

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

September 10, 2004

Action Items



ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Action

I. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

A. Request Approval of 2004 Elderly Housing Community Loan (EHCL) Program Review Committee's Recommendation of Final Rankings

1. Background/Present Situation

- a) The EHCL Program provides loans of up to \$200,000 per originated loan to developers that are making substantial improvements to elderly housing for life safety, building preservation, health, sanitation, or security related issues.
- b) The EHCL Application Cycle opened on April 5, 2004 and closed on June 4, 2004 with \$1,080,000 available for funding. Two applications were received for this cycle.
- c) The EHCL Review Committee (Comprised of Derek Helms, Vicki Robinson, Robert Dearduff, William Aldinger of the Department of Elder Affairs and Marcus Hepburn of the Department of Community Affairs) met on August 16, 2004. The Review Committee recommends the attached final ranking ([Exhibit A](#)).

2. Recommendation

Approve the EHCL Review Committee's recommendation for final ranking and direct staff to issue preliminary commitment letters and proceed with all necessary credit underwriting activities for applications in order of ranking until all funding is allocated in accordance with Rule Chapter 67-32, Florida Administrative Code. The eligible applications will be Cathedral Towers for \$200,000 and College Arms for \$91,150.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Action

B. Request for Authority to Begin Rulemaking

1. Background/Present Situation

- a) In order to address necessary changes to Rule chapter 67-32, Florida Administrative Code, it is necessary to begin the rulemaking process.
- b) A public meeting will be held in October 2004 to solicit comments concerning Rule Chapters 67-32, F.A.C.
- c) Staff will advertise the rule making process as required.

2. Recommendation

Approve Staff's request to begin the rule development process by scheduling a rule development workshop.

HOMEOWNERSHIP LOAN PROGRAM

Action

II. HOMEOWNERSHIP LOAN PROGRAM

A. Request to Extend the Construction Period for Greater Ocala Homes/98HH-003

Applicant Name (“Applicant”):	Greater Ocala Community Development Corporation
Development Name (“Development”):	Greater Ocala Homes
Developer/Principal (“Developer”):	Greater Ocala Community Development Corporation/Charlena Kinsler
Number of Units: 4	Location: Marion County
Type: HOME Construction Loan	Allocated Amount: \$40,000

1. Background

- a) The Applicant submitted an application for the 1998 HOME Construction Loan Program Application Cycle.
- b) The Developer was issued a preliminary funding commitment in August of 1999 in the amount of \$40,000 for HOME Construction funds to build 4 homes in Marion County.
- c) On June 8, 2001, a firm commitment letter was issued to the Developer which stipulated a 3-year construction period beginning on August 31, 2001, the date of the loan closing.
- d) On December 17, 2003, the Developer requested an extension from January 2004 to September 2004, which was approved at the January 23, 2004 Board meeting.

2. Present Situation

- a) On August 5, 2004, the Developer requested an additional extension to complete the last home, citing a rise in construction costs and the need to change the contractor/builder because the third home took over a year to be completed. The current line of credit restricted the number of houses that may be under construction at any given time. The letter is attached as [Exhibit A](#).

3. Recommendation

- a) Staff recommends that the Board grant an extension of the construction period through January 31, 2005 to complete the Development.

HOMEOWNERSHIP LOAN PROGRAM

Action

B. Request Approval of Change of Amenities for Pueblo del Sol/99HH – 017

Applicant Name (“Applicant”):	Jubilee Community Development Corporation
Development Name (“Development”):	Pueblo del Sol
Developer/Principal (“Developer”):	Jubilee Community Development Corporation/Francis Gudorf
Number of Units: 44	Location: Miami-Dade
Type: HOME Construction Loan	Allocated Amount: \$1,097,662

1. Background

- a) The Applicant submitted an application during the 1999/2000 HOME Home Ownership Application Cycle.
- b) On August 1, 2003, the Board approved the final credit underwriting report dated July 29, 2003, and authorized staff to issue a commitment in the amount of \$1,097,662 for a HOME Construction Loan. According to the commitment letter, the loan was initially scheduled to close no later than November 4, 2003 and had an expiration date of December 31, 2004.
- c) Due to several delays relating to platting issues and the parking variance, the Developer has requested and received extensions of the loan closing date.
- d) At the July 30, 2004 meeting, the Board approved the extension of the loan closing date until December 8, 2004 and the firm commitment expiration from July 31, 2004 until December 8, 2005, one year from the date of the loan closing.

2. Present Situation

On August 19, 2004, the Developer requested approval of the substitution of tinted windows for solar screens or film, advising that tinted windows are more durable than solar film. A similar request was granted to this Developer for Jubilee Villas at the September 12, 2003 Board meeting. The letter is attached as [Exhibit B](#).

3. Recommendation

Staff recommends that the Board approve the substitution of tinted windows for the Pueblo del Sol Development.

HOMEOWNERSHIP LOAN PROGRAM

Action Supplement

I. HOMEOWNERSHIP LOAN PROGRAM

A. Request for Approval of the Analytical Review for Abidjan Estates/HH03-017

Applicant Name (“Applicant”):	We Help Community Development Corporation, Inc.
Development Name (“Development”):	Abidjan Estates
Developer/Principal (“Developer”):	Dr. D. M. Walker
Number of Units: 76	Location: Palm Beach County
Type: HOME Purchase Assistance Loan	Allocated Amount: \$2,000,000

1. Background

- a) At its January 23, 2004 meeting, the Board approved the final rankings for Round Two of the 2003 Homeownership Loan Program Cycle.
- b) On February 2, 2004, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to the Applicant for a HOME Purchase Assistance Loan in the amount of \$2,000,000 to assist in the construction of 76 homes in Palm Beach County.
- c) On May 24, 2004, Florida Housing granted a 60-day extension of time to submit all required information to the credit underwriter.

2. Present Situation

- a) The credit underwriter provided staff with an Analytical Review outlining the parameters of the proposed Development. The Analytical Review is attached as [Exhibit A](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$2,000,000 for a HOME Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$2,000,000 to the Developer for a HOME Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

LEGAL

Action

III. LEGAL

A. In Re: Orange County Falcon Trace Partners, Ltd. v. Florida Housing Finance Corporation

Development Name: (“Development”):	Falcon Trace Apartments
Developer/Principal: (“Developer”):	Orange Co. Falcon Trace Partners, Ltd.
Number of Units: 252	Location: Orange County
Type: Garden Apartments	Set Aside: 100% @ 60%
Demographics: Multi-family	Allocated Amount: SAIL \$2,000,000

1. Background

- a) On July 26, 2004, Orange County Falcon Trace Partners, Ltd. (“Falcon Trace”) filed with Florida Housing its “Petition for Formal Administrative Hearing Pursuant to Sections 120.569 and 120.57(1), Florida Statutes,” (the “Substantial Interests” petition) which challenged Florida Housing’s interpretation of the terms, “SAIL Equity,” and “Project Expenses,” as defined in R. 67-48.002(83) and 67-48.002(75), Florida Administrative Code (1998) as those terms were applied to calculate the contingent interest owed on Falcon Trace’s SAIL loan. Specifically, Falcon Trace protested Florida Housing’s decision to disallow its “Incentive Management Fee” as a project expense, and Florida Housing’s decision not to include the proceeds of a bridge loan as SAIL equity, both for purposes of calculating the amount of interest owed on the SAIL loan.
- b) On July 30, 2004, Falcon Trace filed its “Petition for Administrative Determination that Agency Statement Violates Section 120.54(1)(a), Florida Statutes, and for Administrative Determination That Unadopted Rule Is Invalid” (the “Nonrule Policy” petition) with the Division of Administrative Hearings. The Nonrule Policy petition sought a determination that Florida Housing’s decision to treat Falcon Trace’s incentive management fee as a partnership expense rather than a project expense (deductible from project cash flow) constituted an unadopted rule, and thus was invalid.
- c) On August 5, 2004, Florida Housing transmitted the Substantial Interests petition to DOAH, and moved to consolidate the two matters. On August 11, 2004, Administrative Law Judge Don W. Davis ordered the cases consolidated, with Formal Hearing set for August 30, 2004.
- d) On August 17, 2004, Florida Housing filed a Motion for Stay, based on its filing a Notice of Rule Development for publication in the August 27, 2004, edition of the Florida Administrative Weekly. The Motion was granted, with the formal hearing rescheduled for October 12-14, 2004, at the Division of Administrative Hearings.

2. Present Situation

Florida Housing’s staff is requesting the Board’s approval to proceed with rulemaking, to permanently resolve the issues in Falcon Trace’s Nonrule Policy petition. The remaining issues will be tried in October.

LEGAL

Action

3. Recommendation

That the Board approve publication of the proposed rule. Draft Rule will be supplied as a supplement.

MULTIFAMILY BONDS

Action

IV. MULTIFAMILY BONDS

- A. Request Approval of the proposed Interlocal Agreement between Florida Housing Finance Corporation and the Housing Finance Authority of Broward County, to allow the Refunding of Pembroke Village Apartments (“Development”), 2001 Series B, in the amount of \$27,455,000, Tax-Exempt Bonds, 480 units, located in Pembroke Pines, Broward County, Florida

DEVELOPMENT NAME (“Development”):	Pembroke Village Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Pembroke Apartments, LLC/ The Doe Fund
NUMBER OF UNITS:	480
LOCATION (County):	Pembroke Pines, Broward County
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	20% @ 50% MMRB 55% @ 80% MMRB
ALLOCATED AMOUNT:	\$27,455,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: Approval of Proposed Interlocal Agreement	

1. **Background**

In 2001, Florida Housing financed the acquisition and rehabilitation of the Development with \$27,455,000 in tax-exempt, 501(c)(3) bonds, designated as 2001 Series B.

2. **Present Situation**

- a) The Doe Fund, Inc. (“Doe Fund”) is the sole member of Pembroke Apartments, LLC (“Owner”) who owns the Development. The Doe Fund also has a controlling ownership interest in another Broward County affordable housing development, Pier Club Apartments (“Pier Club”). The Housing Finance Authority of Broward County (“Broward HFA”) financed the acquisition and rehabilitation of Pier Club in 1999 with the issuance of \$22,600,000 in tax-exempt, 501(c)(3) bonds.
- b) The Doe Fund is now seeking to restructure the financing for both Pier Club and the Development by refunding the bonds through the Broward HFA and combining them in to one issue. In order for the Broward HFA to issue the refunding bonds for the Development, it must enter in to an interlocal agreement with Florida Housing. A copy of the Broward County HFA request to enter in to an interlocal agreement is attached as [Exhibit A](#). A copy of the proposed interlocal agreement is attached as [Exhibit B](#).

3. **Recommendation**

Approve the proposed interlocal agreement between Florida Housing and the Broward HFA subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Action Supplement

I. MULTIFAMILY BONDS

- A. Request approval to amend the Loan Agreement for Palms at Vero Beach Apartments (“Development”), 2002 Series R in the amount of \$8,070,000 in Tax-Exempt Bonds and \$2,970,000 in Taxable Bonds, 259 units, located in Vero Beach, Indian River County, Florida

DEVELOPMENT NAME (“Development”):	Palms at Vero Beach Apartments
DEVELOPER/PRINCIPAL (“Developer”):	The Palms at Vero Beach, .P./MUDCO 4, Inc./AIG SunAmerica
NUMBER OF UNITS:	259
LOCATION (“County”):	Indian River County
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	80% @ 60% MMRB, 100% @ 60% HC
ALLOCATED AMOUNT:	\$8,070,000 Tax-Exempt Bonds and \$2,970,000 Taxable Bonds
ADDITIONAL COMMENTS: Request to amend Loan Agreement	

1. Background

- a) In December, 2002, Florida Housing financed the construction of the Development with \$8,070,000 in Tax-Exempt Bonds and \$2,970,000 in Taxable Bonds designated as 2002 Series R. At that time the owner was an affiliate of the Brisben Companies.
- b) On April 21, 2003, the Housing Credit Equity Provider, an affiliate of SunAmerica Affordable Housing Partners, Inc. removed Brisben Development, Inc. as General Partner of the owner.
- c) In June, 2003, Florida Housing approved the new General Partner, MBS GP 19, LLC whose sole member is MUDCO 4, Inc. and is wholly owned by MBA Properties, Inc.
- d) The Development is 100% complete and 49% occupied. No additional funds having been drawn from the proceeds of the construction loan since replacement of the General Partner.

2. Present Situation

- a) AIG Retirement Services Inc. (“AIGRS”), the construction phase credit facility provider in a letter dated August 27, 2004 ([Exhibit A](#)), has requested modifications to the Loan Agreement as follows:

Section 5.15(d) of the Loan Agreement requires the borrower to maintain a letter of credit in an amount equal to 25% of the construction cost until achievement of a 1.1 debt service coverage ratio for the loan and 90% occupancy for six consecutive months. This is not a typical requirement for release of a letter of credit to insure completion of construction. The Loan Agreement should be amended to permit release of this letter of credit upon completion of lien-free construction.

MULTIFAMILY BONDS

Action Supplement

- b) A recommendation letter from the Credit Underwriter dated August 31, 2004, is attached as [Exhibit B](#).

3. Recommendation

That the Board approve the amendment to the Loan Agreement subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MINUTES

Action

V. MINUTES

- A. Consider Approval of the July 30, 2004, [Board of Directors' Meeting Minutes](#).
- B. Consider Approval of the August 27, 2004, [Telephonic Board of Directors' Meeting Minutes](#).

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

VI. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Rule Development, Rule Chapter 67-38, Florida Administrative Code

1. Background/Present Situation

- a) In order to address necessary changes to Rule chapter 67-38, Florida Administrative Code, it is necessary to begin the rulemaking process. This process does not occur every year, but is undertaken when it is evident that changes need to be made.
- b) A public meeting will be held in October 2004 to solicit comments concerning Rule Chapters 67-38, F.A.C.
- c) Staff will advertise the rule making process as required.

2. Recommendation

Approve Staff's request to begin the rule development process by scheduling a rule development workshop.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

B. Approval of Loan from Predevelopment Loan Program funds for UDC-AHRP (PLP 03-048)

DEVELOPMENT NAME (“Development”):	UDC-AHRP
DEVELOPER/PRINCIPAL (“Developer”):	United Development Communities, Inc.
NUMBER OF UNITS:	8
LOCATION (County):	Miami-Dade
TYPE:	Homeownership
SET ASIDE:	100% @ 80%
ALLOCATED AMOUNT:	\$500,000
ADDITIONAL COMMENTS: This is the second loan for this type development for this developer in Miami-Dade. The first loan was fully repaid prior to this application being submitted.	

1. Background/Present Situation

- a) On May 12, 2004, Florida Housing issued an invitation to participate in the PLP program to the Developer. The Development will consist of 8 Homeownership units.
- b) On August 17, 2004, Florida Housing received a credit underwriting report ([Exhibit A](#)) and a positive recommendation from the credit underwriter assigned to this development.
- c) Staff has reviewed the credit underwriting report and has no additional comments.

2. Recommendation

Approve release of PLP funds in the amount of \$500,000 to the Developer for predevelopment costs as recommended by the Credit Underwriter and instruct legal staff to complete the necessary legal documents for closing.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

VII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Proposals (RFP) for the Development of Transitional Housing for Victims of Domestic Violence

1. Background

- a) At its February 27, 2004 meeting Florida Housing's Board authorized staff to issue a revised RFP to solicit additional proposals for the new construction and/or rehabilitation of transitional housing for victims of domestic violence and their children.
- b) An RFP process was initiated and RFP 2004/04 was issued on April 16, 2004. Responses to the RFP were due on or before 2:00 p.m., Friday, July 16, 2004.
- c) Two (2) responses were received. They are as follows:
 - (1) Hope Properties, Inc., Palm Bay, Florida, is requesting a loan in the amount of \$385,500.
 - (2) The Refuge House, Inc., Tallahassee, Florida, is requesting a loan in the amount of \$799,000 for Proposed Project 1; a loan in the amount of \$400,000 for Proposed Project 2; and a loan in the amount of approximately \$200,000 for Proposed Project 3.
- d) The Review Committee members, designated by the Executive Director, were Nancy Muller, Policy Director, Wallisa Cobb, Single Family Programs Administrator, Rob Dearduff, Special Programs Administrator, Keantha Belton, Special Programs Manager, and Carolyn Hayse, Multifamily Loans Senior Analyst.

2. Present Situation

The Review Committee reviewed the responses to the RFP individually prior to convening for the Review Committee meeting. The meeting was held on Wednesday, August 25, 2004.

3. Recommendation

The Review Committee recommends that the Board accept both responses received, Hope Properties, Inc., for a loan in an amount not to exceed \$385,500 and Refuge House, Inc., for a loan in an amount not to exceed a total of \$1,399,000 for three separate developments. The Review Committee further recommends that the Board authorize staff to assign the developments to a Technical Assistance Provider and Credit Underwriter. The developments will be presented to the Board for final approval if they receive a positive recommendation from the Technical Assistance Provider and Credit Underwriter.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VIII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval for Refinancing of First Mortgage for Edisto Lake Apartments, Cycle VI, (94S-042)

Development Name: Edisto Lake Apartments ("Development")	Location: Lee County
Developer/Principal: The Heritage Companies ("Developer")	Set-Aside: 20% @ 40% AMI and 80% @ 60% AMI
Number of Units: 376	Allocated Amount: \$2,822,781
Type: Garden Style	Total Housing Credit Equity: \$8,350,339
Demographics: Family	
MMRB: \$13,150,000 Local	

1. Background/Present Situation

- a) On August 29, 1995, the SAIL loan closed in the amount of \$2,822,781 for the Development. The outstanding principal balance is \$2,681,642 which is less than the original amount due to a 5% retainage that has yet to be released. Outstanding interest due on the SAIL Loan as of August 19, 2004 is \$1,767,208.56.
- b) On June 23, 2004, staff received a letter ([Exhibit A](#)) from the Developer's legal counsel to request a refinance of the first mortgage in the amount of \$6,250,000 from Branch Banking & Trust Company ("BB&T"). The first mortgage is held by KeyBank with a current outstanding balance of \$5,632,000 from the original \$8,450,000 construction loan (the construction loan has never converted to permanent). The interest rate for the Keynote loan is a variable rate estimated at approximately 5% currently. The new interest rate from BB&T is currently 4.64% which will be tied to their prime rate with a ceiling of 9% and a floor of 4.25%. The term of the BB&T loan is 5 years with a 20 year amortization.
- c) On August 25, 2004, Staff received an update to the credit underwriting report ([Exhibit B](#)) giving a favorable recommendation for the refinancing of the first mortgage from KeyBank to BB&T in the amount of \$6,250,000 with a \$468,846 paydown of existing SAIL accrued interest.

2. Recommendation

Approve the refinancing of the first mortgage for Edisto Lake Apartments, subject to the following conditions:

- (1) The SAIL Loan principal balance will be capped at the current level of \$2,681,642.
- (2) Confirmation, at closing, that all fees due and owing FHFC are current.
- (3) Confirmation, at closing, that The Heritage Companies has no outstanding non-compliance or past due issues.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- (4) Approval of the form of the first mortgage by FHFC or its legal counsel.
- (5) It is a condition of this recommendation that the SAIL loan accrued interest must be reduced by \$468,846.
- (6) The SAIL Loan shall maintain second priority lien after the substitution of the new first mortgage.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action Supplement

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request for Proposals (RFP) for New Construction/Substantial Rehabilitation of Commercial Fishing Worker/Farmworker Housing

1. Background

Florida Statute requires that a minimum of 10% of the annual SAIL appropriation be used to fund housing for farmworkers/commercial fishing workers and Florida Housing staff is seeking the most effective manner in which to allocate these funds.

2. Present Situation

Florida Housing expects to have \$4,500,000 available in SAIL program funds for this type of housing from CYCLE XVII (2005 Universal Application Cycle). Through discussions with appropriate stakeholders, staff has determined that pairing SAIL farmworker funds with USDA's Rural Development funds may be a very effective utilization of this set-aside. Due to the timing of Florida Housing's Universal Application Cycle, it has been difficult for Florida Developers to pair SAIL funding with Rural Development funds. For this reason, staff would like to award a portion of the SAIL farmworker/commercial fishing worker allocation through a Request for Proposal process prior to the opening of the regular 2005 Universal Application Cycle. This will enable Applicants to obtain a preliminary commitment of SAIL farmworker funds from Florida Housing prior to applying for federal funding through Rural Development programs.

3. Recommendation

Staff recommends the Board direct staff to draft and issue RFP to solicit proposals for the new construction and/or substantial rehabilitation of commercial fishing worker/farmworker housing.

SINGLE FAMILY BONDS

Action

IX. SINGLE FAMILY BONDS

A. Single Family Homeowner Program

1. Background

- a) Florida Housing sold its last new money single family bond issue (\$75 million 2004 Series 1&2) on March 24, 2004 to produce mortgage rates of 5.46% for the spot pool and 4.99% for the subsidized pool. The approximate pool balances are: \$24 million in the spot pool and \$2.5 million in the subsidized pool. Staff is requesting approval to issue up to \$100 million of new single family bonds to fund mortgages from what will be designated "2004 Series 5&6."
- b) Citigroup Global Markets is the proposed investment banking senior manager for this bond sale. The proposed legal team is as follows: Hawkins Delafield & Wood LLP bond counsel; Allen, Lang, Carpenter & Peed, P.A. disclosure counsel and Clyne & Self, P.A. special counsel.
- c) Florida Housing will continue to use Mortgage Backed Securities (MBS) to secure this single-family bond issue. This will be the fifth consecutive MBS bond issue under the 1995 Indenture.
- d) For the past four new money Single Family Homeowner Bond issues, Florida Housing staff has requested and received approval from the Board of Directors (Board) and State Board of Administration (SBA) to issue a larger Bond issue than what was ultimately closed. Current market conditions which produce a high cost of "negative arbitrage" (loss on investment bond proceeds prior to funding of the mortgages) have dictated selling bonds in smaller amounts in order to minimize this non-recoverable expense. These relative market conditions continue to exist. Therefore, Florida Housing is requesting approval of \$100 million for the bond sale in the event market conditions improve to the extent that it is financially prudent to issue a larger amount of bonds.

2. Present Situation

- a) The two key approvals needed to complete the bond process are Board approval and SBA approval. In order to work within the constraints of the meeting schedules of these two bodies and maintain the goal of having monies continuously available for lending in the single family homeowner program, it is necessary to obtain board approval of the proposed bond sale at the September 10, 2004 meeting. Although it is difficult to precisely determine when Florida Housing will deplete the remaining program funds from the last bond issue due to changing economic conditions and the current rate of reservations, it is estimated that these funds will be entirely reserved early in December 2004.
- b) Negative arbitrage for the 2004 1&2 bonds is covered by assets of the single family program and/or Florida Housing contribution and is significantly mitigated by investing the bond proceeds with the State Treasurer. If it is determined to be financially feasible, the 2004 5&6 program will also use the State Treasurer's fund.

SINGLE FAMILY BONDS

Action

- c) The details of the proposed 2004 5&6 issue are as follows:
- (1) Size: Not to exceed \$100,000,000 in lendable proceeds in one or more series.
 - (2) Mortgage Interest Rate: Not to exceed 7.00% for the spot pool. Citigroup Global Markets estimates current market conditions would produce a rate of 5.70% for the spot pool.
 - (3) Projected Origination Period: Fourteen Months
 - (4) Maximum Loan-to-Value: 105% Combined LTV
 - (5) Loan Types: Conventional, VA, Rural Development and FHA
 - (6) Second Mortgages: HAP Down Payment, HOME and HAML.
 - (7) Potential Certificate Providers: Ginnie Mae, Fannie Mae and Freddie Mac

[Exhibit A.](#) CSG Advisors Incorporated Method of Sale Letter

[Exhibit B.](#) Draft Program Summary

[Exhibit C.](#) Draft Terms Memorandum

[Exhibit D.](#) Authorizing Resolution

[Exhibit E.](#) Distribution List

3. Recommendation

That the Board approve the necessary funding, staff actions and resolution to permit the issuance of the proposed 2004 Series 5&6 Single Family Homeowner Mortgage Revenue Bonds.

STATE HOUSING INITIATIVES PARTNERSHIP (SHIP)

Action

X. STATE HOUSING INITIATIVES PARTNERSHIP (SHIP)

A. Rule Development – Rule Chapter 67-37, Florida Administrative Code

1. Background/Present Situation

- a) In order to address necessary changes to Rule Chapter 67-37, Florida Administrative Code, it is necessary to begin the rulemaking process.
- b) A public meeting will be held in October 2004 to solicit comments concerning Rule Chapters 67-37, F.A.C.
- c) Staff will advertise the rule making process as required.

2. Recommendation

Approve Staff's request to begin the rule development process by scheduling a rule development workshop.