



THE AFFORDABLE HOUSING STUDY COMMISSION  
*Dedicated to Promoting Affordable Housing in Florida Since 1986*

**Capacity Workgroup  
Conference Call Summary  
January 9, 2006**

Participating Commissioners:

Michael Davis, Santos De La Rosa, Dorothy Ellington, Robert Gregg, Sharon Jenkins-Owen, Jane Johnson, Darlene Pifalo

Participating Public: Wight Greger, Florida Housing Coalition; Jacksonville HUD: Jim Branson, Matt Stewart, Ferdinand Juluke, Stephanie Bunsen and Lorelai McKnight; Patricia Roset-Zuppa, Shimberg Center for Affordable Housing

Participating Staff: Odetta MacLeish-White, Nancy Muller

Notice Statute:

Staff began by reviewing the elements of a notice statute the workgroup has already decided on:

- Notice period should be 24 months
- A right of first refusal, rather than a right to offer, should be specified
- Parties receiving notice should include municipalities, Florida Housing and the Shimberg Center

Staff also briefly reviewed the research conducted on the effectiveness of Illinois's state notice statute:

- To date, only one resident association has taken advantage of Illinois's notice statute and the ultimate success of that transaction is still in question
- Owners are not aware of the statute, and the Illinois Housing Development Authority legal department expects litigation if the statute is enforced
- The statute provides right of first refusal only to resident associations, which means a resident association must be ready to move very quickly to meet the statute's time frames
- 12 months is not really enough time to pull together a viable purchase offer from scratch, so a great deal of preliminary work (tracking properties that might be converting or prepaying, setting up financing and preparing legal documents) would have to be done to successfully transfer ownership to a resident association

The workgroup then reviewed a draft Florida notice statute. The following issues/questions were raised:

- The definition of Assisted Housing should include state funding programs as well as federal funding programs
- 24 months should remain as the proposed notice period
- The right of first refusal should be provided to a state agency and nonprofits, as well as to resident associations

- It will be important to create a mechanism for tracking when an owner plans to sell a property and this mechanism should also notify eligible purchasers
  - It was suggested that Florida Housing could keep a database of the developments that come to them for refinancing
  - It was suggested that Florida Housing Coalition could also help in linking nonprofits to the owners who are seeking refinancing

The workgroup then discussed the necessity of making the statute applicable to all owners, not just to owners of properties built after the law was passed. Notice statutes in other states have been challenged with the claim that they are pre-empted by federal preservation legislation. Illinois's statute includes language for market appraisals based on highest and best use to diminish a claim that the property is being illegally taken.

An issue that still needs clarification is how the federal notice period of 12 months came about and how a 24 month state notice period will work when the federal period for notice is less. Staff will do further research on this issue for the February meeting.

#### Preservation Series:

The workgroup discussed the components of a preservation series that would build on workshops already being offered by the Florida Housing Coalition. Wight Greger shared information on the workshops offered in 1999 and 2001 on property management and financing preservation deals. She agreed to email the agendas for these workshops to staff for distribution to the workgroup. In addition to modules on financing, finding properties with expiring affordability periods and board training on the development process, the workgroup felt a risk analysis module and a self-assessment module for nonprofits (is an organization ready to undertake a preservation transaction?) should be included.