

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
August 8, 2008  
Information Items



**FISCAL**  
***Information***

**I. FISCAL**

**A. Operating Budget Analysis for June 2008**

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

## **GUARANTEE PROGRAM**

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#### **II. GUARANTEE PROGRAM**

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

## LEGAL

### Information

### III. LEGAL

#### A. In Re: Creative Choice Homes XXV, Ltd. - FHFC Case No. 2006-006GA

<b>Development Name: (“Development”):</b>	<b>Villas at Palm Bay</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Creative Choice Homes, Inc.</b>
<b>Number of Units: 160</b>	<b>Location: Brevard County</b>
<b>Type: Resort –style Condominium</b>	<b>Set Asides: 80% @ 50% AMI Rental 80% @ 50% AMI Ownership</b>
<b>Demographics: Workforce</b>	

#### 1. Background/Present Situation

- a) On December 15, 2006, Creative Choice Homes XXV, Ltd., (“Petitioner”) responded to RFP 2006-05, seeking \$ 5,000,000 in funding through the Community Workforce Housing Innovation Pilot Program (“CWHIP”), for a resort-style condominium complex in Brevard County, Florida, known as Villas at Palm Bay (“Development”). CWHIP was created by Chapter 2006-69, § 27, Laws of Florida, to incentivize production of innovative projects by public-private partnerships for the construction or rehabilitation of housing for essential service personnel and persons whose incomes generally do not exceed 140% of area median income.
- b) In its Response, Petitioner described the development as “completed and ready for occupancy.” On December 5, 2006, Florida Housing’s RFP review committee found the development ineligible for funding, as it was neither “new construction” nor “rehabilitation,” based on Petitioner’s Response to the RFP. The determination that the project was ineligible for funding was adopted by the Board on January 26, 2007.
- c) Petitioner filed a petition protesting the determination of ineligibility. After a determination that no disputed issue of material fact was raised in the Petition, a hearing was held under sections 120.569 and 120.57(2), Florida Statutes, before Florida Housing’s Hearing Officer, Diane D. Tremor, on March 6, 2007. On April 2, 2007, the Hearing Officer filed a Recommended Order, which recommended that the Board enter a Final Order finding that Florida Housing correctly determined that Petitioner’s project was ineligible for CWHIP funding. Petitioner filed Written Argument in response to the Recommended Order. The Board issued its Final Order adopting the Recommended Order in its entirety on April 2, 2007.
- d) Petitioner filed a Notice of Appeal in the First District Court of Appeal on May 25, 2007. After all briefs were filed, Oral argument was heard on June 24, 2008.
- e) The First District Court of Appeal filed its opinion on July 17, 2008, reversing Florida Housing’s Final Order, and remanding the case. The Court directed Florida Housing to score Creative choice’s response to the RFP, but specifically stated, “On remand, priority consideration for ‘new construction’ or other factors, alone or in combination, may preclude FHFC’s making a CWHIPP loan to Creative Choice. We do not decide those questions.” Florida Housing’s review committee will reconvene to score the proposal.
- f) A copy of the Order is attached as [Exhibit A](#).

**MULTIFAMILY BOND REVENUE BOND PROGRAM**

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**IV. MULTIFAMILY BOND REVENUE BOND PROGRAM**

**A. Multifamily Bond Revenue Bond Program Information ([Exhibit A](#))**

## **SINGLE FAMILY BONDS**

### *Information*

#### **V. SINGLE FAMILY BONDS**

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

## STATE HOUSING INITIATIVES PROGRAM (SHIP)

### *Information*

#### VI. STATE HOUSING INITIATIVES PROGRAM (SHIP)

##### A. Report to the Board on the Online Survey of SHIP Stakeholders

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

- a) In April and May, Florida Housing conducted an online survey of SHIP program stakeholders. The list of stakeholders included banks, mortgage brokers, realtors, developers, non profit housing providers, government staff and others who participate in the SHIP program through the various local governments throughout the state.
- b) The purpose of the survey was to gauge the performance level of the SHIP program at the local and state level and to receive recommended changes to the program and processes. A copy of the survey questions is attached as [Exhibit A](#).
- c) The results of the survey are highlighted in the attached summary ([Exhibit B](#)) and the listing of detailed comments submitted by survey respondents ([Exhibit C](#)). Many of the comments submitted are similar to comments we have heard from time to time from stakeholders. Although most of the respondents had positive feedback for the program, some of the issues that were most often mention include the need to expedite the local SHIP application process, making the program process easier to understand and providing additional staff or training for existing SHIP staff at the local level.
- d) Florida Housing staff has reviewed all results and including specific comments submitted by respondents. These results and comments are being addressed directly with the local government staff affected by particular comments. Staff is working directly with the locals as well as assigning technical assistance where necessary.

## SPECIAL ASSETS

### *Information*

#### VII. SPECIAL ASSETS

##### A. In Re: Nia Terrace

###### 1. Background

- a) Nia Terrace Apartments (Nia Terrace) is a 237 unit multifamily development in Duval County, financed with a \$632,350 SAIL loan with a maturity date of March 1, 2031. A Land Use Restriction Agreement (“LURA) per the SAIL loan, filed on March 18, 1996, restricts the occupancy of 50% of the units to families earning 60% or less of Area Median Income. The Development is also financed with Duval County Housing Finance Authority bonds with a mortgage note assigned to SunTrust Bank, as Trustee under the Trust Indenture dated February 1, 2001 and, Federal National Mortgage Association (FNMA) securing repayment of the original principal amount of \$4,000,000.
- b) On January 15, 2008, Plaintiff, FNMA, served a lawsuit on Florida Housing. FNMA filed the lawsuit in the Circuit Court in Duval County seeking to foreclose the mortgage on Nia Terrace. First Coast Families Foundation, Inc. (f/k/a VCP Housing Foundation, Inc.) (Borrower) failed to make the principal and interest payment due on October 1, 2007. The complaint also requests an action on the note and an action to foreclose the security interest.
- c) Florida Housing filed its answer to the Complaint on February 5, 2008. On February 6, 2008, the Circuit Court granted FNMA’s Motion for appointment of a receiver. On March 20, 2008, FNMA filed a Motion for Summary Judgment. On March 25, 2008, the Circuit Court entered an Order Setting Case for Non-Jury Trial on June 20, 2008. On March 28, 2008, the Circuit Court amended the hearing date to April 18, 2008. A hearing was held and an Order granting the Motion for Summary Judgment was entered on April 18, 2008. On April 24, 2008 and again on May 15, 2008, FNMA moved to re-open the foreclosure case to amend their final judgment of foreclosure. The Court ruled on these Motions and amended the Final Judgment. The foreclosure sale was set and held on May 21, 2008.

###### 2. Present Situation

Blue Valley Apartments, Inc. (a FNMA related entity) was the winning bidder at the foreclosure sale and a certificate of title was issued June 6, 2008. The SAIL Loan was written-off and the set-aside restrictions were automatically terminated per the LURA.

#### VIII. UNIVERSAL CYCLE

##### A. 2008 Universal Cycle Update

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

- a) Notice of Possible Scoring Error (NOPSE) scores were issue on June 5, 2008.
- b) Applicants had until 5:00 p.m., Eastern Time, on June 16, 2008, to file cures relative to items which, during preliminary and/or NOPSE scoring, failed to



## UNIVERSAL CYCLE

### *Information*

receive maximum points, maximum proximity points and/or failed threshold, as applicable. Cures were received from 152 Applicants. Applicants then had until 5:00 p.m., Eastern Standard Time, on June 24, 2008, to file a written Notice of Alleged Deficiency (NOAD) relative to another Applicant's cure. A total of 120 NOADs were received.

- c) Final scores and a notice of appeal rights were issued to each Applicant on July 16, 2008. Petitions for Hearings are due no later than 5:00 p.m., Eastern Time, on August 7, 2008. Informal appeal hearings will be scheduled for late August. Final orders and final rankings will be presented to the Board for approval at its September 26, 2008, meeting.