

FHFC II, INC.

Action

I. FHFC II, INC.

A. Delegation of Authority to Staff to Sell any Property Conveyed or Acquired by FHFC II

1. Background

On July 30, 2008, FHFC II, Inc. ("FHFC II") was incorporated as a wholly-owned subsidiary of Florida Housing Finance Corporation for the purpose of taking title to and/or managing and/or disposing of property acquired by Florida Housing from time to time through any of Florida Housing's various programs. The By-Laws of both subsidiaries adopted Florida Housing's Rule Chapters 67-48, 67-49, 67-52, 67-53, Fla. Admin. Code, and all rules of Florida Housing regarding fees, as amended, as By-Laws. The By-Laws further provided that other instruments or documentation in connection with managing the business and regulating the affairs of the Corporation will also be adopted as By-laws and will govern the subsidiaries.

2. Present Situation

- a) FHFC II, has taken management control and/or ownership of four properties. FHFC II's By-Laws do not include a provision authorizing staff to select an offer and proceed with the sale of a property where the necessity to act arises between meetings of the Board of Directors.
- b) Effective September 26, 2008, by Resolution No. 2008-002, the FHFC II Board authorized the Executive Director of Florida Housing, to contract on behalf of FHFC II from among the vendors and or service providers presently engaged by Florida Housing under the contracts for Special Counsel Services Contracts, Environmental Engineering/Consulting Services, Management Company Services, Real Estate Brokerage Services. FHFC II contracts for property management services from among a pool of companies approved by the Board to process, manage, conserve, protect and operate its properties in accordance with sound business practices and applicable laws and regulations, including applicable HUD regulations. With the assistance of a real estate broker within the pool of brokers approved by the Board, a marketing and disposition plan will be prepared outlining the strategy for disposing the property at the earliest practicable and reasonable time, on commercially reasonable terms, taking into account market conditions and the legal and regulatory requirements.
- c) Due to the unique nature of each transaction in rapidly changing markets, it may become necessary that FHFC II authorize or contract for a sale or conveyance of a property held by FHFC II between Board meetings. Staff is requesting specific delegation to the Executive Director, and in the Executive Director's absence, to the Chief Financial Officer and General Counsel acting together, with the advice of Florida Housing's financial advisor, to select and approve an offeror for the sale of any property held by FHFC II staff will bring the issue before the Board for ratification at the earliest regularly scheduled Board meeting following such decision.

3. Recommendation

That the Board adopt Resolution 2009-03, authorizing the delegation to staff as outlined above.