

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
October 31, 2008
Information Items



FISCAL
Information

I. FISCAL

A. Operating Budget Analysis for September 2008

- a) The Financial Analysis for September 30, 2008, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending September 30, 2008, is attached as [Exhibit B](#).

GUARANTEE

Information

II. GUARANTEE

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

SINGLE FAMILY BONDS

Information

III. SINGLE FAMILY BONDS

A. Single Family Bonds Information ([Exhibit A](#))

SPECIAL ASSETS

Information

IV. SPECIAL ASSETS

A. In Re: Brandon Creek

1. Background

- a) Brandon Creek Apartments, Limited d/b/a Summer Palms Apartments (“Brandon Creek”) is a 340 unit multifamily project in Hillsborough County, financed with \$14,000,000 nontaxable bonds and 1,200,000 in taxable bonds issued by Florida Housing Finance Corporation, and low income tax credits. A Land Use Restriction Agreement (“LURA”) per the bonds, filed on November 28, 2000, and an Extended Low Income Housing Agreement (“ELIHA”) per the tax credits, filed on October 3, 2001, restrict the occupancy of 100% of the units to families earning 60% or less of Area Median Income.
- b) On October 16, 2006, Brandon filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code, in the West Palm Beach division of the Bankruptcy Court of the Southern District of Florida, case number 06-15248-BKC-PGH.
- c) On April 4, 2007, Brandon Creek filed an adversary proceeding in the bankruptcy court seeking a declaratory judgment challenging the validity of land use restrictions imposed on the property by the LURA and ELIHA. Brandon Creek alleged that the LURA and ELIHA should be removed because operating costs, especially energy and insurance have increased substantially while area median income has not risen as quickly as anticipated in the project pro formas, thus the LURA and ELIHA impose unreasonable restrictions on the property. On April 30, 2007, Florida Housing filed a Motion to Dismiss the Complaint, contending that the land use restrictions are statutorily imposed regulations, thus may not be set aside due to changed conditions. Further Florida Housing argued in its motion that as these restrictions are grounded in the Internal Revenue Code, they may not be released by the bankruptcy court so that the project may be transferred free and clear of same.
- d) On October 1, 2008 after several continuances, a hearing was held on the debtors previously filed motion to dismiss the bankruptcy action. The Court denied the motion and agreed with the US Trustee to convert the bankruptcy from Chapter 11 to Chapter 7.

2. Present Situation

Fannie Mae has obtained relief from the stay to obtain a foreclosure judgment and to proceed to judicial sale. It is anticipated that this will occur in the first quarter of 2009. By law foreclosure will terminate the LURA and ELIHA on the development except for a three year prohibition against no-cause evictions required by the Internal Revenue Code.

UNIVERSAL CYCLE

Information

V. UNIVERSAL CYCLE

A. 2009 Universal Cycle

1. Background/Present Situation

- a) To solicit comments concerning Rule Chapters 67-21 and 67-48, F.A.C., and the 2009 Universal funding cycle, a public meeting was held following the August 8, 2008 Board meeting and rule development workshops were held on September 25, 2008 and October 30, 2008.
- b) Additional public comments will be solicited at a third rule development workshop scheduled for December 11, 2008.
- c) Staff anticipates submitting the proposed Rules, Application and Qualified Allocation Plan for Board approval in January 2009.