

Lee County Board Of County Commissioners
Agenda Item Summary

Blue Sheet No: 20041296

1. REQUESTED MOTION:

ACTION REQUESTED: Adopt a Resolution that consents to the actions taken by the Housing Finance Authority of Lee County, Florida pertaining to the issuance of Single Family Mortgage Revenue Bonds Series 2005.

WHY ACTION IS NECESSARY: Ratification of such action is required under Florida Statutes Chapter 159.

WHAT ACTION ACCOMPLISHES: Action will allow the Housing Finance Authority of Lee County, Florida to issue its Mortgage Revenue Bonds for single family financing home ownership in participation with various other counties in Florida and to provide affordable housing opportunities for low, moderate and middle income families in Lee County and other Florida Counties.

2. DEPARTMENTAL CATEGORY: 04
COMMISSION DISTRICT #: CW

C4B

3. MEETING DATE:
 10-26-2004

4. AGENDA:
 CONSENT
 ADMINISTRATIVE
 APPEALS
 PUBLIC
 WALK ON
TIME REQUIRED:

5. REQUIREMENT/PURPOSE:
(Specify)
 STATUTE F.S. 159
 ORDINANCE
 ADMIN. CODE
 OTHER

6. REQUESTOR OF INFORMATION:
A. COMMISSIONER N/A
B. DEPARTMENT Community Development
C. DIVISION Planning
BY: Paul O'Connor, AICP, Planning Director
 POC 10/6/04

7. Background: On June 30, 2004, the Housing Finance Authority of Lee County, Florida, adopted a Resolution approving the issuance of its Single Family Mortgage Revenue Bonds Series 2005 in an amount not to exceed \$99 million. In order to issue these bonds, and to participate with other Florida counties, the Lee County Board of Commissioners must adopt a resolution which provides the following:

1. Approves the issuance of bonds by the Housing Finance Authority of Lee County, Florida.
2. Ratifies the action of the Housing Finance Authority of Lee County, Florida, including conducting the Tax Equity and Fiscal Responsibility (TEFRA) Public Hearing held on June 30, 2004.
3. Approves the use of private activity allocation in the program.

The Bond program will provide low interest rate mortgage money for single family housing for low, moderate, and middle income residents for first time home buyers in Lee County and other participating counties. Under this offering, the Lee County Board of Commissioners will have no financial or administrative cost.

In accordance with 159.612(4) F.S. "The bonds issued pursuant to the provisions hereof, and the bonds shall so state on their face, shall not be a debt of the county or the state, or any political subdivision thereof; and neither the county, nor any state or political subdivision thereof, shall be liable thereon; nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of the housing finance authority."

Attachments:

- Proposed Resolution by the Board of County Commissioners
- Housing Finance Authority of Lee County Minutes of June 30, 2004, authorizing the proposed issuance of Single Family Mortgage Revenue Bonds Series 2005 up to \$99 million.
- Housing Finance Authority of Lee County Resolution of June 30, 2004
- Ad for the June 30, 2004, Public Hearing
- Minutes of the TEFRA Public Hearing held on June 30, 2004

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>Mary (7/15)</i>		N/A	N/A	<i>[Signature]</i>	<i>GA</i>	<i>OM</i>	<i>Risk</i>	<i>GC</i>	<i>[Signature]</i>
					<i>10/12/04</i>	<i>10/12/04</i>	<i>10/12/04</i>	<i>10/12/04</i>	

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

RECEIVED
 by CO. ATTY.
 10/19/04
 11:15
 10/19/04
 Budget

RECEIVED BY
 COUNTY ADMIN.
 10/13/04
 2:30 PM
 COUNTY ADMIN
 FORWARDED TO: *[Signature]*
 10/14/04
 [Signature]

RESOLUTION No. _____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF LEE COUNTY, FLORIDA, APPROVING THE ISSUANCE BY THE HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA, OF AN AMOUNT NOT TO EXCEED \$99,000,000.00 OF ITS SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2005, PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 159, Part IV, Florida Statutes (the "Act") authorized counties to create housing finance authorities to exercise powers of the Act within their boundaries or outside their boundaries with the consent of the governing body of the territory outside their area of operation; and

WHEREAS, The Board of County Commissioners of Lee County, Florida, created the Housing Finance Authority of Lee County, Florida (the "Authority"), by Resolution No. 81-8-19 adopted on August 19, 1981, and Ordinance 81-37 adopted on August 19, 1981, and authorized the Authority to exercise all powers under the Act; and

WHEREAS, on June 30, 2004, at a duly called public meeting and on motion duly made and seconded, the Authority unanimously adopted a Resolution authorizing the issuance of its Single-Family Mortgage Revenue Bonds, Series 2005, in the aggregate principal amount of not to exceed \$99,000,000.00 (the "Bonds"). The net proceeds of the Bonds, if issued, are to be loaned by the Authority to first time home buyers in Lee County and various other counties in Florida in connection with the Authority's multi-county Single-Family Mortgage Revenue Bond offering, Series 2005. The purpose of the bond offering is to provide affordable housing opportunities for low, moderate and middle income families in Lee County and other participating Florida counties.

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), requires public approval of certain private activity bonds by the applicable elected representative or governmental unit following a public hearing, and the Board of County Commissioners of Lee County, Florida (the "Board"), constitutes the applicable elected representative and governmental unit; and

WHEREAS, pursuant to Section 147(f) of the Code, a public hearing was scheduled before the Authority for June 30, 2004, and notice of such hearing was given in the form required by the Code; and

WHEREAS, on June 30, 2004, the Authority held the public hearing and provided at such hearing reasonable opportunity for all interested individuals to express their views, both orally and in writing, on the issuance of Bonds; and

WHEREAS, no interested individual appeared to express comments or concerns; and

WHEREAS, the Board desires to express its approval of the action taken by the Authority in authorizing the issuance of the Bonds and as required by Section 147(f) of the Code; now therefore,

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA:

Section 1. Because of the continuing shortage of affordable single-family housing and capital for investment therein in Lee County Florida, and the continuing impediments to a bond issue to alleviate

such shortages as to single-family housing, it is hereby determined that the Board consents to the Authority exercising its powers to issue the Bonds and to the use of the proceeds of such Bonds to finance the single-family housing.

Section 2. In furtherance of the purposes set forth in Section 1 hereof, the Chairman or Vice Chairman of the Authority are hereby authorized to execute such consents, agreements or other documents as shall be required to implement the issuance of such Bonds, all as shall be approved by counsel to the Authority.

Section 3. The Board hereby approves, within the meaning of Section 147(f) of the Code, the issuance by the Authority of an amount not to exceed \$99,000,000.00 of its Single-Family Mortgage Revenue Bonds, Series 2005.

Section 4. Adoption of this Resolution does not authorize nor commit the expenditure of any funds of Lee County, Florida, or of the Authority to pay the costs of issuance of such Bonds.

Section 5. Adoption of this Resolution will not constitute a Debt, Liability, Obligation (either contractual or general), of a Pledge of the Faith or Loan of the Credit of Lee County with respect to the issuance of the Authority's not to exceed \$99,000,000.00 Single Family Mortgage Revenue Bonds, Series 2005, in any manner whatsoever.

Section 6. All ordinances and resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 7. This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED in the regular session on the _____ day of _____, 2004.

LEE COUNTY BOARD OF COUNTY
COMMISSIONERS

BY: _____
Chairman

Date: _____

ATTEST:

CHARLIE GREEN, CLERK

By: _____

APPROVED AS TO FORM BY:

OFFICE OF COUNTY ATTORNEY

HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA

MINUTES OF REGULAR MEETING

June 30, 2004

5:34 p.m.

On Wednesday, June 30, 2004, at approximately 5:34 p.m. at the Community Development Public Works Building, 1500 Monroe St., Conference Room 1B, Fort Myers, Florida, E. Walter Barletta, Chairman of the Housing Finance Authority of Lee County, Florida (the "Authority") called the meeting to order.

Immediately thereafter, the Chairman called for a roll call of the members. Philip L. Burnett, counsel for the Authority, was present and called the roll. Walter Barletta, Walter Ferguson and Thomas Birch were present when the meeting commenced and Virginia Yates arrived shortly after it started. Michael Villalobos was absent with an excused absence. Mr. Burnett said that he had received a phone call from Robin Miller with First Southwest Company, the Authority's Financial Advisor and that he had advised Mr. Burnett that he would not be able to attend the meeting because he was stuck in the Atlanta airport. Also in attendance at the meeting were Craig Ferguson with Raymond James and Associates, Inc. ("Raymond James") the Authority's managing underwriter, Danielle St. Pierre, a summer intern with Raymond James, Mark Mustian, Esquire with Nabors, Giblin & Nickerson, P.A. (the "Authority's Bond Counsel"), Kathryn Driver and Debbie Burner with RBC DAIN RAUSCHER INC. ("RBC"), a co-managing underwriter, and Scott Culp with CED, the developer of the Rolling Green South Apartments Project in Sarasota County.

The Chairman suggested that the Authority address Item V on its Agenda, i.e., to consider, discuss and vote on the Authority's Multifamily Mortgage Revenue Bond Documents for the Rolling Green South Apartments Project in Sarasota County and any necessary changes related thereto. He then recognized Mr. Mustian. Mr. Mustian said that the proposed bond offering was on track. He said that the Professional Staff was working on the various bond documents and that it was scheduled to close on July 22nd and July 23rd. He said that there was one issue that he wanted to bring to the attention of the members of the Authority, i.e., that the developer thought that they would have their building permits in hand by the time of the proposed closing but that they might not. He said that the Authority's Multifamily Guidelines do not specifically require them to be in hand but that they are not exactly clear. He suggested that the Authority take a position on the issue at this time if Mr. Burnett did not have a problem with it. Mr. Burnett suggested that the Authority wait to see what the status of the permitting process is and that the Authority deal with the issue at its next scheduled meeting on July 21, 2004. The Chairman next recognized Mr. Culp. Mr. Culp said that he thought that the developer

would probably have all of the building permits effectively in hand by July 16, 2004. He said that they traditionally do not actually have the building permits in hand until after the closing on the bonds but that they get a comfort letter from the County indicating that the permits will be forthcoming and that is generally good enough to close on the bonds. He said that the Credit Enhancer will have to be comfortable with the issue before they will let the transaction close so the Authority should be comfortable that it will not be a problem. After a brief discussion, it was agreed that the Authority would not take a position on the permit issue at this time and that the matter would be put on the Agenda for the Authority's July 21, 2004, meeting.

The Chairman then recognized Mr. Burnett. Mr. Burnett said that, due to certain member absences at the Authority's previous meetings, only certain of the Minutes of the Authority's prior meeting could be approved. He said that the first set of Minutes that could be approved were the Authority's December 3, 2003 Meeting. Immediately thereafter, on motion duly made by Walter Ferguson and seconded by Virginia Yates, the Authority approved the Minutes of its December 3, 2003, regular meeting. Mr. Burnett said that the next set of Minutes that could be approved were the Minutes of the Authority's January 7, 2004, meeting. Immediately thereafter, on motion duly made by Walter Ferguson and seconded by Virginia Yates, the Authority approved the Minutes of its January 7, 2004, regular meeting. Mr. Burnett said the next Minutes of the Authority's meeting to be approved were the March 17, 2004, Minutes. Immediately thereafter, on motion duly made by Walter Ferguson and seconded by Virginia Yates, the Authority approved the Minutes of its March 17, 2004, regular meeting. Mr. Burnett said that the next set of Minutes to be approved were the Minutes of the Authority's April 12, 2004, meeting. Immediately thereafter, on motion duly made by Walter Ferguson and seconded by Virginia Yates, the Authority approved the Minutes of its April 12, 2004, special meeting. Mr. Burnett said that the last set of Minutes that could be approved were the Authority's meeting of April 28, 2004. Immediately thereafter, on motion duly made by Walter Ferguson and seconded by Thomas Birch, the Authority approved the Minutes of its April 28, 2004, regular meeting.

The Chairman suggested that the Authority address Item IV on its Agenda, i.e., to consider, discuss and vote on the Authority's possible issuance of its Single Family Multi-County Mortgage Revenue Bonds for a proposed issuance of said bonds for a 2005 Single Family Program. The Chairman recognized Mr. Burnett. Mr. Burnett said that this matter had been put on the Authority's Agenda because he assumed that the members of the Authority wanted to have a Single Family Bond Program next year so he thought that it would be a good idea to try to take all of the necessary steps to have it approved by the Authority and the Lee County Board of County Commissioners. He said that he had prepared a Resolution that was basically the same Resolution that the Authority had adopted in previous years for its issuance of Bonds for its prior Single Family Mortgage Revenue Bond Programs. In addition, he said that the Authority needed to adopt the proposed Resolution so that it can be included in a package that the Authority submits to the Lee County Board of County Commissioners when they consider approving the Authority's issuance of the bonds and the conducting of the public hearing held in

compliance with the Tax Equity and Fiscal Responsibility Act. After a brief discussion, on motion duly made by Walter Ferguson and seconded by Thomas Birch, the members of the Authority unanimously approved the adoption of the Resolution authorizing the Authority's issuance of its Single Family Mortgage Revenue Bonds, Series 2005, in connection with the Authority's 2005 Single Family Program and they authorized the Chairman and Secretary to execute it on behalf of the Authority.

The Chairman then suggested that the Authority address Item VI on its Agenda, i.e., to consider, discuss and vote on the Draw Down Bond Program ("Bond Program") offered by RBC versus the Authority's use of its account with the Federal Home Loan Bank Board ("FHLBB"). The Chairman then recognized Mrs. Driver and Mrs. Burner. Mrs. Burner briefly explained how the Bond Program works and the differences between it and the Authority's use of an account with the FHLBB. She said that in the Bond Program a tax exempt bond is issued and the interest on the GIC is exactly the same interest rate as the bond. This is opposed to the FHLBB charging the Authority approximately 7 basis points per annum. She said that RBC recommends estimating how much allocation will be recycled over a period of five years and issuing a bond for that amount of money. She said that there is a one time expense on the Bond Program as opposed to the FHLBB's annual expenses. Ms. Yates suggested that Robin Miller, the Authority's Financial Advisor, review the proposal and make a recommendation to the Authority prior to the Authority taking any action. Mr. Birch asked Mrs. Burner to explain at what point the bonds would be crushed. Mrs. Burner briefly explained that it would depend on how fast the monies were used. The Chairman suggested that, if the Authority decides to go forward with the Bond Program, RBC would have to be able to work closely with the Authority, its Financial Advisor and Raymond James to make sure that the monies are all accounted for. He said that the Authority had experienced some accountability issues with the FHLBB. He said that it was also important to the Authority to make sure that the fees incurred in the Bond Program do not increase annually as they have with the FHLBB. Mrs. Burner said that most all of the fees are figured into the cost of issuing the bonds and paid up front so there should only be minor ongoing fees. Mr. Birch asked Mrs. Burner to go through the expenses. Mrs. Burner said the expenses incurred depend on the type of bonds that are issued and whether or not they are rated. She said that to issue bonds that are rated it would cost approximately \$35,000, not including the fees of bond counsel and issuer's counsel. However, if a private placement were issued, a substantial portion of the fees could be eliminated. The Chairman then polled the members as to whether or not they wanted to proceed further with the RBC Bond Program. The members agreed that the Authority has a desire to go forward with the Bond Program and to have RBC meet with Robin Miller and other necessary professionals to determine the pro's and con's of it and that the matter should be put on the Agenda for the Authority's July meeting.

The Chairman next suggested that the Authority address Item VII on its Agenda, i.e., to consider, discuss and vote on a request from The Carlisle Group, the developer of the Willow Creek II Project, to modify certain language set forth in the Land Use Restriction Agreement ("LURA") to change the eligible persons age from 65 years to 55 years or older as required by the Fair Housing Act. The Chairman recognized Mr.

Burnett. Mr. Burnett said that this matter had been put on the Authority's Agenda prior to the issue being resolved by Mr. Mustian. Mr. Mustian said that The Carlisle Group was mistaken as to what the law allowed and that the LURA could not be modified as requested and that he had so advised The Carlisle Group. He thinks that the matter is finished.

Mr. Mustian then said that, given that he had the floor, he wanted to bring the members up to date on a couple of matters. He said that the proposed multi-family project in Collier County had received the tax exempt volume cap allocation that was previously discussed with the Authority. He said that the Bonita Springs Utilities, Inc. had also received the tax exempt volume cap allocation previously discussed and that the Authority is next in line to get any further available tax exempt volume cap allocation. Mr. Mustian then said that he thought that it would be a good idea for the Authority to advertise its "targeted areas" in its Single Family Bond Program. He said that the Internal Revenue Service (the "IRS") was looking very hard as to what type of notice has been given to people in targeted areas as to the monies available in Single Family Bond Programs for affordable housing. A general discussion then took place and it was agreed that the Authority should run ads in both English and Spanish and that Walter Ferguson would be responsible for making sure that the ads are run in the targeted areas and in general. Craig Ferguson said that Raymond James would assist in the preparation of the ads and that they would consult with Mr. Mustian to make sure that the ads complied with the requirements of the IRS. Ms. Yates said that she would contact the Fort Myers Newspress to get a copy of the recent ads that the Authority had run to advertise affordable housing in a weekly Spanish newspaper known as the Gaceta Tropical.

The Chairman then said that it looked like the Authority was already addressing Item VIII on its Agenda, i.e., such other matters as may come before the meeting. The Chairman recognized Mr. Burnett. Mr. Burnett said that the first thing that he had were two Invoices from Standard & Poor's for the Heron Pond Apartment Project that he thought were to be taken care of by the Trustee, US Bank, or the developer but that they still had apparently not been taken care of. He said that he thought that Mr. Schuhle was going to be in attendance and that he would contact Mr. Schuhle to see if he could get the matter handled. He said that the other thing that he had was a Statement from DuFresne & Associates, CPA, P.A. for the annual calculation of the arbitrage rebate liability for the Crossings at Cape Coral Apartments Project. He said that it was past due since March 1, 2004. Mr. Mustian said that this is something that the developer is supposed to pay. Mr. Burnett said that he was not sure of that in that it was his understanding that the developer pays a fee to the Authority and that the Authority is obligated to pay the cost of the calculation. Mr. Mustian said that he would check into the matter so that it could get resolved.

The Chairman then recognized Ms. Yates. Ms. Yates passed out a copy of the Authority's Financial Statements and Supplementary Information for May 31, 2004, for the perusal of the members so that the members are abreast of where the Authority stands financially. Ms. Yates said that she was in attendance at a meeting at which one of the people present spoke rather unfavorably of the Crossings at Cape Coral (a multifamily

project financed by the Authority). She said that she was concerned about the negative publicity that the Crossings was getting and she wanted to know what the Authority could or should do about it. After a brief discussion, it was agreed that Mr. Burnett would draft a letter to the owner, i.e., an affiliate of SunTrust expressing the Authority's concern and inquiring as to when the club house that had burned down would be rebuilt. Ms. Yates concluded by asking if the Authority would approve a letter that she had requested Mr. Burnett to draft to ratify her actions with respect to the funding of \$100,000 to US Bank in connection to fund the Authority's contribution to its 2004 Single Family Bond Program. Mr. Burnett said that the Authority had previously approved the funding but that, due to the urgency, Ms. Yates was unable to obtain a second signature on the check so she initiated that transfer. Ms. Yates said that she just wanted to bring it to the attention of the members of the Authority and to have them ratify her actions. Thereafter, on motion duly made by Walter Ferguson and seconded by Thomas Birch the members of the Authority unanimously approved of and ratified her actions and authorized the Chairman to execute the letter on behalf of the Authority.

The Chairman next recognized Craig Ferguson. Mr. Ferguson briefly passed out a Forward Program Update on the Authority's 2004 Single Family Bond Program (the "Program"). He said that the Program was coming along very well. He said that there were some initial things that needed to be worked out but that now it is doing well. He said that there were over \$500,000 worth of reservations for mortgages already in the pipeline. He said that Raymond James was meeting with more and more lenders everyday to describe the Program and that they all seemed to be very receptive to the Program.

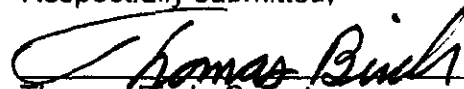
The Chairman then inquired as to which of the members would be attending the Florida ALHFA Educational Conference in Key West next month. All of the members present indicated that they would be attending the conference except for the Chairman. He said that he would not be attending the Conference. Mr. Burnett said that he would also be attending and that he thought that Mr. Villalobos would also be attending the Conference.

The Chairman then suggested that a Region 8 quarterly luncheon meeting be scheduled in September, followed by the Authority's Regular Meeting.

The Chairman then recognized Mr. Culp. He asked Mr. Culp if he had any comments that he wanted to make. Mr. Culp said that, if possible, he thought that the members of the Authority should seek to obtain additional subsidies to help fund affordable multi-family housing projects in Lee County and in the Region. He said that Sarasota County had been extremely helpful with the Rolling Green South Apartments Project. He said that they had provided \$500,000 of funding to assist them in being able to do the Project. He said that there are other ways that the various Counties in the Region could help, i.e., Collier County had in one of their projects in the past deferred their impact fees for seven (7) years, interest free. A discussion then took place as to various things that the Authority could do to try to obtain additional subsidies.

There being no further business to come before the Authority, on motion duly made by Walter Ferguson and seconded by Virginia Yates, the meeting was adjourned at 7:09 p.m.

Respectfully submitted,


Thomas Birch, Secretary

Approved at the 9/15/04
Meeting of the Housing Finance
Authority of Lee County, Florida

RESOLUTION 04-03

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA, AUTHORIZING THE PURCHASE FROM LENDING INSTITUTIONS OF BELOW MARKET INTEREST RATE MORTGAGE LOANS MADE TO MODERATE, MIDDLE OR LESSER INCOME FAMILIES FOR THE CONSTRUCTION, PURCHASE OR REHABILITATION OF QUALIFYING HOUSING DEVELOPMENTS; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$99,000,000.00 SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2005, (MULTI-COUNTY PROGRAM), OF THE AUTHORITY, FOR THE PURPOSE OF FUNDING THE PURCHASES OF SUCH MORTGAGE LOANS; PROVIDING THAT SUCH BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES HEREIN PROVIDED THEREFOR; PROVIDING FOR IMPLEMENTATION OF THE HOUSING PROGRAM AND ITS FINANCING THROUGH A TRUST INDENTURE SECURING THE HOLDERS OF SUCH BONDS, A MORTGAGE ORIGINATION AGREEMENT WITH PARTICIPATING LENDING INSTITUTIONS AND A PROGRAM ADMINISTRATION AND MASTER SERVICING AGREEMENT WITH A LOAN ADMINISTRATOR; PROVIDING CERTAIN OTHER DETAILS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA, that:

SECTION 1. AUTHORITY. This resolution is adopted pursuant to the provisions of the Florida Housing Finance Authority Law, being Part IV of Chapter 159, Florida Statutes, Ordinance 81-37 duly enacted by the Board of County Commissioners of Lee County, Florida, on August 19, 1981, and other applicable provisions of law (hereinafter collectively referred to as the "Act").

SECTION 2. FINDINGS AND DETERMINATIONS. The Housing Finance Authority of Lee County, Florida (the "Issuer") hereby finds and determines as follows:

A. The Issuer has been duly and validly created under the Act and is authorized and empowered thereunder to assist in alleviating the shortage of housing in Lee County, Florida (the "County"), for eligible persons and families of moderate, middle or lesser income, and alleviating the shortage of capital available for investment in such housing; to purchase or make commitments to purchase from "lending institutions" (as that term is defined in the Act) mortgage loans, including federally insured and guaranteed mortgage loans, and promissory notes executed in connection with such mortgage loans (the "Loans"), made for the construction, purchase and rehabilitation of "housing

developments" (as that term is used in the Act); and to issue and deliver revenue bonds of the type hereinafter described to provide funds from which Loans may be purchased.

B. There is a shortage in Lee County, Florida (the "County"), of housing available at prices which many persons or families of moderate, middle or lesser income can afford, which shortage has been found by the Legislature of the State of Florida and the Board of County Commissioners of the County to constitute a threat to the health, safety, morals and welfare of the State and the County, to deprive the State and the County of an adequate tax base and to cause the State and the County to make extra expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities.

C. Factors contributing to the shortage of affordable housing and capital available for investment in such housing include (i) an increase in the population of the County without a corresponding increase in the construction of new single family housing units, (ii) a decline in the quality of the existing housing stock and an increase in the number of substandard units in the County, (iii) an increase in the median price of a home at a rate far in excess of the increase in family income over the same period, and (iv) a significant escalation in the interest rates from conventional private sources which, under current lending practices, has prevented many County residents from purchasing sanitary, decent and safe housing. Although existing federal moderate, middle and lesser income housing programs are available to some County residents, those programs are not available to many families who are unable to afford decent, safe and sanitary housing.

D. The use of public funding to stimulate Loans at reduced rates and favorable loan to value ratios will stimulate the construction of new housing at affordable prices and will also assist in alleviating the shortage of existing affordable housing by making below market interest rate loans at favorable terms available to eligible moderate, middle and lesser income persons, thereby enabling such persons to purchase or otherwise finance sanitary, decent and safe housing that they could not otherwise afford.

E. Many persons and families require such assistance as is made available pursuant to the provisions of the Act to purchase decent, safe and sanitary housing in the County. Persons and families meeting the criteria of "Eligible Persons and Families" as defined herein constitute "eligible persons" within the meaning of the Act.

F. Each housing unit presently in existence or hereafter constructed meeting the criteria of a "Single Family Residence" as defined herein that is now, or hereafter becomes, affordable to Eligible Persons and Families at the lower interest rates made available by the issuance of the Bonds, hereinafter described, constitutes a housing development under the Act.

G. To avoid potential abuse and to insure proper utilization of the Loan program only by persons in need of the assistance herein contemplated, the Issuer shall

purchase only Loans the proceeds of which were used to purchase Single Family Residences having a purchase price or appraised value, whichever is less, which does not exceed the Maximum Acquisition Price, as defined by the Authority in accordance with the applicable law. The Issuer recognizes that inflationary housing and cost of living increases after the date of adoption of this resolution may warrant corresponding increases in this amount prior to the delivery of the Bonds, hereinafter described. Consequently, the Issuer hereby retains the right to make such adjustments.

H. Each Participant to be invited to participate in the program must qualify as a "lending institution" as that term is defined in the Act.

I. It is desirable and in the public interest to provide funds to purchase Loans made by Participants to Eligible Persons and Families for the purchase of Single Family Residences by the issuance of bonds to be designated "Housing Finance Authority of Lee County, Florida, Single Family Mortgage Revenue Bonds, Series 2005 (Multi-County Program)" in the aggregate principal amount of not exceeding \$99,000,000.00 (the "Bonds"), pursuant to the terms of a Trust Indenture to be entered into between the Issuer and a bank or trust company, to be named by subsequent resolution (the "Master Trust Indenture").

J. The Bonds are hereby authorized and shall be payable from and secured by a pledge and assignment of the Mortgage Notes and related mortgages, the proceeds thereof, certain insurance proceeds, certain reserve funds and the rights to the Issuer under a Mortgage Origination Agreement to be entered into between the Issuer, the Trustee, a program administrator to be selected by the Issuer by subsequent resolution, and the Participants. The Bonds and the interest thereon will not constitute a debt, liability, general or moral obligation, or a pledge of the faith or loan of the credit of the Issuer, the County, the State of Florida or any political subdivision thereof, nor the Participants. Neither the Issuer, the County, the State of Florida or any political subdivision thereof nor any Participant shall be liable thereon, nor in any event shall such Bonds or obligations be payable out of any funds or properties of the Issuer other than those funds or properties of the Issuer arising out of or in connection with, and only to the extent expressly provided, in the Trust Indenture.

K. The Issuer may enter into interlocal agreements with other governmental units of the State of Florida, which interlocal agreements shall be in conformity with the requirements of Chapter 163, Florida Statutes, as amended, in order to cooperate and achieve economies of scale in the issuance of the Bonds and to expand, if necessary, the area of operation of the Issuer to include additional areas as authorized by Chapter 159, Part IV, Florida Statutes, as amended.

L. The findings described in this Section are hereby adopted as rules of the Issuer.

SECTION 3. AUTHORIZATION OF ALL OTHER NECESSARY. The proper

officers of the Issuer are hereby further authorized to take all such additional necessary action, and approves all action previously taken, on behalf of the Issuer as shall be necessary to implement the Loan program specified in this resolution, including, but not limited to, the holding of required public hearings, requesting approval of the Bonds and the program by the Board of County Commissioners of Lee County, Florida, applying for required allocations of bond volume cap from the State of Florida, and coordinating similar activities with respect to any other participating counties.

SECTION 4. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be invalid, then such covenants, agreement or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all other provisions of this resolution and the documents attached hereto.

SECTION 5. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

DATED this 30th day of June, 2004.

HOUSING FINANCE AUTHORITY
OF LEE COUNTY, FLORIDA

BY: 
E. WALTER BARLETTA, Chairman

ATTEST:

By:



THOMAS BIRCH, Secretary

(SEAL)

STATE OF FLORIDA
COUNTY LEE

I, THOMAS BIRCH, Secretary of the Housing Finance Authority of Lee County, Florida, do hereby certify that the above and foregoing is a true and correct copy of the Resolution authorizing issuance of not exceeding \$99,000,000.00 Single Family Mortgage Revenue Bonds, Series 2005 (Multi-County Program), as the same was duly adopted at a regular meeting of the Authority on the 30th day of June, 2004, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 30th day of June, 2004.

BY: 
Secretary

(SEAL)

NEWS-PRESS
*Published every morning - Daily and
 Sunday*
 Fort Myers, Florida
Affidavit of Publication

STATE OF FLORIDA
 COUNTY OF LEE

Before the undersigned authority, personally appeared

Kathy Allebach

who on oath says that he/she is the

Legal Assistant of the News-Press, a daily newspaper, published at Fort Myers, in Lee County, Florida; that the attached copy of advertisement, being a

Notice of Public Hearing

In the matter of

Public Hearing on 6/30/04

In the court was published in said newspaper in the issues of

June 24, 2004

Affiant further says that the said News-Press is a paper of general circulation daily in Lee, Charlotte, Collier, Glades and Hendry Counties and published at Fort Myers, in said Lee County, Florida and that said newspaper has heretofore been continuously published in said Lee County, Florida, each day, and has been entered as a second class mail matter at the post office in Fort Myers in said Lee County, Florida, for a period of one year next preceding the first publication of the attached copy of the advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Kathy Allebach

Sworn to and subscribed before me this

24th day of June 2004 by

Kathy Allebach

personally known to me or who has produced

as identification, and who did or did not take an oath.

Notary Public

Brenda Leighton

Print Name _____

My commission Expires:



Brenda Leighton
 MY COMMISSION # DD169005 EXPIRES
 February 14, 2007
 BONDED THRU TROY FAIN INSURANCE, INC.

PUBLIC HEARING
 CONCERNING THE
 HOUSING FINANCE
 AUTHORITY OF LEE
 COUNTY, FLORIDA'S
 PROPOSED ISSUANCE
 OF ITS SINGLE
 FAMILY MORTGAGE
 REVENUE BONDS
 SERIES 2005 IN AN
 AGGREGATE
 AMOUNT OF NOT TO
 EXCEED OF
 \$99,000,000 AND
 ITS PARTICIPATION
 WITH OTHER
 PARTICIPATING
 COUNTIES

Public Notice is hereby given that the Housing Finance Authority of Lee County, Florida (the Authority) will conduct a public hearing on Wednesday, June 30, 2004, at 5:35 p.m., or as soon thereafter as possible, at the Community Development Public Works Building, 1500 Monroe St., Conference Room 1B, Fort Myers, Florida, 33901, in accordance with the Tax Equity Fiscal Responsibility Act of 1982. The proposed issuance by the Authority of its Single Family Mortgage Revenue Bonds Series 2005 in an aggregate principal amount not to exceed of \$99,000,000. The proceeds of such bonds will be used to finance and provide capital investment to fund mortgages, mortgage loans, qualified first time home buyers' expenses, construction, purchase or rehabilitation of affordable single family housing located within the participating Florida counties, including Lee County, to be occupied primarily by first time home buyers of moderate, middle or lower income within Lee County and various other participating counties in the State of Florida. The Bonds will not constitute a debt of the State of Florida, the Authority, or of any other participating Housing Finance Authority or Counties, but will be payable solely from payments made from the revenues generated from the housing program. If any member of the general public wishes to be heard at the hearing, he or she may do so by appearing in person at the time and place set forth above or by submitting their views in writing, delivered at least 24 hours prior to the date and time of the meeting set forth above to Housing Finance Authority of Lee County, Florida, c/o Philip L. Burnett, Esq., 2449 First Street, Fort Myers, Florida 33901. The purpose of the public hearing is to afford members of the general public an opportunity to be heard with respect to a proposed issuance of the Bonds by the Authority and its participation with various other participating counties in said offering. All interested parties are invited to attend and present their comments at the time and place set forth above. IF ANY PERSON WISHES TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO ANY MATTER CONSIDERED AT THIS HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE.

**HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA
MINUTES OF PUBLIC HEARING**

On Wednesday, June 30, 2004, at 7:09 p.m., at Community Development Public Works Building, 1500 Monroe St., Conference Room 1B, Fort Myers, Florida, 33901, and immediately following the Authority's Regular meeting, the Authority conducted a Public Hearing in accordance with the Tax Equity Fiscal Responsibility Act ("TEFRA"). The Chairman called the hearing to order and asked Philip L. Burnett, counsel for the Authority, to call the roll of the members, which he did. Walter Barletta, Walter Ferguson, Thomas Birch and Virginia Yates were present at the hearing. Also in attendance at the meeting were Craig Ferguson with Raymond James and Associates, Inc. ("Raymond James") the Authority's managing underwriter, Danielle St. Pierre, a summer intern with Raymond James, Mark Mustian, Esquire with Nabors, Giblin & Nickerson, P.A. (the "Authority's Bond Counsel"), Kathryn Driver and Debbie Burner with RBC DAIN RAUSCHER INC. ("RBC"), a co-managing underwriter, and Scott Culp with CED, the developer of the Rolling Green South Apartments Project in Sarasota County. The Chairman informed those present that the purpose of the Public Hearing was to afford members of the general public an opportunity to be heard with respect to the following matter:

The issuance by the Authority, on behalf of the Authority of its Single Family Mortgage Revenue Bonds, Series 2005, in the aggregate principal amount of not to exceed \$99,000,000.00. The proceeds of such bonds will be used to finance the purchase of single family residences to be occupied primarily by first-time home buyers of moderate, middle or lesser income within Lee County and various other participating counties in the State of Florida. The Bonds will not constitute a debt of the State of Florida, the Authority, or of any other participating Housing Finance Authorities or Counties, but will be payable solely from payments made from the revenues generated from the housing program.

No members of the public were present. Accordingly, the Public Hearing was adjourned at 7:10 p.m.

Respectfully submitted,


THOMAS BIRCH, Secretary

Approved at the 9/15/04
meeting of the Housing Finance
Authority of Lee County, Florida