

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
April 22, 2005  
**Information Items**



# FISCAL

## *Informational*

### I. FISCAL

#### A. Operating Budget Analysis for February 2005

##### 1. Background/Present Situation

- a) The Financial Analysis for February 28, 2005, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending February 28, 2005, is attached as [Exhibit B](#).

# **GUARANTEE PROGRAM**

## *Information*

### **II. GUARANTEE PROGRAM**

#### **A. General Information**

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

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

## LEGAL

### *Information*

### 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. 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

## **LEGAL**

### ***Information***

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.

## **LEGAL**

### ***Information***

#### **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

### *Information*

#### 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.
- e) On February 16, 2005, the informal hearing for these cases was held.

##### 2. Present Situation

Florida Housing awaits the issuance of the Recommended Order from the Hearing Officer.

## LEGAL

### *Information*

#### **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.

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

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.



# SINGLE FAMILY BONDS

## *Information*

### 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 March 31, 2005.
- b) Lendable proceeds totaling \$41,152,475 were made available and offered at an interest rate of 5.55%. There is currently \$16,659,648 available as of March 30, 2005.
- c) Lendable proceeds totaling \$5,400,000 were made available and offered at an interest rate of 6.25%. There is currently \$4,454,408 available as of March 30, 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 \$2,611,105 available as of March 30, 2005.
- e) As of March 30, 2005, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Low Rate Spot Pool	\$41,152,475	\$24,492,827	247	\$16,659,648	59.5
Assisted Spot Pool	\$5,400,000	\$945,592	8	\$4,454,408	17.5
Subsidized Rate Pool	\$5,000,000	\$2,388,895	27	\$2,611,105	49.8

## SINGLE FAMILY BONDS

### *Information*

#### **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 31, 2005.
- b) Lendable proceeds totaling \$70,653,640 were made available and offered at an interest rate of 5.46%. There is currently \$860,695 available as of March 30, 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 March 30, 2005, the following activity was reported:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Spot Pool	\$70,653,640	\$69,792,945	725	\$860,695	98.8
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) As of March 30, 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	\$189,634	39	Pooled	N/A
HAP D/P	Pooled	\$5,618,248	573	Pooled	N/A
HOME Loans	Pooled	\$7,061,922	428	Pooled	N/A

# SINGLE FAMILY BONDS

## *Information*

### C. Marketing and Outreach

#### 1. Background/Present Situation

- a) On April 1, 2005, Florida Housing attended the Community Development Block Grant (CDBG) anniversary event held at the State Capitol. A booth was set up to provide information on the various programs available to the public from Florida Housing. Staff was on hand to answer questions from potential homebuyers.
- b) Florida Housing partnered with the Tallahassee Lenders' Consortium to host the Spring 2005 Homebuyer Showcase held at the North Florida Fairgrounds on March 19, 2005, in Leon County. The event provided low to moderate income homebuyers an opportunity to meet with local providers of housing and housing services, builders, lenders, non-profit and for profit housing specialists, in addition to city, county, and state providers of affordable housing. There were approximately 300 people in attendance.
- c) On March 22, 2005, David Draper, attended a homebuyer workshop in Panama City hosted by the Housing Urban Development. This workshop was held to provide neighborhood representatives with information on first time homebuyer programs and related assistance to homebuyers. Staff provided information on Florida Housing's First Time Homebuyer program and downpayment assistance. This workshop was attended by many non-profit and government organizations that provide homeownership assistance.
- d) On March 24, 2005, Staff presented information on the First Time Homebuyer Program to potential homebuyers at the Tallahassee Urban League's monthly Homebuyers Education seminar.
- e) On March 18, 2005, Florida Housing issued an audio news release announcing the availability of first time homebuyer mortgages and additional down payment assistance options. The 60 second audio news release was distributed to 102 radio stations, with 52 of those stations airing it. This news release reached over 2.5 million listeners statewide.
- f) In addition, Florida Housing implemented its first time homebuyer advertising campaign statewide on March 25, 2005. The 30 second first time homebuyer television commercial will run for 90 days on statewide cable networks through a partnership placement with the Florida Cable Telecommunications Association. The commercial will run an estimated 5,000 times statewide during that time period. The 60 second first time homebuyer radio commercial will run for the next two to four weeks, depending on the market, and the first time homebuyer print ad will run in the local and homes sections of newspapers around the state for the next four to six weeks, depending on the market.
- g) Florida Housing is in the process of planning various activities for National Homeownership Month in June. Florida Housing plans to celebrate homeownership month in collaboration and partnership with other housing organizations and affiliates in the Central Florida area. Events include the 2005 Homebuyer Expo at the Orange County Convention Center on June 11, 2005, which will include Realtor CE Courses and an Affordable Housing Forum. Florida Housing will also host its Second Annual Lender Appreciation Awards

## SINGLE FAMILY BONDS

### *Information*

Dinner and networking reception at the Omni Rosen Hotel on International Drive on June 10, 2005.

#### V. UNIVERSAL CYCLE

##### A. 2005 Universal Cycle – Update

###### 1. Background

- a) Preliminary scores for the 2005 Universal Cycle Applications were issued to Applicants on March 18, 2005.
- b) Applicants had until 5:00 p.m., Eastern Time, on March 28, 2005, to file a written Notice of Possible Scoring Error (NOPSE) relative to the preliminary scoring of another Applicant's Application. A total of 126 NOPSEs were received for evaluation by staff. 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 April 15, 2005.

###### 2. Present Situation

Applicants have until 5:00 p.m., Eastern Time, on April 26, 2005, to submit cures on curable items. After expiration of the cure period, Applicants may submit Notices of Alleged Deficiencies (NOADs) relative to another Applicant's cures.