

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
May 21, 2004  
**Information Items**



# FISCAL

## *Informational*

### I. FISCAL

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

##### 1. Background/Present Situation

- a) The Financial Analysis for March 31, 2004, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending March 31, 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. Fifth Avenue Estates, Ltd. (“Fifth Avenue”) – Petition for Rule Waiver**

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

- a) On February 3, 2002, Fifth Avenue filed a Petition for Rule Waiver, seeking a waiver of Rule 67-48.004(14)(k), Fla. Admin. Code, which prohibits an applicant from making any change of the total set-aside commitment of Item III, Section E, Subsection 3, of the 2002 Universal Cycle Application.
- b) On June 20, 2003, the Board denied the Petition.
- c) On June 25, 2003, Fifth Avenue filed its Notice of Appeal, and filed its Initial brief on August 13, 2003; Florida Housing filed a Motion to Strike Appellant’s Initial Brief for relying on matters outside the Record of the case and for failure to cite citations from the Record. The Motion to Strike was granted on September 15, 2003. Fifth Avenue’s Amended Initial Brief was filed on September 17, 2003. Florida Housing’s Reply Brief was filed on October 13, 2003. Fifth Avenue’s Reply Brief was filed on November 5, 2003. Florida Housing’s Amended Reply Brief (correcting an omission in its Table of Contents) was filed on November 19, 2003.

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

Oral argument has been scheduled for June 8, 2004.

## LEGAL

### *Informational*

#### C. In Re: 2003 Universal Cycle Ranking Disputes

##### 1. Background/Present Situation

- a) Pinnacle Oaks filed a Petition for Formal administrative Hearing, challenging Florida Housing's interpretation of its Universal Cycle Rules and Qualified Allocation Plan. Pinnacle Oaks contends that Florida Housing erroneously deducted the funding and allocation for the Florida Keys Special Set-Aside from the total pool, rather than deducting the Keys funding and allocation from the small county pool. After review of the petition, Florida Housing determined that no material issue of fact exists, and referred the case for an informal hearing pursuant to sec. 120.569 and 120.57(2), Florida Statutes.
- b) On March 23, 2004, Pinnacle Oaks filed a Petition for Determination of Non-Rule Policy and Amended Petition for Administrative Hearing with the Division of Administrative Hearings, requesting a formal hearing to determine whether Florida Housing employed non-rule policy in its final ranking of the 2003 Universal Cycle applications, and for a determination whether Florida Housing acted properly in the same ranking. A formal hearing has been scheduled for June 4, 2004.
- c) Florida Housing filed its Motion to Dismiss the Pinnacle Oaks' petition on April 4, 2004. Pinnacle Oaks filed its response to the Motion to Dismiss. A hearing on the Motion to Dismiss has not been scheduled.

## SINGLE FAMILY BONDS

### *Informational*

#### IV. SINGLE FAMILY BONDS

##### A. 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 \$67,500,000 are currently offered at an interest rate of 5.46%.
- 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
  - (3) \$1,000,000 for Disabled Homebuyers
- d) As of May 3, 2004, the following activity was reported:

Allocation Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Spot Pool	67,500,000	12,781,999	184	54,718,001	23.4
Urban Infill, Front Porch and HOPE VI	5,000,000	944,472	15	1,000,000	18.9
USDA Self Help	1,500,000	70,550	1	1,429,450	4.7
Disabled Homebuyers	1,000,000	0	0	1,000,000	0%
HAP D/P	Pooled	1,003,314	101	Pooled	N/A
HOME Loans	Pooled	474,969	32	Pooled	N/A
HAMI Loans	Pooled	15,000	3	Pooled	N/A

# SINGLE FAMILY BONDS

## *Informational*

### B. 2003 Series 5 Single Family Mortgage Revenue Bond Program

#### 1. Background/Present Situation

- a) On September 12, 2003, the Board authorized issuance of the 2003 Series 5 Bonds. The origination period began on October 27, 2003.
- b) Lendable proceeds totaling \$45,745,051 are currently offered at an interest rate of 5.68%.
- c) Additionally, funding was set-aside for special targeting at an interest rate of 4.99% as follows:
  - (1) \$1,000,000 for purchases in HOPE VI and Front Porch Communities
  - (2) \$2,000,000 for purchases in Urban Infill and Targeted Areas
  - (3) \$1,000,000 for the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program
  - (4) \$1,000,000 for Disabled Homebuyers
- d) On March 10, 2004 Staff authorized Leader Mortgage to combine the subsidized loan pools (HOPE VI and Front Porch, Section 523 Mutual Self-Help, Disabled Homebuyers and Urban Infill).
- e) As of May 3, 2004, the following activity was reported:

Allocation Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Spot Pool	45,745,051	42,392,065	459	3,352,986	92.7
Front Porch and HOPE VI, Urban Infill, USDA Self Help, and Disabled Homebuyers	5,000,000	3,752,766	47	1,247,234	75.1
HAP D/P	Pooled	3,047,936	305	Pooled	N/A
HOME Loans	Pooled	2,240,908	150	Pooled	N/A
HAMI Loans	Pooled	30,000	6	Pooled	N/A



## SINGLE FAMILY BONDS

### *Informational*

#### C. 2003 Series 1-4 Single Family Mortgage Revenue Bond Program

##### 1. Background/Present Situation

- a) On May 2, 2003, the Board authorized issuance of the 2003 Series 1, 2, 3 and 4 Bonds. The origination period began on June 25, 2003.
- b) Lendable proceeds totaling \$46,032,499 are currently offered at an interest rate of 5.10%.
- c) Additionally, funding was set-aside for special targeting at an interest rate of 4.50% as follows:
  - (1) \$1,000,000 for purchases in HOPE VI and Front Porch Communities
  - (2) \$3,000,000 for purchases in Urban Infill and Targeted Areas
  - (3) \$1,000,000 for the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program
- d) On March 10, 2004, Staff authorized Leader Mortgage to combine the subsidized loan pools (HOPE VI and Front Porch, Section 523 Mutual Self-Help, and Urban Infill).
- e) Staff negotiated with the participant in the Builder program to relinquish unused allocation that could be better utilized in the Spot Pool. As a result, \$2,765,000 was reallocated from the Builder Pool to the Spot Pool.
- f) As of May 3, 2004, the following activity was reported:

Allocation Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Spot Pool	44,996,003	44,698,732	490	297,291	99.3
Builder	1,036,496	1,036,496	9	0	100
Front Porch and HOPE VI, Urban Infill, USDA Self Help, and Disabled Homebuyers	5,000,000	3,807,658	51	1,192,342	76.1
HAP D/P	Pooled	2,879,634	288	Pooled	N/A
HOME Loans	Pooled	2,806,955	190	Pooled	N/A

# SINGLE FAMILY BONDS

## *Informational*

### D. **Satisfactions**

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

Staff reflects the following information regarding satisfactions of Second Mortgages for the time period of January 1, 2004 to April 31, 2004:

<b>Program</b>	<b>Total \$ Amount of Payoffs</b>	<b>Total # of loans</b>
HAL/disasters	194,232	11
HOME (Perm & w/ Bonds)	1,131,583	104
HAP/HAP Perm	573,417	136
<b>Totals</b>	<b>1,899,232</b>	<b>251</b>

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

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

- a) On May 15, 2004, Staff participated in a homebuyer fair in Tallahassee hosted by the Tallahassee Lenders' Consortium (TLC). This was a time for potential first time homebuyers to gather information about homeownership and to better educate themselves on the homebuying process. Homebuyers were able to have their credit checked, meet with lenders, realtors, builders, counselors and other housing entities.
- b) Staff is in the process of negotiating and finalizing the contracts for the upcoming Single Family Marketing and Public Relations Campaign to promote the 2004 Series 1-2 Mortgage Purchase Program (First Time Homebuyer Program). The upcoming media and marketing campaign is scheduled to commence no later than the first week of June. The marketing and media campaign seeks to increase program awareness and provide greater access to financing for low to moderate income potential first-time homebuyers.
- c) Staff has been diligently working to finalize arrangements for several events that are scheduled for the month of June. These events are as follows:
  - (1) Media Event/Housewarming , June 18, 2004 @ 1:00 pm  
  
Immediately following the Florida Housing Board of Director's Meeting, Florida Housing will host a Media Event/Housewarming Party at the home of one of our newest first-time homebuyers who has successfully transitioned from Section 8 housing to her very own home.

## **SINGLE FAMILY BONDS**

### ***Informational***

- (2) Lender Appreciation Awards Dinner, June 18, 2004 @ 7:00 pm

In celebration of homeownership, Florida Housing will recognize our participating lenders throughout the state who have helped to make the Single Family Bond Program a huge success. The Lender Appreciation Awards Dinner will highlight the dedication and commitment that lenders have shown to affordable housing.

- (3) Central Florida Homebuyer Fair, June 19, 2004 @ 10:00 am

Florida Housing will co-host a free and fun-filled affordable housing fair at the Orlando/Orange County Convention Center (located next door to the Rosen Centre Hotel). This event will match low-to-moderate income homebuyers with local providers of affordable housing and other housing services. Potential first-time homebuyers will have the opportunity to receive helpful information from lenders, builders, real estate professionals, non-profit and for-profit housing specialists.

## UNIVERSAL CYCLE

### *Informational*

#### V. UNIVERSAL CYCLE

##### A. 2004 Universal Cycle – Update

###### 1. Background

- a) Preliminary scores for the 2004 Universal Cycle Applications were issued to Applicants on April 29, 2004.

###### 2. Present Situation

- a) Applicants had until 5:00 p.m., Eastern Time, on May 7, 2004, to file a written Notice of Possible Scoring Error (NOPSE) relative to the preliminary scoring of another Applicant's Application.
- b) A total of 80 NOPSEs were received for evaluation by staff. Most NOPSEs addressed multiple issues.
- c) Staff anticipates issuing NOPSE scores (reflecting either a change or no change to the preliminary score) on May 28, 2004. Upon receipt of the NOPSE scores, Applicants will be allowed to submit cures for nine days on curable items. After expiration of the cure period, Applicants may submit Notices of Alleged Deficiencies (NOADs) relative to another Applicant's cures.
- d) Staff anticipates issuing final scores on July 9, 2004.