

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

March 4, 2005

Consent Items



HOMEOWNERSHIP LOAN PROGRAM

Consent

I. HOMEOWNERSHIP LOAN PROGRAM

A. Request for Approval of the Analytical Review for Okaloosa Community Development Corporation (Non-Profit) for North Okaloosa Scattered Sites, Phase I / HH03-046

Applicant Name (“Applicant”):	Okaloosa Community Development Corporation (Non-Profit)
Development Name (“Development”):	North Okaloosa Scattered Sites, Phase I
Developer/Principal (“Developer”):	Patti Sunnarborg
Number of Units: 66	Location: Okaloosa
Type: HOME Purchase Assistance Loan	Allocated Amount: \$1,948,961

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 to the Applicant for a HOME Purchase Assistance Loan in the amount of \$1,948,961 to assist with the financing of 66 newly constructed homes in Okaloosa County.
- c) On September 24, 2004, Florida Housing granted a 60-day extension of time to submit all required information to the credit underwriter.

2. Present Situation

- a) The credit underwriter provided staff with an Analytical Review outlining the parameters of the proposed Development. The Analytical Review is attached as [Exhibit A](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$1,948,961 for a HOME Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$1,984,961 to the Developer for a HOME Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

B. Request for Approval of the Analytical Review for Silver Pines Pointe, Phase I / HH03-043

Applicant Name (“Applicant”):	U.S. Development of Orlando, Inc.
Development Name (“Development”):	Silver Pines Pointe, Phase I
Developer/Principal (“Developer”):	Barry Watson
Number of Units: 65	Location: Orange County
Type: HOME Purchase Assistance Loan	Allocated Amount: \$1,950,000

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 to the Applicant for a HOME Purchase Assistance Loan in the amount of \$1,950,000 to assist with the financing of 65 newly constructed homes in Orange County.
- c) On September 28, 2004, Florida Housing granted a 60-day extension of time to submit all required information to the credit underwriter.

2. Present Situation

- a) The credit underwriter provided staff with an Analytical Review outlining the parameters of the proposed Development. The Analytical Review is attached as [Exhibit B](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$1,950,000 for a HOME Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$1,950,000 to the Developer for a HOME Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOME RENTAL

Consent

II. HOME RENTAL

A. Request Approval of Credit Underwriting Report for Brandywine Court (2005-054H)

Development Name: Brandywine Court ("Development")	Location: Duval County
Developer/Principal: Greater Miami Neighborhoods, Inc. ("Developer")	Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI
Number of Units: 52	Allocated Amount: \$2,205,996
Type: Garden Style Buildings/Rehab	Demographics: Family
MMRB: N/A	

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 26, 2004, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in the amount up to \$2,205,996 for this 52-unit family development in Duval County.
- c) On February 14, 2005, staff received a credit underwriting report with a positive recommendation for a HOME loan in an amount for \$2,205,996 ([Exhibit A](#)). The HOME Rental loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of HOME Rule 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.

HOUSING CREDITS

Consent

III. HOUSING CREDITS

A. Request from the Owner of the Silver Pointe at Leesburg Development to Change the Amenities from Those Originally Proposed in the Application

DEVELOPMENT NAME (“Development”):	Silver Pointe at Leesburg APPLICATION # 2003-009C
DEVELOPER/PRINCIPAL (“Developer”):	Community Housing Partners
APPLICANT: (“Owner”)	CHCP Leesburg Silver Pointe, Ltd.
NUMBER OF UNITS:	138
LOCATION (“County”):	Lake County
TYPE:	New Construction
SET ASIDE:	47% @ 50% AMI & & 52% @ 60% AMI
ALLOCATED AMOUNT:	\$1,105,000.00

1. Background/Present Situation

- a) Silver Pointe at Leesburg is a Competitive Housing Credit, New Construction Development providing 138 units in Lake County. Florida Housing issued an allocation of \$1,105,000.00 in housing credits in December 2003.
- b) Florida Housing received a request, [Exhibit A](#), from the Owner on February 8, 2005, to substitute an “exercise room with appropriate equipment” for the original “car care area” and to substitute “dishwashers”, “garbage disposals” and “marble window sills” for the original “gated community with carded entry or security guard.” The proposed changes are of a higher point value than the original amenities chosen in the Application. It is also the Owner’s intent to install key controlled exterior entry doors to the residential and community buildings. A Consultec opinion is attached at [Exhibit B](#).

2. Recommendation

Staff recommends that the Board approve the Applicant’s request to substitute an “exercise room with appropriate equipment” for the “car care area” and “dishwashers”, “garbage disposals” and “marble window sills” for the “gated community with carded entry or security guard.”

LEGAL

Consent

IV. LEGAL

A. In re: Clearlake Crossings, LLC

Development Name: (“Development”):	Clearlake Crossings
Developer/Principal: (“Developer”):	Transom Development, Inc. a/k/a Regency Development Associates, Inc.
Number of Units: 198	Location: Brevard County
Type: Townhouses and flats	Set Aside: 79.8% @ 60%
Demographics: Family	Allocated Amount: \$1,500,000
MMRB: n/a	Housing Credits: \$4,780,334

1. Background

- a) During the 2004 Universal Application Cycle, Florida Housing awarded an allocation of State Apartment Incentive Loan funds to Wickham Park, LLC, in connection with the Development known as Clearlake Crossings, a 198-unit apartment complex intended to serve the Family demographic in Brevard County, Florida. While Petitioner’s Application was pending before Florida Housing, Hurricanes Frances and Jeanne struck Brevard County. The hurricanes resulted in increased demand for housing, especially affordable housing, which caused a sharp increase in the cost of construction.
- b) On December 21, 2004, Florida Housing received a Petition for Variance from Rules 67-48.002(111), 67-48.004(14)(1), and 67-48.012(2)(g), Florida Administrative Code (“Petition”), from Clearlake Crossings, LLC (“Petitioner”). A copy of the Petition is attached as [Exhibit A](#).
- c) Petitioner seeks a variance from certain rules, seeking additional funding to maintain the viability of the Development, to wit: (1) a waiver of the 1.10 debt service ratio requirement, and (2) an increase in SAIL funding from \$1,500,000 to \$3,000,000.
- d) On January 7, 2005, the Notice of Petition was published in the Florida Administrative Weekly.
- e) To date, Florida Housing has not received any comments concerning the Petition.

2. Present Situation

- a) Florida Housing has an opportunity to facilitate the construction of much needed affordable housing in areas that have suffered significant loss of housing stock due to the hurricanes. It is clear that the viability of this Development is questionable without some financial relief being granted. It is appropriate under the circumstances to allow the Development to seek the difference between the SAIL funding it was awarded in the 2004 Universal Cycle and the maximum funding authorized for its demographic category in the 2005 Universal Cycle, provided developer fee paid out at conversion/stabilization is limited to 20% of the total fee.

LEGAL

Consent

- b) Section 120.542(2), Florida Statutes, provides in pertinent part:
 - (1) 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 that the Board grant the waiver from the debt service coverage requirement in rule 67-48.012(2)(g), and that the amount of developer fee that can be paid out at conversion/stabilization be capped at 20% of the total developer fee (this is consistent with our SAIL rule which allows for 20% of the developer fee to be paid out before calculating cash flow each year for the first five years); and that the Board waive R. 67-48.002(111) and 67-48.004(14)(1) to allow Petitioner to request additional funding in the amount of the difference between the 2004 SAIL request limits pursuant to Part V.A.1. of the Universal Application Instructions and the 2005 SAIL request limits. Staff recommends that all other relief, if any, sought in the Petition be denied.

LEGAL

Consent

B. In re: Wickham Club Partners, Ltd.

Development Name: (“Development”):	Wickham Club Apartments
Developer/Principal: (“Developer”):	CED Construction Inc, Sandspur Housing Partners, Ltd.
Number of Units: 132	Location: Brevard County
Type: Garden Style	Set Aside: 100% @ 60%
Demographics: Family	Allocated Amount: \$1,500,000
MMRB: n/a	Housing Credits: \$3,067,133

1. Background

- a) During the 2004 Universal Application Cycle, Florida Housing awarded an allocation of State Apartment Incentive Loan funds to Wickham Club Partners, Ltd., in connection with the Development known as Wickham Club, a 132-unit apartment complex intended to serve the Family demographic in Brevard County, Florida. While Petitioner’s Application was pending before the Corporation, Hurricanes Frances and Jeanne struck Brevard County. The hurricanes resulted in increased demand for housing, especially affordable housing, which caused a sharp increase in the cost of construction.
- b) On December 21, 2004, Florida Housing received a Petition for Variance and Waiver requesting a variance from or waiver of Rules 67-48.004(14)(1), 67-48.012(2)(g), and Part V A.1. of the Universal Application Instructions (Rev. 3-04) incorporated by reference into Rule 67-48.002(111), Florida Administrative Code, from Wickham Club Partners, Ltd. (“Petitioner”). A copy of the Petition is attached as [Exhibit B](#).
- c) Petitioner seeks a variance from or waiver of certain rules, seeking additional funding to maintain the viability of the Development, to wit: (1) a waiver of the 1.10 debt service ratio requirement, and (2) an increase in SAIL funding from \$1,500,000 to \$3,000,000.
- d) On January 7, 2005, the Notice of Petition was published in the Florida Administrative Weekly.
- e) To date, Florida Housing has not received any comments concerning the Petition.

2. Present Situation

- a) Florida Housing has an opportunity to facilitate the construction of much needed affordable housing in areas that have suffered significant loss of housing stock due to the hurricanes. It is clear that the viability of this Development is questionable without some financial relief being granted. It is appropriate under the circumstances to allow the Development to seek the difference between the SAIL funding it was awarded in the 2004 Universal Cycle and the maximum funding authorized for its demographic category in the 2005 Universal Cycle, provided developer fee paid out at conversion/stabilization is limited to 20% of the total fee.

LEGAL

Consent

- b) 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 that the Board grant the waiver from the debt service coverage requirement in rule 67-48.012(2)(g), and that the amount of developer fee that can be paid out at conversion/stabilization be capped at 20% of the total developer fee (this is consistent with our SAIL rule which allows for 20% of the developer fee to be paid out before calculating cash flow each year for the first five years); and that the Board waive R. 67-48.002(111) and 67-48.004(14)(1) to allow Petitioner to request additional funding in the amount of the difference between the 2004 SAIL request limits pursuant to Part V.A.1. of the Universal Application Instructions and the 2005 SAIL request limits. Staff recommends that all other relief, if any, sought in the Petition be denied.

LEGAL

Consent

C. In re: Wickham Park, LLC

Development Name: (“Development”):	Wickham Park Apartments
Developer/Principal: (“Developer”):	The Richman Group of Florida, Inc.
Number of Units: 216	Location: Brevard County
Type: Garden Style	Set Aside: 100% @ 60%
Demographics: Family	Allocated Amount: \$1,500,000
MMRB: \$12,500,000	Housing Credits: \$4,574,850

1. Background

- a) During the 2004 Universal Application Cycle, Florida Housing awarded an allocation of State Apartment Incentive Loan funds and Multifamily Mortgage Revenue Bond funds to Wickham Park, LLC, in connection with the Development known as Wickham Park Apartments, a 216-unit apartment complex intended to serve the Family demographic in Brevard County, Florida. While Petitioner’s Application was pending before the Corporation, Hurricanes Frances and Jeanne struck Brevard County. The hurricanes resulted in increased demand for housing, especially affordable housing, which caused a sharp increase in the cost of construction.
- b) On December 21, 2004, Florida Housing received a Petition for Variance from Rules 67-48.002(111), 67-21.002(98), 67-48.004(14)(1), 67-21.003(14)(j) and 67-48.012(2)(g), Florida Administrative Code (“Petition”), from Wickham Park, LLC (“Petitioner”). A copy of the Petition is attached as [Exhibit C](#).
- c) Petitioner seeks a variance from certain rules, seeking additional funding to maintain the viability of the Development, to wit: (1) a waiver of the 1.10 debt service ratio requirement, and (2) an increase in SAIL funding from \$1,500,000 to \$3,000,000.
- d) On January 7, 2005, the Notice of Petition was published in the Florida Administrative Weekly.
- e) To date, Florida Housing has not received any comments concerning the Petition.

2. Present Situation

- a) Florida Housing has an opportunity to facilitate the construction of much needed affordable housing in areas that have suffered significant loss of housing stock due to the hurricanes. It is clear that the viability of this Development is questionable without some financial relief being granted. It is appropriate under the circumstances to allow the Development to seek the difference between the SAIL funding it was awarded in the 2004 Universal Cycle and the maximum funding authorized for its demographic category in the 2005 Universal Cycle, provided developer fee paid out at conversion/stabilization is limited to 20% of the total fee.

LEGAL

Consent

- b) Section 120.542(2), Florida Statutes, provides in pertinent part:
 - (1) 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 that the Board grant the waiver from the debt service coverage requirement in rule 67-48.012(2)(g), and that the amount of developer fee that can be paid out at conversion/stabilization be capped at 20% of the total developer fee (this is consistent with our SAIL rule which allows for 20% of the developer fee to be paid out before calculating cash flow each year for the first five years); and that the Board waive R. 67-48.002(111) and 67-48.004(14)(1) to allow Petitioner to request additional funding in the amount of the difference between the 2004 SAIL request limits pursuant to Part V.A.1. of the Universal Application Instructions and the 2005 SAIL request limits. Staff recommends that all other relief, if any, sought in the Petition be denied.

MULTIFAMILY BOND PROGRAM

Consent

V. MULTIFAMILY BOND PROGRAM

A. Request Approval to Allow a \$750,000 Surtax Loan from Miami-Dade County as Subordinate Financing for the Development

DEVELOPMENT NAME (“Development”):	Pinnacle Lakes
DEVELOPER/PRINCIPAL (“Developer”):	Pinnacle Lakes, Ltd./PHG Lakes, Inc./ Louis Wolfson III, Michael D. Wohl, David O. Deutch, & Mitchell D. Friedman
NUMBER OF UNITS:	226
LOCATION (“County”):	Miami-Dade
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	80% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$8,650,000 of Tax-Exempt Bonds \$275,000 of Taxable Bonds
ADDITIONAL COMMENTS: Subordinate Financing	

1. Background

In 2002 Florida Housing financed the construction of the Development with \$8,650,000 in tax-exempt bonds and \$275,000 in taxable bonds, designated as 2002 Series B-1 and B-2.

2. Present Situation

- a) On February 1, 2005, the Developer submitted a request to Florida Housing ([Exhibit A](#)) to approve subordinate financing in the form of a surtax loan from Miami-Dade County in the amount of \$750,000. The loan will accrue interest at the rate of .50% annually until December 31, 2009, when the loan will then accrue interest at 1% annually. Payment of principal is deferred until note maturity (thirty (30) years from construction completion).
- b) The credit underwriter has analyzed this request and recommends, in a letter dated February 2, 2005 ([Exhibit B](#)), that Florida Housing consent to the Developer’s request for additional financing.

3. Recommendation

Approve the recommendation of the Credit Underwriter outlined in the letter dated February 2, 2005 subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BOND PROGRAM

Consent

B. Request Approval of the Second Supplemental Letter to the Final Credit Underwriting Reports Dated August 27, 2004 for the Developments

DEVELOPMENT NAME (“Developments”):	Lakeside South/Victoria Park/Waterford at Regency/Wood Forest
DEVELOPER/PRINCIPAL (collectively, the “Applicant”):	IMT/IMT-LB Central Florida Investors LLC/IMT-LB Central Florida Investors 14 LLC/Lehman Brothers/John Tesoriero/Cory Thabit/Bryan Scher
NUMBER OF UNITS:	200/520/159/144 respectively
LOCATION (County):	Orange/Duval/Duval/Volusia respectively
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	20% @ 80%, 80% @ 150% (Lakeside South) 30% @ 80%, 70% @ 150% (Victoria Park) 20% @ 80%, 80% @ 150% (Waterford @ Regency) 20% @ 80%, 80% @ 150% (Wood Forest)
ALLOCATED AMOUNT:	\$7,600,000 Tax-Exempt Bonds \$19,370,000 Tax-Exempt Bonds \$7,200,000 Tax-Exempt Bonds \$5,995,000 Tax-Exempt Bonds respectively
ADDITIONAL COMMENTS: Second Supplemental Letter to the Credit Underwriting Report	

1. Background

- a) At the September 10, 2004 Board Meeting, Florida Housing approved the August 27, 2004 Credit Underwriting Reports (“Credit Underwriting Reports”) recommending the Transfer of GP Interest in the Developments.
- b) At the January 14, 2005 Board Meeting, Florida Housing approved the December 30, 2004 Supplemental Credit Underwriting Letter recommending an addition to the ownership structure of the general partners of the Developments for the purpose of adding an additional equity contribution to the transaction.

2. Present Situation

- a) James Giel and Jeff Wutzke, counsel for the Applicant, in letters dated February 1, 2005 and February 2, 2005 ([Exhibit C](#)), requested that IMT Central Florida Investor, LLC, IMT-LB Central Florida Holdings LLC, IMT-LB Central Florida Holdings 14 LLC, IMT Marbella Lake Apartments LLC, IMT Park At Regency Apartments, LLC, IMT Victoria Park Apartments, LLC AND IMT Wood Forest Apartments, LLC, all Delaware Limited Liability Companies (the “LLC’s”) be removed as guarantors to the transaction. These LLC’s were newly formed entities to take ownership of the Developments and therefore have no financial strength. The remaining guarantors, Cory Thabit, John Tesoriero and Bryan Scher have the combined financial strength to provide adequate liquidity to the transaction.
- b) A Second Supplemental Credit Underwriting Letter dated February 9, 2005, recommending this change is attached as [Exhibit D](#).

MULTIFAMILY BOND PROGRAM

Consent

3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Second Supplemental Credit Underwriting Letter to the Final Credit Underwriting Reports dated August 27, 2004, for the Development subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BOND PROGRAM

Consent

C. Request Approval to Substitute a New Developer Entity for the Current Developer

DEVELOPMENT NAME (“Development”):	Mill Creek Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Prime/Commander Drive, LLC/Whiteco Residential, LLC/White/Peterman RD, LLC/Timothy J. Connelly
NUMBER OF UNITS:	312
LOCATION (“County”):	Orange
TYPE (“Rental, Homeownership”):	Rental
SET ASIDE:	85% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$15,500,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: Developer Substitution	

1. Background

In December 2004, Florida Housing financed the construction of the Development with \$15,500,000 in tax-exempt bonds, designated as 2004 Series K.

2. Present Situation

- a) Broad and Cassel, counsel for Prime/Commander Drive, LLC, (“Owner”) in a letter, dated January 27, 2005 ([Exhibit E](#)) requested a substitution of the current developer, Whiteco Residential LLC with Whiteco Residential Development, LLC. The Owner requests this change to structurally separate the entities performing development and general partner type activities to prevent undesirable tax consequences relating to its eligible basis calculation and resulting annual housing credit allocation and equity contribution. Both entities have essentially the same ownership structures; therefore the principals, their ownership percentages and development experience remain unchanged.
- b) The Credit Underwriter has reviewed the request and recommends ([Exhibit F](#)) approval.

3. Recommendation

That the Board approve the substitution of the Developer for the Development subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VI. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request approval of PLP Loan to Circle, Inc, a non-profit corporation, for Alabaster Gardens (PLP 03-057)

DEVELOPMENT NAME (“Development”):	Alabaster Gardens
APPLICANT/DEVELOPER (“Developer”):	Circle, Inc – a non-profit corporation
CO-DEVELOPER:	The Carlisle Group
NUMBER OF UNITS:	147
LOCATION (“County”):	Escambia
TYPE:	Rental
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 500,000
ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval.	

1. Background/Present Situation

- a) On December 30, 2004, Florida Housing issued an Invitation to Participate in the PLP program to the non-profit Developer. The Development will be located in Escambia County.
- b) The TAP has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit A](#)). The TAP assisted the Developer in preparing the development plan and budget ([Exhibit B](#)). Staff has reviewed them and determined that all budget items are PLP eligible.
- c) Additionally, \$265,000 of the \$500,000 total PLP Loan amount will be utilized for site acquisition. As such, the Development is in the process of undergoing credit underwriting to approve the site acquisition portion of the loan. Upon receipt of such positive recommendation, the credit underwriting report will be presented to the Board for approval. In the interim, the Applicant has other financial obligations related to the Development that will require Florida Housing to close on the initial \$235,000, which is the non-site acquisition portion of the loan.

2. Recommendation

Approve a PLP Loan in the total amount of \$500,000 to Circle, Inc., a Florida non-profit corporation, for predevelopment expenses as recommended by the TAP and allow staff to begin loan closing proceedings for the non-site acquisition portion of the PLP Loan in the amount of \$235,000.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Audit Services

1. Background

- a) Florida Housing entered into a contract with Deloitte & Touche LLP to provide audit services effective September 28, 2001. The contract may be renewed twice for an additional one year period contingent upon satisfactory performance evaluations by Florida Housing and the consent of the Auditor to such renewals.
- b) At its October 10, 2002 meeting, the Board of Directors of Florida Housing directed staff to proceed with renewal/modification of the contract for the audit period ending December 31, 2003.
- c) Deloitte & Touche have consistently provided high levels of service. They have proven to be an independent resource for audit services as well as provided constructive comments through their management letters such as identifying the need for a business continuity plan. Their staffing of the audit from the partner to the senior level has allowed for the development of efficiencies through the various accounting transitions over the last several years, including the transition of bond fund accounting to an in-house function and the implementation of GASB 34 in 2001.

2. Present Situation

Both Internal Audit and Finance supports a second renewal to extend the term of the contract for the audit period ending December 31, 2004. The audit fee for the 2004 audit year remains the same as the 2003 fee at \$420,000. This fee includes travel costs for on-site auditing. There is a potential additional fee of up to \$14,000 that may be charged for auditing the conversion from Oracle to the Great Plains accounting system during 2004.

3. Recommendation

Staff believes that it is in the best interests of Florida Housing to continue to retain our current auditing services provider pursuant to the existing contract, and recommends the Board direct staff to proceed with the final contract renewal process.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VIII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Loan Closing Extension for Aswan Village Apartments, Cycle XV, (2003-026S)

Development Name: Aswan Village Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Banc of America Community Development Corporation (“Developer”)	Set-Aside: 5% @ 30% AMI and 95% @ 60% AMI
Number of Units: 216	Allocated Amount: \$2,000,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$5,563,642
Demographics: Family	
MMRB: \$9,900,000 Local	

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL second mortgage loan in an amount up to \$2,000,000 for this 216-unit family Development in Miami-Dade County.
- c) On May 21, 2004, the Board approved the final credit underwriting report and a closing deadline was set for August 6, 2004.
- d) On July 30, 2004, the Board approved a 60 day extension to the closing deadline which expired October 5, 2004.
- e) On October 15, 2004, the Board approved an exchange of tenant programs and a 60 day extension to the closing deadline which expired December 6, 2004.
- f) On January 14, 2005 the Board approved a one hundred and twenty (120) day extension until April 5, 2005 for the SAIL loan closing due to several outstanding issues. Due to the age of the credit underwriting report, an update review by the underwriter and further approval by the Board was required.
- g) On February 4, 2005, staff received an updated credit underwriting review with a positive recommendation ([Exhibit A](#)). The SAIL loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

Approve the updated credit underwriting review and direct staff to proceed with loan closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Credit Underwriting Report for The Cove at Lady Lake Apartments, Cycle XVI, (2004-138S)

Development Name: The Cove at Lady Lake Apartments (“Development”)	Location: Lake County
Developer/Principal: Sandspur Housing Development, Ltd. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 176	Allocated Amount: \$1,500,000
Type: Garden Style Buildings	Demographics: Family
MMRB: Local	

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 28, 2004, staff issued a preliminary commitment letter and invitation to credit underwriting for a SAIL loan in the amount up to \$1,500,000 for this 176-unit family development in Lake County.
- c) On February 17, 2005, staff received a credit underwriting report with a positive recommendation for a SAIL loan in an amount of \$1,500,000 ([Exhibit B](#)). The SAIL loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Credit Underwriting Report for Pinnacle Pointe Apartments, Cycle XVI, (2004-047S)

Development Name: Pinnacle Pointe Apartments (“Development”)	Location: Orange County
Developer/Principal: Pinnacle Housing Group, LLC (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 268	Allocated Amount: \$2,000,000
Type: Garden Style	Total Housing Credit Equity: \$5,663,242
Demographics: Family	MMRB: \$15,815,000 (Florida Housing)

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On December 6, 2004, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 268-unit family development in Orange County. This Development was previously awarded a Florida Housing MMRB allocation.
- c) On February 17, 2005, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$2,000,000 ([Exhibit C](#)). A portion of the SAIL funds will be used to redeem bonds. The SAIL loan will be secured with a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of a SAIL Loan Closing Extension for Harding Village, Cycle XV, (2003-016CS)

Development Name: Harding Village (“Development”)	Location: Miami-Dade County
Developer/Principal: Carrfour Supportive Housing, Inc. (“Developer”)	Set-Aside: 16% @ 30% AMI and 84% @ 60% AMI
Number of Units: 93	Allocated Amount: \$2,000,000
Type: Single Room Occupancy	Total Housing Credit Equity: \$1,946,644
Demographics: Homeless-Transition	MMRB: N/A

1. Background/Present Situation

- a) On July 30, 2004, the Board approved the credit underwriting report for the SAIL loan in the amount of \$2,000,000 for the Development.
- b) On October 14, the Board approved a SAIL loan extension of sixty (60) days for the Development.
- c) On January 14, 2005, the Board further approved a SAIL loan extension of sixty (60) days for the Development due to additional financing loan closing issues.
- d) The General Contractor for this Development is Carib Construction Corp. which is owned by Greater Miami Neighborhoods, Inc. (“GMN”). During the loan closing process it was determined that GMN was inadvertently listed as a guarantor for this transaction resulting in a delay of this loan closing. On February 14, 2005, staff received an update ([Exhibit D](#)) correcting the requirement of Greater Miami Neighborhoods, Inc. listed as a guarantor.
- e) On February 16, 2005, staff received a letter ([Exhibit E](#)) from the Developer requesting an additional extension of forty-five (45) days for the Development because of guarantee signature issues. The new SAIL loan closing deadline would be March 24, 2005.

2. Recommendation

Approve the SAIL loan closing extension for Harding Village.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval for an Extension of the Waiver of a Farmworker Set-Aside for Crossings at Cape Coral Apartments, Cycle XI, (1999-060S)

Development Name: Crossings at Cape Coral Apartments (“Development”)	Location: Lee County
Developer/Principal: Crossings at Cape Coral , Ltd. (“Developer”)	Set-Aside: 50% @ 50% AMI and 50% @ 60% AMI
Number of Units: 168	Allocated Amount: \$1,578,824
Type: Garden Style	Total Housing Credit Equity: \$4,329,861
Demographics: Farmworker/Family	MMRB: Local

1. Background/Present Situation

- a) August 18, 2000, a SAIL loan in the amount of \$1,578,824 for a 168-unit farmworker development in Lee County closed.
- b) On March 7, 2002, the Board approved the developer’s request to waive the farmworker requirement for a period of three years and imposed more restrictive rent limits than those included in the original Land Use Restriction Agreement. The waiver will expire on March 7, 2005.
- c) On February 11, 2005, staff received a letter requesting an extension of the waiver until March 7, 2008 ([Exhibit F](#)).

2. Recommendation

It is staff’s recommendation that the waiver be extended until June 7, 2005 and that the credit underwriter provide Florida Housing with a review of the development and its market status for further consideration.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

F. Request Approval of Credit Underwriting Report for Lakeside Pointe Apartments, Cycle XVI, (2004-121S)

Development Name: Lakeside Pointe Apartments (“Development”)	Location: Lake County
Developer/Principal: Sandspur Housing Partners, Ltd. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 128	Allocated Amount: \$1,500,000
Type: Garden Style	Total Housing Credit Equity: \$4,781,187
Demographics: Family	MMRB: \$7,585,000 (Local)

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 28, 2004, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$1,500,000 for this 128-unit family development in Lake County.
- c) On February 17, 2005, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,500,000 ([Exhibit G](#)). The SAIL loan will be secured with a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

G. Request Approval of Credit Underwriting Report for Wickham Club Apartments, Cycle XVI, (2004-133S)

Development Name: Wickham Club Apartments (“Development”)	Location: Brevard County
Developer/Principal: Sandspur Housing Partners, Ltd. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 132	Allocated Amount: \$1,500,000
Type: Garden Style	Total Housing Credit Equity: \$3,320,041
Demographics: Family	MMRB: \$7,315,000 (Local)

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 28, 2004, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$1,500,000 for this 132-unit family development in Brevard County.
- c) On February 16, 2005, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,500,000 ([Exhibit H](#)). The SAIL loan will be secured with a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

H. Request Approval of Amenity Change for Island Place Apartments, Cycle XIII, (2001-034S)

Development Name: Island Place Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Greater Miami Neighborhoods, Inc. (“Developer”)	Set-Aside: 50% @ 60% AMI 5.05% @ 50% AMI 15.15% @ 33% AMI
Number of Units: 199	Allocated Amount: \$2,800,000
Type: Mid Rise	Total Housing Credit Equity: N/A
Demographics: Family	MMRB: \$5,700,000 (Local)

1. **Background/Present Situation**

- a) On November 12, 2002, a SAIL loan for the Rehabilitation of the Development successfully closed for the Development in the amount of \$2,800,000.
- b) On October 28, 2004, staff received a letter from the Developer ([Exhibit I](#)) requesting as amenity change adding a picnic area with tables and BBQ grill to replace the pool that has been closed by the city of North Miami Beach due to continued vandalism and nuisance is it causing the community. Each of these amenities had a point value of 2 points in the 2001 application cycle.

2. **Recommendation**

Approve the amenity change for Island Place Apartments and direct staff to amend the Land Use Restriction Agreement to reflect this change.