

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
August 25, 2005  
Action Items



## 2005/2006 DOCUMENTARY STAMP TAX APPROPRIATION SPLIT

### *Action*

#### **I. 2005/2006 Documentary Stamp Tax Appropriation Split**

##### **A. Documentary Stamp Tax Allocation**

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

Each state fiscal year Florida Housing Finance Corporation is appropriated spending authority from documentary stamp tax collections in the State Housing Trust Fund (SHTF). This appropriation may be used to fund the State Apartment Incentive Loan Program (SAIL), the Predevelopment Loan Program (PLP), the Homeownership Assistance Program (HAP), HOME Match, Florida Affordable Housing Guarantee Program Debt Service, Affordable Housing Study Commission, the Catalyst Program and Florida Housing's contribution to the Housing Data Clearinghouse.

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

- a) For state fiscal year 2005/2006, Florida Housing has available spending authority of \$55,906,623 in the State Housing Trust Fund for programs.
- b) Each program area was given the opportunity to request funds from the 2005/2006 allocation based on program expectations.
- c) The chart at [Exhibit A](#) shows the historical allocation of funds to each of the programs and a recommended allocation of funds for the current state fiscal year.
- d) Staff recommends \$48,411,461 for SAIL based on the anticipated demand in the current state fiscal year.
- e) Staff recommends that no allocation be made for HAP this year. This program is going through a rigorous review which will result in changes to the program. Current program demands can be met by recycling repayments within the program.
- f) Staff recommends that no allocation be made for HOME match this year because Florida Housing's federal match obligation can be satisfied this year from other sources.
- g) Staff recommends that no allocation be made for PLP this year because program demands can be met through uncommitted funds and recycling repayments within the program.
- h) Staff recommends \$6,400,000 be allocated to the Guarantee Fund to satisfy the current year's principal portion of debt service on the program's capitalizing bonds.
- i) Staff recommends that \$280,000 be allocated to fund the Affordable Housing Study Commission to cover costs.

## 2005/2006 DOCUMENTARY STAMP TAX APPROPRIATION SPLIT

### *Action*

- j) Staff recommends that \$672,800 be allocated to fund the Catalyst Program to cover costs of the program.
- k) Staff recommends the allocation of \$142,362 to fund part of this year's payment to the Housing Data Clearinghouse. The remaining funds to cover this cost will come from the Local Government Housing Trust Fund.

### 3. **Recommendation**

Approve the suggested allocation of funds for the 2005/2006 state appropriation as shown in [Exhibit A](#).

# **APPOINTMENT OF EXECUTIVE DIRECTOR**

## ***Action Supplement***

### **I. APPOINTMENT OF EXECUTIVE DIRECTOR**

#### **A. Re: Appointment of Executive Director**

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

The Executive Director must have expressly delegated authority to execute documents on behalf of the corporation, and must have express authority to in turn delegate signature authority to select staff members to execute documents on behalf of the corporation.

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

- a) Resolution 2005-009 designates and authorizes Stephen P. Auger, Executive Director and Secretary, to be responsible for programs administered by Florida Housing, for as long as he is employed, to execute routine program documents, and such other documents as, in the judgment of the executive director, are necessary to assure market or program continuity, including but not limited to, contracts, notes, mortgages, loan closing documents, submittals, reports, amendments, checks, and such other documents as may be necessary for the operation of Florida Housing. Further, Resolution 2005-009 authorizes Stephen P. Auger, Executive Director, to delegate authority to execute routine documents, including but not limited to, contracts, notes, mortgages, loan closing documents, submittals, reports, amendments, checks, and such other documents as may be necessary for the operation of Florida Housing to the Chief Financial Officer, all Deputy Development Officers, the Director of Asset Management, and the General Counsel, for as long as they are employed by Florida Housing, effective September 13, 2005.
- b) Resolution 2005-010 designates and authorizes Steven Auger, Executive Director and Secretary, and Barbara Goltz, Chief Financial Officer, for as long as they are employed, to execute, and only one of them needs to execute, all documents necessary to effectuate the issuance of the Bonds, including the execution of the Bonds and the security documents underlying the same, as necessary to effectuate the issuance of the Bonds and the closing of the transactions. Such designation and authorization shall be deemed to apply to the issuance of Bonds and the closing of the transactions, effective September 13, 2005.
- c) Resolutions 2005-009 and 2005-010 continue the designations of Jan Rayboun, Wellington H. Meffert, II, and Wayne Conner as Assistant Secretaries.

##### **3. Recommendation**

Staff recommends that the Board adopt Resolutions 2005-009 and 2005-010.

## **ELDERLY HOUSING COMMUNITY LOAN (EHCL) PROGRAM**

### *Action*

## **II. ELDERLY HOUSING COMMUNITY LOAN (EHCL) PROGRAM**

### **A. Request for Authority to Begin Rulemaking**

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

- a) In Order to address changes to Rule Chapter 67-32, Florida Administrative Code, which governs the Elderly Housing Community Loan (EHCL) Program, it is necessary to begin the rulemaking process.
- b) A public meeting will be held in September 2005 to solicit comments concerning Rule Chapters 67-32, F.A.C.
- c) Staff will advertise the rulemaking 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*

### III. HOMEOWNERSHIP LOAN PROGRAM

**A. Authorize Staff to De-obligate HAP Funds for We Help Community Development Corporation (Non-Profit) for Pompano Beach Scattered Sites Development / HAP03-306**

<b>Applicant Name (“Applicant”):</b>	<b>We Help Community Development Corporation (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Pompano Beach Scattered Sites Development</b>
<b>Developer/Principal (“Developer”):</b>	<b>D.M. Walker</b>
<b>Number of Units: 12</b>	<b>Location: Pompano Beach, Broward County, Florida</b>
<b>Type: HAP Purchase Assistance Loan</b>	<b>Allocated Amount: \$360,000</b>

**1. Background**

- a) The Applicant submitted an application during Round One of the 2003 Homeownership Loan Program Cycle.
- b) On December 16, 2003, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to We Help Community Development Corporation for a HAP Purchase Assistance Loan in the amount of \$360,000 to assist in the construction of 12 homes in Broward County.

**2. Present Situation**

On July 18, 2005, the Developer requested that the HAP funds be reallocated, advising that the for-profit developer they were partnering with had withdrawn due to the increase in land and building costs. The letter is attached as [Exhibit A](#).

**3. Recommendation**

Staff recommends that HAP be de-obligated and made available for future use in other homeownership programs.

## HOMEOWNERSHIP LOAN PROGRAM

### *Action*

**B. Request Approval of Extension Request for the Completion Date for Ocala Housing Authority (Non-Profit) / Paradise Trails / 00HH-012**

<b>Applicant Name (“Applicant”):</b>	<b>Ocala Housing Authority (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Paradise Trails (fka King Estates)</b>
<b>Developer/Principal (“Developer”):</b>	<b>Gwendolyn Dawson</b>
<b>Number of Units: 18</b>	<b>Location: Ocala, Marion County, Florida</b>
<b>Type: HOME Purchase Assistance Loan</b>	<b>Allocated Amount: \$285,000</b>

**1. Background**

- a) During the 2000-2001 HOME Home Ownership Application Cycle, the Developer received preliminary funding for King Estates, in the amount of \$285,000.
- b) At the December 6, 2002 Board Meeting, the Board approved the substitution of the Paradise Trails development, because the environmental review for the King Estates property disclosed unacceptable conditions nearby (railroad tracks and gasoline storage tanks).
- c) The Board approved a final credit underwriting report and authorized Staff to issue a firm commitment upon completion of the environmental review process for the Paradise Trails property.
- d) On August 4, 2004, a firm commitment was sent, advising an expiration date of December 31, 2005, due to length of time since the funds were initially reserved.

**2. Present Situation**

- a) On July 8, 2005, the Developer requested a one-year extension of the completion date from December 31, 2005 to December 31, 2006, providing the required documentation for the extension in a timely manner. The letter is attached as [Exhibit B](#).
- b) The Developer experienced several construction delays in addition to the substitution of property, which includes changing the type of loan from a construction loan to purchase assistance loans to the homebuyers and the unavailability of contractors (initially there were to be 8 and now only 2 are willing to participate).
- c) The site plan has been approved and infrastructure has begun and should be completed by August 14, 2005.

**3. Recommendation**

Staff recommends that the Board grant the request to extend the completion date from December 31, 2005 to December 31, 2006, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

## HOMEOWNERSHIP LOAN PROGRAM

### *Action*

**C. Request Reduction of Units for Florida City Foundation, Inc. (Non-Profit) for Walkers Cove/HH02-013**

<b>Applicant Name (“Applicant”):</b>	<b>Florida City Foundation, Inc. (Non-Profit).</b>
<b>Development Name (“Development”):</b>	<b>Walkers Cove</b>
<b>Developer/Principal (“Developer”):</b>	<b>Matthew Price</b>
<b>Number of Units: 25</b>	<b>Location: Miami-Dade County, Florida</b>
<b>Type: HOME Purchase Assistance Loan</b>	<b>Allocated Amount: \$672,500</b>

**1. Background**

- a) The Applicant submitted an application during the 2002 Homeownership Loan Program Application Cycle. The Applicant scored within the funding range and was invited into credit underwriting on October 30, 2002.
- b) The final credit underwriting report, dated February 13, 2003, was approved at the March 2, 2003 Board Meeting.

**2. Present Situation**

- a) On August 3, 2005, the Developer requested a reduction of units from 25 to 24, advising that a prospective homebuyer did not income-qualify because of overtime pay. The homebuyer qualified at the time of application; however, as time progressed income had to be re-verified. Upon re-verification, the homebuyer no longer qualified under the HOME program. The Developer had been working with this homebuyer for three years awaiting the completion of these homes. The letter is attached as [Exhibit C](#).
- b) The sale of the home has already taken place. Due to the sale being completed prior to the Board allowing release of the unit from the commitment, Staff requests the HOME commitment be reduced by the amount that would have been allotted for the home (\$26,900).

**3. Recommendation**

Staff recommends that the Board approve the Developer’s request to reduce the number of units from 25 to 24 and reduce the funding amount from \$672,500 to \$645,600.



## HOMEOWNERSHIP LOAN PROGRAM

### *Action*

**D. Request Approval to Transfer a Lot for Florida Low Income Housing Associates, Inc. (Non-Profit) for the Citrus County Scattered Sites III Development / HH03-029**

<b>Applicant Name (“Applicant”):</b>	<b>Florida Low Income Housing Associates, Inc. (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Citrus County Scattered Sites III</b>
<b>Developer/Principal (“Developer”):</b>	<b>Pat Kenney</b>
<b>Number of Units: 30</b>	<b>Location: Citrus County, Florida</b>
<b>Type: HOME Purchase Assistance Loan</b>	<b>Allocated Amount: \$738,750</b>

**1. Background**

- a) At its July 30, 2004 meeting, the Board approved the final rankings for the 2003-2004 Homeownership Loan Program Supplemental Cycle.
- b) On August 2, 2004, Florida Housing issued an invitation into credit underwriting and the Analytical Review outlining the parameters of the proposed Development was approved at the June 10, 2005 Board meeting.

**2. Present Situation**

- a) Staff received a request from the Developer requesting approval to transfer a lot from Citrus County Scattered Sites II / HH02-003 to Citrus County Scattered Sites III / HH03-029. Both developments have been previously approved by Florida Housing.
- b) The Developer has utilized all of its funding under the Citrus County Scattered Sites II Development.
- c) Additionally, the Board has allowed the Developer to use the maximum down payment assistance allowed under the Homeownership Loan Program, up to 25% of the purchase price of each home pursuant to Rule Chapter 67-50, Florida Administrative Code. Home prices have increased dramatically over the years, which means that the funding allotted for this Development won't produce the number of units initially stated in the application.
- d) As a result of the escalating sales prices and the allowance to expend more HOME dollars on any one home, more units remain under the Citrus County Scattered Sites II Development. The Developer is requesting that the Board allow one of the lots approved under the Citrus County Scattered Sites II Development to be transferred to the Citrus County Scattered Sites III Development, allowing funding under the Citrus County Scattered Sites III Development to be used for the lot transferred. The letter is attached as [Exhibit D](#).

**3. Recommendation**

Staff recommends approval of the lot transfer from the Citrus County Scattered Sites II Development to the Citrus County Scattered Site III Development.

## LEGAL

### *Action*

#### IV. LEGAL

##### A. In Re: 2005 Universal Cycle Appeals

###### 1. Background

- a) On or before February 16, 2005, Applicants submitted applications to Florida Housing for the award of SAIL, MMRB or HOME funds and/or an allocation of Housing Credits in the 2005 Universal Cycle program.
- b) On March 18, 2005, 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) On or about June 16, 2005, petitioners filed 12 petitions challenging Florida Housing's scoring decisions. Requests for hearings are as follows:
  - (1) Eight applicants filed petitions requesting informal hearings which were heard before a contract hearing officer.
  - (2) One applicant filed a petition requesting a formal hearing. After review, Florida Housing determined that the petition did not set forth a disputed issue of material fact, and the matter was heard by a contract hearing officer.
  - (3) One applicant filed a petition for formal hearing and withdrew its petition before it was scheduled for hearing.
  - (4) One applicant filed a petition for informal hearing and withdrew its petition prior to hearing.
  - (5) One applicant filed a petition which was dismissed for failing to comply with the filing requirements of R. 28-106.104(2) and 28-106.301(2), Florida Administrative Code.
- d) Informal hearings were held before Florida Housing contract Hearing Officers on July 6, 11, 12 and 15, 2005.

###### 2. Present Situation

- a) The resulting Recommended Orders are attached as follows:
  - (1) [Exhibit A](#) - Postmaster Associates, Ltd. v. Florida Housing Finance Corporation, Case No. 2005-010UC;
  - (2) [Exhibit B](#) - Pinnacle Park, Ltd. v. Florida Housing Finance Corporation, Case No. 2005-008UC;
  - (3) [Exhibit C](#) - Villa Aurora, LLLP v. Florida Housing Finance Corporation, Case No. 2005-009UC;
  - (4) [Exhibit D](#) - Stadium Tower, Ltd. v. Florida Housing Finance Corporation, Case No. 2005-012UC;

## LEGAL

### *Action*

- (5) [Exhibit E](#) - Clermont RRH, Ltd./Sunny Hill Apartments v. Florida Housing Finance Corporation, Case No. 2005-015UC;
- (6) [Exhibit F](#) - Island Horizons Housing Limited Partnership v. Florida Housing Finance Corporation, Case No. 2005-017UC;
- (7) [Exhibit G](#) - Finlay Interests 35, Ltd. v. Florida Housing Finance Corporation, Case No. 2005-019UC;
- (8) [Exhibit H](#) - MBCDC: Villa Maria, LLC v. Florida Housing Finance Corporation, Case No. 2005-005UC; and
- (9) [Exhibit I](#) - Merry Place at Pleasant City Associates, Ltd. v. Florida Housing Finance Corporation, Case No. 2005-018UC.

### 3. **Recommendation**

- a) Staff recommends that the Board accept all of the Recommended Orders and the two withdrawals and enter Final Orders in these matters.

## LEGAL

### *Action*

#### **B. In Re: Park Richey Apartments, Ltd.**

<b>Development Name: (“Development”):</b>	<b>Regency Palm Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Park Richey Apartments, Ltd.</b>
<b>Number of Units: 8</b>	<b>Location: Port Richey, Florida</b>
<b>Type: multifamily apartments</b>	<b>Set Aside: 99%@ 60%</b>
<b>Demographics: family</b>	<b>Allocated Amount: \$2,000,000</b>
<b>MMRB: n/a</b>	<b>Housing Credits: n/a</b>

#### **1. Background**

- a) During SAIL Cycle XI (1999), Florida Housing awarded an allocation of \$2,000,000 to Park Richey Apartments, Ltd.
- b) On June 24, 2005, Florida Housing received a Petition for Waiver of Rule 28-104 of the Florida Administrative Code (“Petition”). A copy of the Petition is attached as Exhibit J. Petitioner was advised that Rule Chapter 67-48, Fla. Admin. Code, governs the SAIL program.
- c) On July 8, 2005, the Notice of Petition was published in the Florida Administrative Weekly.
- d) To date, Florida Housing has not received any comments concerning the Petition.

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

Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

#### **3. Recommendation**

Staff recommends the Board dismiss the Petitioner’s request for a waiver of Rule 28-104, Florida Administrative Code. Florida Housing does not have authority to grant a waiver from said rule as Florida Housing did not adopt said rule. Rule 28-104, Florida Administrative Code is part of the Uniform Rules of Procedure, adopted by the Governor and Cabinet, sitting as the Administration Commission, pursuant to Section 120.54(5), Florida Statutes.

## LEGAL

### *Action Supplement*

#### I. LEGAL

##### A. In Re: 2005 Universal Cycle Appeal – MerryPlace at Pleasant City Associates, Ltd. (MerryPlace)

###### 1. Background

- a) On February 16, 2005, Applicants submitted applications to Florida Housing for the award of SAIL, MMRB or HOME funds and/or an allocation of Low Income Housing Tax Credits in the 2005 Universal Cycle program.
- b) On May 25, 2005, Florida Housing notified all applicants of their score and 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) MerryPlace at Pleasant City Associates, Ltd. (“MerryPlace”) timely filed a petition for informal hearing.
- d) The informal hearing in this case was held on July 12, 2005. On August 11, 2005, the Hearing Officer filed his Recommended Order. The Recommended Order is attached as [Exhibit A](#), Supp. 1.
- e) On August 18, 2005, Respondent, Florida Housing, filed a Written Argument in Opposition to the Recommended Order (“Argument”), pursuant to R. 67-48.005, Fla. Admin. Code. The Argument is attached as [Exhibit B](#), Supp. 1.
- f) In its Argument, Florida Housing takes issue with two (2) of the Hearing Officer’s Conclusions of Law (i.e., Conclusions of Law number 6 and 7). Conclusions of Law number 6 is contrary to Rule 67-48.004(9). Conclusions of Law number 7 lacks competent substantial evidence in the Record to support it. For those reasons, Florida Housing is requesting that the Board reject Conclusions of Law number 6 and 7.

###### 2. Present Situation

The Board must address the Argument and enter a Final Order in this matter.

###### 3. Recommendation

Staff recommends the Board reject Conclusions of Law numbered 6 and 7, and enter a Final Order in this matter adopting all findings of fact, the remaining conclusions of law, and the recommendation of the Recommended Order.

## LEGAL

### *Action Supplement*

#### **B. In Re: 2005 Universal Cycle Appeal – MBCDC: Villa Maria LLC**

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

- a) On February 16, 2005, Applicants submitted applications to Florida Housing for the award of SAIL, MMRB or HOME funds and/or an allocation of Low Income Housing Tax Credits in the 2005 Universal Cycle program.
- b) On May 25, 2005, 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) MBCDC: Villa Maria LLC (“Villa Maria” or ‘Petitioner’) timely filed a petition for informal hearing.
- d) The informal hearing in this case was held on July 6, 2005. On August 9, 2005, the Hearing Officer filed her Recommended Order, attached hereto as [Exhibit C](#), Supp. 1. In this Recommended Order, the Hearing Officer recommends that this Board enter a Final Order ratifying Florida Housing’s scoring of the Villa Maria application.
- e) On August 16, 2005, Villa Maria, through counsel, filed a Written Argument in opposition to the findings of fact, conclusions of law and recommended disposition provided by the Hearing Officer in the Recommended Order. This Written Argument is attached hereto as [Exhibit D](#), Supp. 1. On August 23, 2005, Florida Housing filed its Response in Opposition to Petitioner’s Written Argument (“Response”). Florida Housing’s Response is attached hereto as [Exhibit E](#), Supp. 1.

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

The Board must address Villa Maria’s Written Argument and Florida Housing’s Response, and must enter a Final Order in this matter.

##### **3. Recommendation**

Staff recommends the Board reject Villa Maria’s Written Argument and enter a Final Order in this matter adopting, without changes, all findings of fact, conclusions of law, and the recommended disposition set forth in the Recommended Order.

## MINUTES

### *Action*

#### V. MINUTES

- A. Consider Approval of the July 22, 2005, [Board of Directors' Meeting Minutes](#).

## MULTIFAMILY BONDS

### *Action Supplement*

#### I. MULTIFAMILY BONDS

##### A. Request Approval to Assign Remarketing Agents for the Developments

<b>DEVELOPMENT NAME (“Developments”):</b>	<b>Ashley Lake Park Apartments The Oaks at Millcreek Apartments Village Place Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Developer” or “Owner”):</b>	<b>Teachers’ Retirement System of the State of Illinois/Capri Capital Advisors, LLC/Scott Kupferberg, and IBK Village Vinings, L.P./Invesco Core Real Estate/Ron Beneke/John Krieg</b>
<b>NUMBER OF UNITS:</b>	<b>300 360 202 (respectively)</b>
<b>LOCATION (“County”):</b>	<b>Palm Beach Duval Palm Beach (respectively)</b>
<b>TYPE (“Rental, Homeownership”):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>20% @ 65% (MMRB) 20% @ 65% 20% @ 65% (respectively)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$18,000,000 \$17,290,000 \$12,720,000 (respectively)</b>
<b>ADDITIONAL COMMENTS: Assignment of Remarketing Agent</b>	

##### 1. Background

- a) In August 1985, Florida Housing financed the construction of Ashley Lake Park (formerly known as Banyan Place) with \$18,000,000 in tax-exempt bonds, designated as 1985 Series W. Florida Housing refinanced the outstanding tax-exempt bond balance of \$18,000,000 in October 1998, designated as 1998 Series M.
- b) In November 1985, Florida Housing financed the construction of The Oaks at Millcreek with \$17,565,000 in tax-exempt bonds, designated as 1985 Series OO. Florida Housing refinanced the outstanding tax-exempt bond balance of \$17,290,000 in October 1998, designated as 1998 Series K.
- c) In November 1985, Florida Housing financed the construction of Village Place with \$13,660,000 in tax-exempt bonds, designated as 1985 Series LL. Florida Housing refinanced the outstanding tax-exempt bond balance of \$12,720,000 in October 1998, designated as 1998 Series L.
- d) At the July 22, 2005 Board Meeting, Florida Housing approved the purchase of Village Place by IBK Village Vinings L.P. from the Teachers’ Retirement System.

##### 2.



## MULTIFAMILY BONDS

### *Action Supplement*

#### **Present Situation**

- a) The Owner of Ashley Lake Park and The Oaks at Millcreek, in a letter dated August 16, 2005 ([Exhibit A](#)) requested a remarketing agent be appointed for the Developments. By separate letter dated August 12, 2005, the pending new Owner of Village Place ([Exhibit B](#)) requested a remarketing agent be appointed for that Development. The current interest rate on the Bonds expires on October 1, 2005 with the remarketing agent needed to determine the new rate. The existing documents require Florida Housing to appoint the remarketing agent.
- b) The Owners have also requested that Florida Housing allow the current bondholder to retain the Bonds, instead of tendering the Bonds, so they can be remarketed in a public offering or new private placement. The Owners state that the current bondholder is willing to retain the Bonds.

#### **3. Recommendation**

That the Board approve the Assignment of RBC Dain Rauscher as the Remarketing Agent for the Developments and allow current bondholders to retain the Bonds, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff and receipt of confirmation from the current bondholder that it is willing to retain the Bonds.

## **PROFESSIONAL SERVICES SELECTION (PSS)**

### ***Action***

## **VI. PROFESSIONAL SERVICES SELECTION (PSS)**

### **A. Request for Qualifications (RFQ) for Investment Banking Services**

#### **1. Background**

At its April 22, 2005 meeting Florida Housing's Board of Directors authorized staff to begin the solicitation process to select a pool of firms to act as investment bankers for negotiated and privately placed multifamily program transactions; select up to four (4) firms to manage or co-manage single family program transactions; select one (1) firm to act as investment banker for Florida Housing's Guarantee Program; and authorized the Executive Director to establish a Review Committee to make a recommendation for qualified investment bankers to the Board.

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

- a) An RFQ process was initiated and RFQ 2005-02 was issued on May 20, 2005. Responses were due on or before 2:00 p.m., Wednesday, June 22, 2005.
- b) Thirteen (13) Responses were received. They are as follows:
  - (1) Advest/Lebanthal a division of Advest, Inc.
  - (2) A.G. Edwards & Sons, Inc.
  - (3) Bear, Stearns & Co., Inc.
  - (4) Citigroup
  - (5) KeyBanc Capital Markets
  - (6) Merchant Capital, L.L.C.
  - (7) M.R. Beal & Company
  - (8) Newman & Associates, a division of GMAC Commercial Holding Capital Markets
  - (9) Raymond James & Associates, Inc.
  - (10) RBC Dain Rauscher Inc.
  - (11) Stern Brothers & Co.
  - (12) UBS Financial Services, Inc.
  - (13) Wachovia Bank, National Association

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

- c) The Review Committee members, designated by the Executive Director, were Wayne Conner, Deputy Development Officer, Barb Goltz, Chief Financial Officer, David Westcott, Multifamily Bonds Administrator, David Woodward, Multifamily Bonds Manager, and Elizabeth Loggins, Homeownership Loan Program Administrator.
- d) Each member of the Review Committee individually reviewed the Responses prior to convening for the Review Committee meetings. The Review Committee meetings were held at 2:00 p.m. on July 26, 2005 and 3:00 p.m. on August 3, 2005. Results of the Review Committee's evaluation of the scored items are provided as [Exhibit A](#).

### **3. Recommendation**

The Review Committee made the following recommendations:

- (1) Accept all of the Offerors who submitted Responses by the deadline to provide multifamily investment banking services;
- (2) Accept the top (4) four Offerors, UBS Financial Services, Inc., RBC Dain Rauscher Inc., Citigroup, and Bear, Stearns & Co., Inc., to provide single family investment banking services;
- (3) Accept Citigroup to provide investment banking services for Florida Housing's Guarantee Program; and
- (4) The Review Committee further recommended that all Offerors selected must provide to Florida Housing staff proof of professional liability errors and omissions insurance and evidence that they are authorized to do business in the State of Florida prior to entering into contract negotiations, unless previously submitted in their Response.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Affordable Housing Locator Subscription Service Request for Proposals (RFP)**

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

Florida Housing Finance Corporation regularly receives requests for assistance in locating affordable housing throughout Florida. Many of these inquiries are made on behalf of people with disabilities, frail elders, and households with extremely low incomes. Advocates and service providers for homeless people and people with disabilities have stressed a need for an easier way to search for housing for consumers. Currently, Florida Housing's website and the Shimberg Center for Affordable Housing's Florida Housing Data Clearinghouse website provide a searchable list of affordable rentals. However, the listings provided lack the detail needed to be useful to consumers.

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

- a) See [Exhibit B](#), Executive Summary, for additional information about this service.
- b) The creation of an affordable housing locator would benefit residents of Florida, future residents, and all the state and local agencies that serve special needs populations by providing an easily accessible resource for affordable housing in Florida.

##### **3. Recommendation**

Authorize Florida Housing staff to begin the solicitation process to select one entity to provide affordable housing locator services and authorize the Executive Director to establish a Review Committee.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### C. Acquisition of Land by Community Land Trusts for Affordable Housing Request for Proposals

##### 1. Background

- a) Florida Housing staff has determined that there is a need in Florida for affordable housing provided via Community Land Trusts (CLTs) in order to preserve and maintain the affordability of housing in perpetuity for low to moderate income families. Florida Housing is seeking approval to solicit sealed proposals from qualified Offerors for land acquisition that will ultimately be used to provide housing in accordance with the terms and conditions of a Request for Proposals (RFP), applicable state and Federal laws and regulations relative to the Home Investments Partnerships Program (HOME), and Florida Housing's generally applicable underwriting standards.
- b) Florida Housing staff is particularly concerned about the loss of affordable home ownership stock when families who have received homebuyer assistance sell their homes and move. The CLT model provides a proven model to ensure that such housing remains affordable in perpetuity, and a number of local governments have expressed interest in implementing this model. Florida Housing wants to examine the role it can play in assisting CLTs in developing their programs with the objective of increasing the stock of affordable housing that remains affordable in perpetuity.

##### 2. Present Situation

- a) See [Exhibit C](#), Executive Summary, for additional information.
- b) Funding under an RFP may be used for acquisition of vacant land or the acquisition of land with improvements. Land banking is prohibited under the HOME program. If the Offeror is contemplating purchasing vacant land, construction activities must begin within 12 months of award of funding. Total funding under this RFP is proposed at \$5 million. Special targeting will be done for CLT housing in the Florida Keys with up to \$2 Million awarded to CLTs in the Florida Keys as long as the minimum threshold requirements are met.

##### 3. Recommendation

Authorize Florida Housing staff to issue an RFP in order to solicit proposals from CLT's for acquisition of land for affordable housing and authorize the Executive Director to establish a Review Committee.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **D. Requests for Proposals (RFP) for the Refinancing and Rehabilitation of Elderly Properties originally financed by HUD under its Section 202 Program**

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

At its April 22, 2005 meeting Florida Housing's Board of Directors authorized staff to solicit proposals for the refinancing and rehabilitation of elderly properties originally financed by HUD under its Section 202 program through the use of FHFC bonds and HOME and/or other FHFC funds.

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

- a) An RFP process was initiated and RFP 2005-03 was issued on June 3, 2005. Responses were due on or before 2:00 p.m., Friday, June 24, 2005.
- b) Six (6) Responses were received. They are as follows:
  - (1) Casa San Pablo (SPM/BREC Development)
  - (2) DeSoto Towers (DeSoto Towers, Inc.)
  - (3) Florida Christian Manor, Inc., aka Sundale Manor (Christian Church Homes of Northern California)
  - (4) Jefferson Center (Jefferson Center, Inc.)
  - (5) Lake Region Homes (Lake Region Homes, Inc.)
  - (6) Lutheran Apartments (Lutheran Residences, Inc.)
- c) The Review Committee members, designated by the Executive Director, were David Westcott, Multifamily Bonds Administrator, Rob Dearduff, Special Programs Administrator & Local Government Liaison, Carolyn Hayse, Multifamily Loans Manager, Brian Williams, Guarantee Program Senior Analyst, Matt Jugenheimer, Asset Management Manager, and Jan Rayboun, Loan Closing Coordinator.
- d) Each member of the Review Committee individually reviewed the Responses prior to convening for the Review Committee meetings. The Review Committee meetings were held at 10:30 a.m. on July 18, 2005 and August 8, 2005.

##### **3. Recommendation**

The Review Committee ranked the developments in the following order and recommends funding of all six (6) of the developments, subject to positive credit underwriting and availability of funding:

- (1) Jefferson Center (Jefferson Center, Inc.)
- (2) Lutheran Apartments (Lutheran Residences, Inc.)

## **PROFESSIONAL SERVICES SELECTION (PSS)**

### ***Action***

- (3) Florida Christian Manor, Inc., aka Sundale Manor (Christian Church Homes of Northern California)
- (4) Casa San Pablo (SPM/BREC Development)
- (5) DeSoto Towers (DeSoto Towers, Inc.)
- (6) Lake Region Homes (Lake Region Homes, Inc.)

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action Supplement*

#### **I. PROFESSIONAL SERVICES SELECTION (PSS)**

##### **A. Request for Proposals (RFP) for Auditing Services**

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

At its January 14, 2005 meeting Florida Housing's Board of Directors authorized staff to issue an RFP for auditing services and authorized the Executive Director to establish a Review Committee to make a recommendation for an independent certified public accounting firm to the Board.

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

- a) An RFP process was initiated and RFP 2005-02 was issued on May 20, 2005. Responses were due on or before 2:00 p.m., Friday, July, 2005.
- b) Four (4) Responses were received by the deadline. They are as follows:
  - (1) Clifton Gunderson LLP
  - (2) Deloitte & Touche LLP
  - (3) KPMG LLP
  - (4) Reznick Group, P.C.
- c) The Review Committee members, designated by the Executive Director, were Barb Goltz, Chief Financial Officer, Wayne Conner, Deputy Development Officer, Todd Fowler, Special Assets Director, Angie Sellers, Comptroller, Kirstin Helms, Assistant Comptroller, and Denise Monzingo, Accounting Manager.
- d) Each member of the Review Committee individually reviewed the Responses prior to convening for the Review Committee meetings. The Review Committee meetings were held at 10:30 a.m. on August 9, 2005 and August 11, 2005.
- e) At the August 9, 2005 meeting the Review Committee unanimously voted to reject the Response submitted by KPMG LLP for failure to include and provide the Certification Statement as required in Section Six, paragraph E., of the RFP, which was a mandatory requirement.
- f) Results of the Review Committee's evaluation of the scored items are provided as [Exhibit A](#).

###### **3.**



## **PROFESSIONAL SERVICES SELECTION (PSS)**

### ***Action Supplement***

#### **Recommendation**

- a) Accept Deloitte & Touche LLP to provide Auditing services and direct staff to enter into contract negotiations once all contingencies of the RFP are met. If contract negotiations with Deloitte & Touche LLP fail, authorize staff to enter into contract negotiations with Clifton Gunderson LLP. If contract negotiations fail with Clifton Gunderson LLP authorize staff to enter into contract negotiations with Reznick Group, P.C.
- b) The Review Committee also moved to forward the results of any reference checks, which are referred to in Section Six, paragraph B.3, of the RFP, along with their scores to the Board for consideration. The responses to the reference checks were not available prior to the August 11, 2005 Review Committee meeting. Therefore, the Review Committee was unable to use the reference checks in their evaluations of the Responses.

## **SINGLE FAMILY BONDS**

### ***Action***

## **VII. SINGLE FAMILY BONDS**

### **A. Single Family Homeowner Program**

#### **1. Background**

- a) Florida Housing sold its \$50 million 2005 Series 1 Bonds on June 16, 2005 which resulted in single family mortgage program rates of 5.99% for assisted loans, 5.49% for low rate loans and 4.99% for subsidized and community loans. Florida Housing is requesting approval to issue up to \$130,000,000 of additional single family bonds to (a.) provide up to \$105,000,000 in funding for new mortgages, and (b.) refund up to \$25,000,000 of Florida Housing's outstanding bonds. The new bonds are referred to as Phase Two Bonds and would be designated Homeowner Mortgage Revenue Bonds, [multiple series to be determined].
- b) Consistent with normal rotation of senior managers, Bear, Stearns & Co., Inc. would serve as senior managing investment banker for the negotiated sale of the 2005 Phase Two Bonds. Greenberg Traurig, P.A. and Edwards & Associates would serve as co-bond counsel and Shuffield, Lowman would serve as special counsel including preparation of Florida Housing's disclosure documents.
- c) The 2005 Phase Two Bonds are expected to be rated "AA" by Standard & Poor's Ratings Services, "Aa2" by Moody's Investors Service, and "AA" by Fitch Ratings. It is anticipated the 2005 Phase Two Bonds and any additional new money bonds issued under the 1995 Indenture for the foreseeable future will be secured by guaranteed mortgage securities.
- d) Based on current program utilization and other timing considerations it is anticipated the 2005 Phase Two Bonds would be priced during the month of October, 2005 with a closing scheduled four to eight weeks later to minimize negative arbitrage.

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

- a) Authorization necessary to issue the 2005 Phase Two Bonds requires (1) adoption of an authorizing resolution by Florida Housing's Board and (2) approval of the plan of finance by the State Board of Administration. To work within the constraints of regularly scheduled public meetings and maintain Florida Housing's goal of providing continuously available single family mortgage funding, the authorizing resolution for the 2005 Phase Two Bonds is presented for consideration at Florida Housing's August 25, 2005 meeting. Based on the current rate of production, the 2005 Series 1 program resources are expected to be entirely committed to mortgage loans by late September or early October, 2005. It is possible, due to timing of required authorization, funding available under the 2005 Series 1 Bonds may be fully utilized before the 2005 Phase II Bonds are priced and closed. Authorization is therefore necessary to utilize other monies available to Florida Housing to provide ongoing funding for the single family mortgage program.

## **SINGLE FAMILY BONDS**

### ***Action***

- b) Final sizing, structuring and other decisions relating to the 2005 Phase II Bonds will be made based on production, program changes and market conditions under advisement of CSG Advisors closer to the time of the anticipated transaction. Issuance costs and capitalized interest for the 2005 Phase Two Bonds will be funded with assets available under the single family bond indenture and/or by a contribution from Florida Housing's general funds. Actual negative arbitrage has in the past been reduced by a shorter origination schedule and by investing bond proceeds with the State Treasurer's fund which in recent history has paid a higher rate of interest than would have been achieved by investing in a Guaranteed Investment Contract (GIC) or in other qualified investments. If determined to be financially advantageous to Florida Housing, all or a portion of the 2005 Phase Two Bond proceeds will be invested in the State Treasurer's fund.
- c) Summary of Proposed 2005 Phase Two Bonds:
- (1) Principal Amount: Not to exceed (a) \$105,000,000 in long term fixed rate bonds in one or more series to finance new mortgage loans, and (b) \$25,000,000 long term bonds to refund Florida Housing's 1995 Series 1 & 2 outstanding bonds.
  - (2) Reimbursement Amount: Not to exceed \$10,000,000 from available funds with the expectation that any funds committed will be reimbursed with proceeds of the 2005 Phase II Bonds or with proceeds of other bonds issued by Florida Housing.
  - (3) Mortgage Rates: Not to exceed 7.00% for any pool of mortgages. Bear, Stearns & Co., Inc. estimates current market conditions would result in full spread mortgage rates of approximately 6.35% for the assisted rate loan and 5.625% for the low rate loan, 4.99% for the community loan and 4.99% for the subsidized loan.
  - (4) Origination & Delivery Period: Four to Six Months Production with up to Twelve Months Delivery Period.
  - (5) Maximum Combined Loan-to-Value: 105% of the lesser of the appraised value or the purchase price of the property except in the case of a person with disability as defined by the Americans with Disabilities Act in which case the combined loan-to-value may be up to 120% with certain restrictions.
  - (6) Loan Types: Conventional, VA, Rural Development and FHA.
  - (7) Second Mortgages: HOME, HAP Down Payment, HOME and HAMI.
  - (8) Guaranteed Mortgage Securities: Ginnie Mae, Fannie Mae and Freddie Mac

## SINGLE FAMILY BONDS

### *Action*

- d) Private Activity Tax-Exempt Bond Resources Available
  - (1) \$44,690,000MM of tax exempt bond authority outstanding in the liquidity advance line at the FHLB
  - (2) \$76 MM of 2003 carry-forward
  - (3) \$179 MM of 2004 carry-forward
- e) Corporation will have additional funds available from 2005 Private Activity Cap.

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

[Exhibit B](#) - Draft Program Details

[Exhibit C](#) - Draft Terms Memo

[Exhibit D](#) - Authorizing Resolution

[Exhibit E](#) - Distribution List

### 3. **Recommendation**

Staff recommends the Board approve the necessary funding (including reimbursable amounts to provide program funding between bond issues), staff actions and resolution to permit the issuance of the proposed Phase II Homeowner Mortgage Revenue Bonds, 2005 [multiple series to be determined].

## **UNIVERSAL CYCLE**

### ***Action***

#### **VIII. UNIVERSAL CYCLE**

##### **A. 2005 Universal Cycle Ranking**

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

Upon Board approval of the recommended orders, staff will present the final ranking of the Applications for the Board's consideration and approval. Staff will provide supplemental materials at the Board meeting.

###### **2. Recommendation**

Approve the ranking and direct staff to proceed with the issuing of invitations to credit underwriting and preliminary commitment letters to those Applicants that are in the funding range.