

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
March 14, 2008
Action Items



FINANCE – SINGLE FAMILY BONDS

Action

I. FINANCE – SINGLE FAMILY BONDS

A. Single Family Homeowner Program

1. Background

- a) On December 7, 2007, the Board approved the staff recommendation to permit the issuance of up to \$250 million of 2008 Phase One Homeowner Mortgage Revenue Bonds to include a \$25 million reimbursable amount to provide program funding between bond issues.
- b) The reimbursable amount per the approved board resolution is \$25 million.
- c) On December 7, 2007 it was expected that the bond sale would produce a 30-year fixed-rate mortgage of 6.25% at full spread.
- d) Florida Housing offers a continuous lending program to its homebuyers. It is the goal of Florida Housing to have funds available to first time homebuyers at all times.

2. Present Situation

- a) Under current market conditions, it is expected that the bond sale would produce a 30-year fixed-rate mortgage of 7.07% at full spread.
- b) The current 30-year fixed-rate mortgage offered to home buyers in the conventional market, per the Freddie Mac Survey as of February 28, 2008, is 6.24%.
- c) In the current market, the Bond Program would not generate an interest rate savings to homebuyers compared to the conventional market. At this time, it therefore is not advantageous for Florida Housing to sell fixed rate bonds.
- d) In order to maintain the continuous lending program for the lending community, it is preferable at this time to increase the reimbursable program funding amount from \$25 million to \$50 million rather than issue fixed-rate, tax exempt bonds. With the \$50 million reimbursable amount, Florida Housing can purchase mortgage loans and pool them into mortgage backed securities. Florida Housing will incur interest rate risk because the mortgage rate offered on mortgages financed using the reimbursable amount is fixed while the bond interest rate may rise until the bond pricing. But the negative arbitrage expense associated with a new bond issue will be greatly reduced by having mortgage backed securities available for transfer to the new bond issue on or close to the settlement date.
- e) [Exhibit A](#) – Authorizing Resolution

3. Recommendation

Staff recommends the Board approve the increase of \$25 million for a total of \$50 million for the reimbursable amount to provide funding between bond issues.

MINUTES

Action

II. MINUTES

- A. Consider Approval of the [January 25, 2008, Board of Directors' Meeting Minutes](#).

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

III. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of Loan Extension for Abidjan Estates (PLP 00-027)

DEVELOPMENT NAME (“Development”):	Abidjan Estates
APPLICANT/DEVELOPER (“Developer”):	We Help Community Development Corporation, a not-for-profit entity
CO-DEVELOPER:	n/a
NUMBER OF SET-ASIDE UNITS:	76
LOCATION (“County”):	Palm Beach County
TYPE:	Homeownership
SET ASIDE:	100% @ 80% AMI
PLP LOAN AMOUNT:	\$500,000

1. Background

- a) On June 20, 2003, the Developer closed on a PLP Loan in the amount of \$500,000. To date, the Developer has drawn \$498,819.92 for eligible predevelopment expenses. There is a remaining principal balance of \$1,180.08.
- b) The Developer was also awarded Homeownership Loan Program (HLP) funds from Florida Housing’s Homeownership department to assist in the financing of the units in this development. The commitment for the HLP loan matured on September 13, 2007.
- c) The PLP Loan matured on June 20, 2006. The Developer requested an extension to the maturity period, advising of significant problems which included the 2004 and 2005 hurricanes, zoning issues, and delays in obtaining approval for a purchase price increase from the servicer.
- d) Florida Housing staff did not recommend the loan extension to the Board at that time, because the Developer was having difficulties with the requirements of the HLP program funding. Staff was concerned that the HLP funds would be de-obligated from the development without other financing being in place to complete it.
- e) After Florida Housing sent two demand for payment letters last summer, the Developer worked with Florida Housing staff and the assigned credit underwriter to resolve the issues with the HLP funding.

2. Present Situation

- a) On January 25, 2008, the Board approved an extension through September 13, 2008, for the HLP funds contingent upon satisfactory resolution of the issues identified in the market study and appraisal, the purchase price increase, a firm commitment from Palm Beach County for down payment assistance for all homes in this development, and proof that the Developer will be able to repay the PLP loan, subject to further approvals by the credit underwriter, counsel, and Florida Housing staff.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

- b) The Developer has submitted a written request for an extension to the PLP Loan maturity date ([Exhibit A](#)). In the request, the Developer details the current situation on construction financing provided through Florida Housing's HLP program.
- c) The Technical Assistance Provider (TAP) has been involved with this development over the past four years assisting with the PLP process as well as technical assistance on the development as a whole. The TAP has reviewed the request for an extension of the PLP loan and has recommended the extension ([Exhibit B](#)) based on all conditions of the credit underwriting recommendation being met.
- d) The Applicant currently has 13 of the 76 total housing units built and marketed for sale. Nine of these homes have buyers identified that are proceeding through the qualification process. The Developer has reduced the number of units that will require HLP funding from 76 to 40. However, Florida Housing still holds a mortgage and a LURA to secure the PLP loan on all 76 lots. The Developer has agreed to repay the PLP loan through the sale of the first 40 units with the amount of each payoff being estimated to be \$15,000 ([Exhibit C](#)).

3. Recommendation

Based on the Board's approval of the extension to the HLP construction maturity date on January 25, 2008, approve the Developer's request for an extension for the PLP Loan maturity date from June 20, 2006, to December 20, 2008, contingent upon the Developer meeting all requirements of the HLP loan extension.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

IV. PROFESSIONAL SERVICES SELECTION (PSS)

A. Requests for Proposals (RFP) for the New Construction and Substantial Rehabilitation of Farmworker/Commercial Fishing Worker Housing (RFP 2007-10)

1. Background

At its December 7, 2007 meeting Florida Housing's Board of Directors authorized staff to draft and issue an RFP to solicit proposals for the new construction and substantial rehabilitation of farmworker/commercial fishing worker housing.

2. Present Situation

- a) An RFP process was initiated and RFP 2007-10 was issued on Friday, December 21, 2007, making up to \$5 million available as loans. The deadline for receipt of proposals was 2:00 p.m., Thursday, January 31, 2008. RFP 2007-10 is attached as [Exhibit A](#).
- b) One (1) proposal was received in response to the RFP. The proposal was from Florida Non-Profit Services, Inc. The requested loan amount was \$5 million to construct 45 rental apartments targeted to farmworkers in Immokalee, Florida, Collier County.
- c) The Review Committee members, designated by the Executive Director, were Derek Helms (Chairman), Multifamily Loans Administrator; Jade Oliver, Housing Credits Senior Analyst; David Woodward, Multifamily Bonds Manager; Carolyn Hayse, Multifamily Loans Manager; and Amanda Franklin, Special Loans Manager.
- d) Each member of the Review Committee individually reviewed the proposal prior to convening for the Review Committee meetings. The Review Committee meetings were held on February 8th and February 19th, 2008. Results of the Review Committee's scoring are provided as [Exhibit B](#).

3. Recommendation

The Review Committee recommends that the Board authorize funding the proposal submitted by Florida Non-Profit Services, Inc. subject to a positive credit underwriting report.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Requests for Proposals (RFP) for the Development and Substantial Rehabilitation of Special Needs Housing

1. Background

At its October 26, 2007 meeting Florida Housing's Board of Directors authorized staff to reallocate \$13 million of documentary stamp tax appropriation for a Special Needs Extremely Low Income loan cycle.

2. Present Situation

- a) Florida Housing staff has determined that there is a need for housing for special needs populations (Homeless persons, Frail Elderly, Survivors of Domestic Violence, Youths Aging Out of Foster Care, and Persons with Disabilities) that is not easily met through its mainstream rental programs. Florida Housing has determined that in lieu of a Special Needs Extremely Low Income loan cycle the best vehicle to offer these funds would be through an RFP process.
- b) Florida Housing staff is in the process of drafting the RFP and will distribute it to the Board for comment before finalizing. Staff expects to publish the RFP on April 11, 2008.

3. Recommendation

Approve staff's recommendation to finalize and issue an RFP to solicit proposals for the development and substantial rehabilitation of special needs housing.

UNIVERSAL CYCLE

Action

V. UNIVERSAL CYCLE

A. 2008 Universal Application Cycle – Review Committee

1. Background/Present Situation

Chapter 420, Florida Statutes, and Rule Chapter 67-48, F.A.C., provide for a review committee to be comprised of FHFC staff persons and at least one DCA staff person. The review committee will make recommendations to the Board regarding program participation.

2. Recommendation

Staff recommends and requests Board approval for a review committee for the 2008 Universal Application cycle to be comprised of the following FHFC staff: Deborah Dozier-Blinderman, Wayne Conner, Barb Goltz, and Laura Cox, with Jack Gaskins as the DCA representative.

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

Action Supplement

I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

A. Request for Approval to Change the Applicant/Borrower for Las Villas at Kenilworth / CWHIP06-17

Applicant Name (“Applicant”):	Highlands County Florida and Partners / Highlands County BCC
Development Name (“Development”):	Las Villas at Kenilworth
Developer/Principal (“Developer”):	Caribbean Real Estate Developers, LLC
Number of Units: 50	Location: Highlands County, Florida
Type: CWHIP Loan	Allocated Amount: \$2,500,000

1. Background

- a) On April 27, 2007, the Board approved the final rankings for the 2006 Community Workforce Housing Innovation Pilot (CWHIP) Program / RFP2006-05.
- b) On April 30, 2007, Florida Housing issued an invitation to the Developer to enter into credit underwriting.
- c) On January 28, 2008, the Board approved the Final Credit Underwriting Report naming Highlands County Board of County Commissioners (Highlands County BOCC) as the Applicant/Borrower and Guarantor for the CWHIP Loan.

2. Present Situation

- a) It has been determined by Highlands County staff that Highlands County BOCC cannot act as a Guarantor on the CWHIP Loan without a referendum. County staff has requested that the Developer, Caribbean Real Estate Developers, LLC serve as the Applicant/Borrower and Guarantor for the CWHIP Loan.
- b) The Credit Underwriter has reviewed this request and recommends the proposed change that Caribbean Real Estate Developers, LLC serve as the Applicant/Borrower and Guarantor. The Credit Underwriters recommendation is attached as [Exhibit A](#).

3. Recommendation

Staff recommends that the Board approve the change in Applicant/Borrower for Las Villas at Kenilworth from Highlands County BOCC to Caribbean Real Estate Developers, LLC and authorize staff to issue a loan commitment letter in the amount of \$2,500,000 to Caribbean Real Estate Developers, LLC for a CWHIP Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action Supplement

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Renaissance Preserve Senior, Cycle XIX (2007-147S)

Development Name: Renaissance Preserve Senior (“Development”)	Location: Lee County
Developer/Principal: Norstar Development USA, LP and Renaissance Preserve Developers, LLC (“Developer”)	Set-Aside: 10% @ 33% AMI and 90% @ 60% AMI
Number of Units: 120	Allocated Amount: \$6,150,000 SAIL and \$1,020,000 Supplemental
Type: Three-Story Garden Style Apartment Buildings	Housing Credit Equity: \$8,058,307
Demographics: Elderly	MMRB: \$10,000,000 (local)

1. Background/Present Situation

- a) On September 21, 2007, the Board approved the final scores and ranking for the 2007 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 1, 2007, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$6,150,000 and a Supplemental loan in the amount of \$1,020,000 for this 120-unit family development located in Lee County.
- c) On March 11, 2008, staff received a credit underwriting report with a positive recommendation for total SAIL loan in the amount of \$7,170,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

Approve the final credit underwriting report and direct staff to proceed with issuance of a firm loan commitment and loan closing activities.