.
 - (6) Additionally, \$7,250,000 were 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 5.10%.

SINGLE FAMILY BONDS

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d) As of August 21, 2006, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved \$ Amount Number	\$ Amount Available	% Used
Low Rate Spot Pool	\$91,753,125	\$33,043,977 278	\$58,709,147	36
Assisted Spot Pool	\$14,500,000	\$4,646,950 31	\$9,853,050	32
Community Rate	\$33,350,000	\$8,996,226 68	\$24,353,774	27
Subsidized Rate Pool	\$7,250,000	\$2,979,735 28	\$4,270,265	41.1
GO Zone Pool	\$24,000,000	\$8,485,832 57	\$15,514,168	35.4
Wilma Cash Assisted	\$6,000,000	\$1,765,605 11	\$4234,395	29.4

e) As of August 21, 2006, the following activity was reported for the down payment and closing costs assistance programs:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved \$ Amount Number	\$ Amount Available	% Used
HAMI Loans	\$660,773	\$150,000 30	\$510,733	22.7
HAP D/P	\$4,361,150	\$1,218,300 122	\$3,142,850	27.9
HOME Loans (high cost counties)	\$4,721,274	\$3,780,749 154	\$940,525	80.1
HOME Loans	\$1,795,418	\$839,745 57	\$955,673	46.7

SINGLE FAMILY BONDS

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B. 2006 Series 2-3 Single Family Mortgage Revenue Bond Program

1. Background/Present Situation

- a) Lendable proceeds totaling \$102,325,971 were made available on May 9, 2006. The origination period began on May 9, 2006. The last date for participating lenders to reserve loans in the program is March 1, 2007.
- b) Freddie Mac purchased \$25 million of the 2006 2-3 bond issue at a below-market rate which created a low rate spot pool specifically for homebuyers in the Wilma GO Zone.
- c) The pool sizes and rates are as follows:
 - (1) Lendable proceeds totaling \$47,325,971 for the Low Rate Spot pool were made available and offered at an interest rate of 5.75%.
 - (2) Lendable proceeds totaling \$10,000,000 for the Assisted Spot pool were made available and offered at an interest rate of 6.45%.
 - (3) Lendable proceeds totaling \$15,000,000 for the Community Spot pool were made available and offered at an interest rate of 5.50%.
 - (4) Lendable proceeds totaling \$25,000,000 for the Wilma GO Zone pool were made available and offered at an interest rate of 5.50%. On May 16, 2006, \$5,000,000 from the initial Wilma GO Zone pool was used to create a Wilma Cash Assisted pool. The \$5,000,000 were made available and offered at an interest rate of 6.20%.
 - (5) Additionally, \$5,000,000 were 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%.
- d) As of August 21, 2006, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved \$ Amount	Number	\$ Amount Available	% Used
Low Rate Spot Pool	\$44,325,971	\$43,720,310	380	\$605,661	98.6
Assisted Spot Pool	\$9,000,000	\$8,875,320	56	\$124,680	98.6
Community Rate	\$20,000,000	\$19,358,247	151	\$641,753	96.8
Subsidized Rate Pool	\$4,083,403	\$4,006,275	39	\$77,128	98.1
GO Zone Pool	\$20,000,000	\$19,686,467	123	313,553	98.4
Wilma Cash Assisted	\$5,000,000	\$4,684,545	24	\$315,455	93.7

SINGLE FAMILY BONDS

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- e) As of August 21, 2006, the following activity was reported for the down payment and closing costs assistance programs:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
HAMI Loans	\$347,806	\$342,806	69	\$5,000	98.6
HAP D/P	\$2,197,021	\$2,197,021	222	\$0	100
HOME Loans (high cost counties)	\$5,895,648	\$5,770,648	233	\$125,000	97.8
HOME Loans	\$1,490,313	\$1,460,315	99	\$29,998	98

SINGLE FAMILY BONDS

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C. 2006 Series 1 Single Family Mortgage Revenue Bond Program

1. Background/Present Situation

- a) On December 9, 2005 the Board authorized issuance of the 2006 Series 1 Bonds. The origination period began on March 23, 2006. The last date for participating lenders to reserve loans in the program is January 1, 2007.
- b) Lendable proceeds totaling \$58,509,838 for the Low Rate Spot pool were made available and offered at an interest rate of 5.59%.
- c) Lendable proceeds totaling \$7,500,000 for the Assisted Spot pool were made available and offered at an interest rate of 6.29%.
- d) Lendable proceeds totaling \$7,500,000 for the Community Spot pool were made available and offered at an interest rate of 5.19%. This amount was completely reserved for eligible homebuyers by March 27, 2006. An additional \$2,723,680 was added on March 28, 2006 and offered at an interest rate of 5.34%, increasing the total amount of lendable proceeds to \$10,223,680. \$2,607,680 of the \$2,723,680 was received from the Low Rate Spot pool. Florida Housing used the remainder of the subsidy generated from the 2005 2-3 issue (\$116,000) to lower the rate by 25 basis points.
- e) Additionally, \$3,500,000 were 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 4.60%.
- f) As of August 21, 2006, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved \$ Amount	Number	\$ Amount Available	% Used
Low Rate Spot Pool	\$53,038,552	\$52,660,479	466	\$378,073	99.3
Assisted Spot Pool	\$7,159,573	\$7,159,319	45	\$254	100
Community Rate	\$14,308,464	\$14,151,365	105	\$157,100	99
Subsidized Rate Pool	\$2,732,030	\$2,694,659	23	\$37,371	98.6

SINGLE FAMILY BONDS

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- g) As of August 21, 2006, the following activity was reported for the down payment and closing costs assistance programs:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
HAMI Loans	\$186,600	\$186,600	38	\$0	100
HAP D/P	\$2,171,400	\$2,171,000	218	\$0	100
HOME Loans (high cost counties)	\$5,081,074	\$5,081,074	205	\$0	100
HOME Loans	\$1,252,815	\$1,252,815	85	\$0	100

SINGLE FAMILY BONDS

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D. Marketing and Outreach

- a) Florida Housing's Single Family Mortgage Revenue Bond Program has had an increase in requests to speak on our homeownership program(s) this year throughout the state. Florida Housing recently spoke to an audience of 300-400 interested homebuyers in the Broward County area, and to approximately 150 Realtors at the Navarre Area Board of Realtor's luncheon on our programs.
- b) Moreover, we have attended and plan to continue participating in annual conferences statewide to increase visibility and knowledge of our programs.
- c) The following are the conferences we have attended thus far:
 - (1) Florida League of Cities
 - (2) Florida Public Relations Association
 - (3) Homeless Coalition for the Homeless
 - (4) Mortgage Bankers Association
- d) Other conferences that Florida Housing will be participating in are the following:
 - (1) Florida Housing Coalition
 - (2) Florida Association of Realtors
 - (3) Florida Redevelopment Association

2. Realtor Trainings

Realtor CE Course training has been going all year. Classes have been taught in Ft. Walton Beach, Miami, Orlando, West Palm Beach, and Punta Gorda. Remaining trainings for 2006 are in Orlando in September and Navarre Beach in October. Florida Housing is currently scheduling courses to be taught in the fall of 2007.

3. Ongoing Marketing

- a) Single Family and Communications continue to work on 2006 marketing goals and objectives. Plans are currently in draft form but will focus on increasing the visibility of Florida Housing and its programs in targeted areas. Market research, data collection and other input has been gathered to be used as a basis for future marketing plans. The Shimberg Center for Affordable Housing helped the Communications and Single Family staff graph statewide data to aid in identifying key markets with the most potential. The Shimberg Center is currently finalizing a market analysis showing consumers potentially eligible for the First Time Homebuyer Program. This analysis should be complete in early September 2006.

UNIVERSAL CYCLE

Information

VI. UNIVERSAL CYCLE

A. 2007 Universal Cycle

1. Background/Present Situation

- a) A public meeting was 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 funding cycle.
- b) Staff anticipates beginning the rulemaking process by soliciting additional public comments at a rule development workshop scheduled following the September 8, 2006 Board meeting.
- c) A tentative time line for the 2007 Universal Application cycle is provided as [Exhibit A](#).