

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
June 9, 2006  
Consent Items



## DEMONSTRATION LOANS

### *Consent*

#### I. DEMONSTRATION LOANS

##### A. Request Approval Of Credit Underwriting Report For Refuge House, Inc., A Non-Profit Corporation, For Transitional Housing For Victims Of Domestic Violence (RFP 2004/04-01)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Transitional Housing for Victims of Domestic Violence (Second Phase)</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Refuge House, Inc. - a non-profit corporation</b>
<b>NUMBER OF UNITS:</b>	<b>4 families (or 10 individual adults)</b>
<b>LOCATION (County):</b>	<b>Leon County</b>
<b>TYPE:</b>	<b>Rental, Transitional</b>
<b>SET ASIDE:</b>	<b>Victims of Domestic Violence</b>
<b>DEMONSTRATION LOAN AMOUNT:</b>	<b>\$469,008</b>
<b>ADDITIONAL COMMENTS: The credit underwriting report is for the second phase of a previously approved demonstration loan.</b>	

#### 1. Background/Present Situation

- a) On April 16, 2004, Florida Housing issued a Request for Proposals (RFP) for the development of transitional housing for victims of domestic violence.
- b) The Developer submitted a response containing three development proposals and on September 10, 2004 the Board approved funding not to exceed a total of \$1,399,000 for all three proposed developments. This approval was subject to a positive recommendation from the Credit Underwriter.
- c) Staff received a credit underwriting report on March 24, 2005 for the first phase/proposed development with a positive recommendation for a loan of \$840,330, subject to the conditions outlined in the report.
- d) Staff received an additional credit underwriting report on May 9, 2006 for the second phase/proposed development with a positive recommendation for a loan of \$469,008, subject to the conditions outlined in the report ([Exhibit A](#)).
- e) Additionally, the Developer will only be utilizing \$1,309,338 of the originally approved amount of \$1,399,000 and will only be completing two phases of the development as opposed to three.

#### 2. Recommendation

Approve the Credit Underwriter’s final recommendation and authorize staff to issue a firm loan commitment and proceed with loan closing activities for the second phase/proposed development.

## HOME RENTAL

### *Consent*

## II. HOME RENTAL

### A. Request Approval to Revise the Current Payment Schedule for Woodlawn Terrace (2002-718H)

<b>Development Name: Woodlawn Terrace (“Development”)</b>	<b>Location: St. Johns County</b>
<b>Developer/Principal: Housing for Rural, Inc. (“Developer”)</b>	<b>Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI</b>
<b>Number of Units: 76</b>	<b>Allocated Amount: \$4,555,000</b>
<b>Type: Garden Style/Rehabilitation</b>	<b>Demographics: Family</b>

#### 1. Background/Present Situation

- a) On October 9, 2003, a HOME loan closed in the amount of \$4,555,000 for this 76-unit Family development in St. Johns County.
- b) On January 26, 2006, Florida Low Income Housing, the Borrower, emailed ([Exhibit A](#)) staff requesting a revision to the Development’s current payment schedule as laid forth in the loan documents. After a personal visit from Dan Wilson to discuss considerable changes in the Development’s cash flow, staff directed the credit underwriter to review the Development’s financial situation.
- c) On May 11, 2006, staff received a positive recommendation ([Exhibit B](#)) from the credit underwriter for elimination of the HOME loan sinking fund payment, and for the principal payment to be required based on a cash flow above a 1.5 debt service ratio.

#### 2. Recommendation

Approve the Credit Underwriter’s recommendation and direct staff to proceed with making revisions to the legal documents as applicable.

## HOME RENTAL

### *Consent*

#### **B. Request Approval of Credit Underwriting Report for New Horizons Apartments (2005-107H)**

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

- a) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On September 29, 2005, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in an amount up to \$2,944,000 for this 100-unit family development in Miami-Dade County.
- c) On May 19, 2006, staff received a credit underwriting report with a positive recommendation for a HOME Rental loan in the amount of \$2,944,000 ([Exhibit C](#)), to be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of HOME 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.

# HOMEOWNERSHIP LOAN PROGRAM

## Consent

### III. HOMEOWNERSHIP LOAN PROGRAM

- A. Authorize Staff to De-obligate HAP Funds for Florida Low Income Housing Associates, Inc. (Non-Profit) for Northridge Lakes / HAP02-324

Applicant Name (“Applicant”):	Florida Low Income Housing Associates, Inc. (Non-Profit)
Development Name (“Development”):	Northridge Lakes
Developer/Principal (“Developer”):	Pat Kenney
Number of Units: 61	Location: St. Johns County, Florida
Type: HAP Purchase Assistance Loan	Allocated Amount: \$1,442,141

1. **Background**

- a) The Applicant submitted an application during Round Two of the 2002 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on March 10, 2003.
- b) The final credit underwriting report, dated November 19, 2003, was approved at the December 12, 2003 Board Meeting.

2. **Present Situation**

- a) On April 13, 2006, the Developer requested that the HAP funds be reallocated, advising of the difficulties in obtaining permits from St. Johns Water Management District. The letter is attached as [Exhibit A](#).

3. **Recommendation**

Staff recommends that \$1,442,141 in HAP funds be de-obligated and made available for future use in other homeownership programs.

# HOMEOWNERSHIP LOAN PROGRAM

## Consent

**B. Approve Request for an Increase in Line of Credit for St. Johns Housing Partnership, Inc. (Non-Profit) for Hancock Place / HAP02-308**

<b>Applicant Name (“Applicant”):</b>	<b>St. Johns Housing Partnership, Inc. (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Hancock Place</b>
<b>Developer/Principal (“Developer”):</b>	<b>William Lazar</b>
<b>Number of Units: 32</b>	<b>Location: St. Johns County</b>
<b>Type: HAP Construction Loan</b>	<b>Allocated Amount: \$840,000</b>

**1. Background**

- a) The Applicant submitted an application during Round One of the 2002 Homeownership Loan Program Application Cycle, which scored within the funding range, and was invited into credit underwriting on October 30, 2002.
- b) The final credit underwriting report (“CUR”) dated March 17, 2004, was approved at the April 2, 2004 Board Meeting, and authorized a line of credit for \$350,000.
- c) The Construction Loan closed on October 29, 2004.

**2. Present Situation**

- a) On April 21, 2006, the Developer requested approval to increase their line of credit with BB&T from \$350,000 to \$1,000,000 in order to expedite construction and avoid further construction cost increases.
- b) The Credit Underwriter has reviewed the information provided by the Developer and recommends that Florida Housing approve the request, as evidenced by their letter which is attached as [Exhibit B](#).

**3. Recommendation**

Approve the Developer’s request to increase the line of credit with BB&T from \$350,000 to \$1,000,000, subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing staff.

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#### IV. LEGAL

##### A. In Re: Alabaster Gardens, Ltd - FHFC Case No. 2006-014VW

<b>Development Name: (“Development”):</b>	<b>Alabaster Gardens</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Alabaster Gardens, Ltd.</b>
<b>Number of Units: 147</b>	<b>Location: Escambia County</b>
<b>Type: Garden Apartments w/ elevator</b>	<b>Set Asides: 100% @ 60% (SAIL) 85% @ 60% (MMRB)</b>
<b>Demographics: Elderly</b>	<b>SAIL: \$3,000,000</b>
<b>MMRB: \$7,500,000</b>	<b>Housing Credits: N/A</b>

##### 1. Background

- a) During the 2004 Universal Cycle, Florida Housing awarded an allocation of MMRB and SAIL funding to Alabaster Gardens, Ltd. (“Petitioner”). The Development is currently undergoing construction.
- b) On April 17, 2006, Florida Housing received a “Petition for Waiver of Rules 67-21.002(30) and 67-21.003(14)(b), Florida Administrative Code” (“Petition”), from Petitioner. A copy of the Petition is attached as [Exhibit A](#).
- c) Rule 67-21.002(30), Florida Administrative Code (2004), states in pertinent part:

(29) “Developer” means the individual, association, corporation, joint venturer or partnership identified as such in the Application. The Developer, as identified in an Application, may not change until the construction of the Development is complete.

- d) Rule 67-21.003(14)(b), Florida Administrative Code (2004), states in pertinent part:

Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline....Any attempted changes to these items will not be accepted. Those items are as follows:

(b) Name of each Developer;

##### 2. Present Situation

- a) Section 120.542(2), Florida Statutes provides in pertinent part:

Variations 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.

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- b) Petitioner specifically requests this waiver to change the current Developer entity, Carlisle Development Group, LLC, (CDG) to a new legal entity, Alabaster Gardens Development, LLC, in which CDG is the sole member and owner. The new entity would be comprised of the same principals, and would rely upon and benefit from the identical expertise, experience, services, resources and support personnel of CDG. Petitioner states that this waiver is necessary and that denial thereof would create a substantial hardship for Petitioner, in that CDG would be subjected to additional tax, accounting and corporate liability that could otherwise be avoided by the creation of the new legal entity.

### **3. Recommendation**

Staff recommends the Board grant the Petitioner's request for a waiver of Rules 67-21.002(30) and 67-21.003(14)(b), Florida Administrative Code, to permit a change of Developer prior to the completion of construction, from Carlisle Development Group, LLC, to Alabaster Garden Development, LLC.



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**B. In Re: Oaks at Shannon's Crossing, Ltd.**

<b>Development Name: (“Development”):</b>	<b>Oaks at Shannon’s Crossing</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Oaks at Shannon’s Crossing Limited Partnership</b>
<b>Number of Units: 100</b>	<b>Location: Okeechobee County</b>
<b>Type: Townhouses</b>	<b>Set Aside: 40% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>Allocated Amount:</b>
<b>MMRB:</b>	<b>Housing Credits: \$974,898</b>

**1. Background**

- a) During the 2005 Universal Cycle, Florida Housing awarded an allocation of tax credits to Oaks at Shannon’s Crossing Limited Partnership (“Petitioner”).
- b) On November 5, 2005, Florida Housing received a Petition for Waiver From Rules 67-48.004(1)(a), 67-48.004(14) and 67-48.004(15) (“Petition”), from Petitioner. A copy of the Petition is attached as [Exhibit B](#). On November 18, 2005 the Notice of Petition was published in the Florida Administrative Weekly. On December 9, 2005, the Board approve Petitioner’s request for waiver. An “Order Granting Waiver of Rules 67-48.004(1)(a), 67-48.004(14) and (15), Fla. Admin. Code (2005),” was filed on December 12, 2005.
- c) Petitioner requests an Amended Order restating the grant of waiver contained in the December 2005 Order, and specifically including permission allowing Shannon Crossings, LLC, to act as co-developer.
- d) Rule 67-48.004(1)(a), Florida Administrative Code, states in pertinent part:

The Universal Application Package or UA1016 (Rev. 2-05) consists of the forms and instructions ... [t]he Universal Application Package is adopted and incorporated herein by reference, effective February 7, 2005.
- e) By virtue of the rule above, the Universal Application Instructions are rules. The particular provisions of the Instructions for which Petitioner requests a waiver state, in pertinent part:

Part II. Applicant and Development Team

A.2a(1) If applying for HC, the Applicant must be a limited partnership (including a limited liability limited partnership) or a limited liability company. The Applicant entity shall be the recipient of the Housing Credits and cannot be changed until after a Final Housing Credit Allocation has been issued. Replacement of the Applicant or a material change (33.3% or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving an allocation and shall be deemed a material misrepresentation. Changes to the limited partner of a limited partnership will not result in disqualification.

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B.1. The identity of the Developer(s) listed in this Application may not change until the construction or Rehabilitation/Substantial Rehabilitation of the Development is complete.

- f) Rule 67-48.004(14), Florida Administrative Code, states in pertinent part:

(14) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

\* \* \*

(b) Identity of each Developer, including all co-Developers;

- g) Rule 67-48.004(15), Florida Administrative Code, states in pertinent part:

A Development will be withdrawn from funding and any outstanding commitments for funds or HC will be rescinded if at any time the Board determines that the Applicant's Development or Development team is no longer the Development or Development team described in the Application, and the changes made are prejudicial to the Development or to the market to be served by the Development.

- h) Petitioner requests a waiver from the above Rules and incorporated provisions of the Instructions to permit the replacement, prior to completion of construction, of the sole member of its General Partner, RLI Beneficial Holdings 2005, LLC, a for-profit limited liability company, with Shannon Crossings, LLC, a Florida limited liability company wholly owned by Everglades Community Association, Inc., a Florida non-profit 501(c)(3) corporation.

## 2. Present Situation

- a) Section 120.542(2), Florida Statutes provides in pertinent part:

Variations 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.

- b) Petitioner seeks the replacement of the sole member of its General Partner to comply with the requirements of a conditional allocation of funds under the US Rural Development Section 514 program ("RD 514") in association with Federal Home Loan Bank ("FHLB"). The RD 514 program requires Petitioner to replace its for-profit entity with a non-profit entity. This arrangement will permit Petitioner to better serve farmworker tenants by the leveraging of approximately \$3,000,000 in Federal funds and approximately \$500,000 in FHLB funds, among other benefits. Petitioner will not be able to obtain the additional funding without making this change to its ownership structure. Petitioner also plans to include a minimum of 40 units set aside for farmworker

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housing. Petitioner reports the replacement of the sole member of the General Partner will not adversely impact the Development, as the new entity will act as a co-developer with Applicant, which retains the requisite expertise and experience to successfully complete the Development.

### **3. Recommendation**

Staff recommends the Board amend its Order filed on December 12, 2005, to grant a waiver of Rules 67-48.004(1)(a), 67-48.004(14) and 67-48.004(15), Florida Administrative Code, to permit the replacement of the sole member of its General Partner in the manner described above, and to allow Shannon Crossings, LLC, to act as co-developer. Granting the waiver will serve the purpose of the underlying statute by permitting Petitioner to target an additional demographic group, and to otherwise serve statutory goal of encouraging private and public investment in low-income housing.

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### C. In Re: Dixie Court Associates, Ltd. – FHFC Case No. 2006-011VW

<b>Development Name: (“Development”):</b>	<b>Dixie Court Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>HEF-Dixie Court Development, LLC</b>
<b>Number of Units: 122</b>	<b>Location: Broward County</b>
<b>Type: Other (3-story building encompassing townhomes and duplexes)</b>	<b>Set Aside: 100% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>Allocated Amount: N/A</b>
<b>MMRB: N/A</b>	<b>Housing Credits: \$1,251,220</b>

#### 1. Background

- a) During the 2005 Universal Cycle, Florida Housing awarded an allocation of Housing Credits to the Petitioner.
- b) On April 6, 2006, Florida Housing received a Petition for Waiver of Rules 67-48.004(14) and 67-48.004(1)(a), Florida Administrative Code, (“Petition”) from Dixie Court Associates, Ltd. (“Petitioner”). A copy of the Petition is attached as [Exhibit C](#).
- c) Rule 67-48.004(14), Florida Administrative Code, states in pertinent part:

“(14) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

.....

(b) Identity of each Developer, including all co-Developers...”

- d) Rule 67-48.004(1)(a), Florida Administrative Code, adopts and incorporates by reference the Universal Application Instructions (the “Application Instructions”). The Application Instructions include the instructions discussed below (the “Applicable Instructions”).
- e) Part II.B.1. of the Application Instructions provides that:

“1. Developer or principal of Developer (Threshold)

The identity of the Developer(s) listed in this Application may not change until construction or Rehabilitation/Substantial Rehabilitation of the Development is complete.”

- f) Part II.A.2.a(1) of the Application Instructions provides as follows:

“If applying for HC, the Applicant must be a limited partnership (including a limited liability limited partnership) or a limited liability company. The Applicant entity shall be the recipient of the Housing Credits and cannot be changed until after a Final Housing Credit

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Allocation has been issued. Replacement of the Applicant or a material change (33.3% or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving an allocation and shall be deemed a material misrepresentation. Changes to the limited partner of a limited partnership will not result in disqualification.”

- g) The Petitioner’s application identified the Developer as HEF-Dixie Court Development, LLC, for which the Developer’s Prior Experience Chart was attached; the Petitioner did not have any co-Developers. HEF-Dixie Court Development, LLC, is an instrumentality of the Housing Authority of the City of Fort Lauderdale (the “Authority”). Subsequent to Petitioner’s submittal of its application, the Authority determined that it would be more efficient and in the best interests of the Development to engage Dixie Court Development, LLC, as a co-Developer, whereby Dixie Court Development, LLC, would provide certain development services in connection with the Development.
- h) As part of the negotiations to add Dixie Court Development, LLC, as a new co-Developer, the Petitioner’s general partner, Dixie Court GP, Inc., has agreed to transfer 51% of its general partner interest (a total of 0.0051% of the total interests) in the Petitioner to TCG Dixie Court, LLC. TCG Dixie Court, LLC, is affiliated with the new co-Developer, Dixie Court Development, LLC.
- i) Petitioner requests a waiver of the foregoing rules and instructions to (1) add Dixie Court Development, LLC, as the co-Developer, and (2) change the ownership structure of the Petitioner by adding TCG Dixie Court, LLC., as a co-General Partner who will hold a 0.0051% general partner interest.
- j) On April 21, 2006, the Notice of Petition was published in the Florida Administrative Weekly.
- k) To date, Florida Housing has not received any comments concerning the Petition.
- l) Section 120.542(2), Florida Statutes provides in pertinent part:

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.
- m) The granting of this request for waiver will serve the purpose of the underlying statute by ensuring the maximum use of available credits in order to encourage development of low-income housing and associated mixed-use projects in urban areas in the state. Strict application of Rule 67-48.004(14) and the Applicable Instructions incorporated by Rule 67-48.004(1)(a), will create a substantial hardship for Petitioner in that it will result in unnecessary delay and expense and make it impossible to complete the Development on time and within budget.

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#### **2. Recommendation**

Staff recommends the Board grant the Petitioner's request for a waiver of Rule 67-48.004(14), F.A.C., and the Applicable Instructions incorporated by Rule 67-48.004(1)(a), F.A.C., to (1) add Dixie Court Development, LLC, as co-Developer, such that for purposes of the Petitioner's Application the Petitioner's co-Developers will be HEF-Dixie Court Development, LLC, and Dixie Court Development, LLC, and (2) change the ownership structure of the Petitioner by adding TCG Dixie Court, LLC, as a co-General Partner, such that for purposes of the Petitioner's Application Dixie Court GP, Inc., and TCG Dixie Court, LLC, will be co-General Partners of Petitioner.

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### D. In Re: Brook Haven, Ltd. #2005-027BS – FHFC Case No. 2006-018VW

<b>Development Name: (“Development”):</b>	<b>Brook Haven Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Brook Haven, Ltd.</b>
<b>Number of Units: 160</b>	<b>Location: Hernando County</b>
<b>Type: Garden Apartments</b>	<b>Set Asides: 85% @ 60% (MMRB) 100% @ 60% (SAIL)</b>
<b>Demographics: Family</b>	<b>SAIL: \$2,900,000</b>
<b>MMRB: \$9,200,000</b>	<b>Housing Credits: N/A</b>

#### 1. Background

- a) During the 2005 Universal Cycle, Florida Housing awarded an allocation of SAIL and MMRB funding to Brook Haven, Ltd. (“Petitioner”).
- b) On May 10, 2006, Florida Housing received a “Petition for Variance of Rule 67-21.008(1)(b), Florida Administrative Code, (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit D](#).
- c) Rule 67-21.008(1)(b), Florida Administrative Code, states in pertinent part:
  - (1) Each Mortgage Loan for a Development made by the Corporation shall:
    - (b) Provide for a fully amortized payment of the Mortgage Loan in full beginning on the earlier of 36 months after closing, or stabilized occupancy, or conversion to permanent financing under the loan documents and ending no later than the expiration of the useful life of the property, and in any event, no later than 45 years from the date of the Mortgage Loan.
- d) Petitioner requests a variance from the above Rule to delay the start of the fully amortized payment of the mortgage loan for a period of up to an additional 72 months beyond the 36 months after closing of the MMRB financing that is currently allowed under the Rule.
- e) On May 19, 2006, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Petition.

#### 2. Present Situation

- a) Section 120.542(2), Florida Statutes provides in pertinent part:

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.

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- b) Strict application of the Rule will create a substantial hardship for Petitioner. Petitioner has negotiated a loan with its lender to allow sufficient time for rents to stabilize in today's market prior to servicing the principal on the debt. By stabilizing rents over a longer period of time, Petitioner is ensuring the economic viability of the Development and the ability of the Development to generate sufficient revenue to service the principal, interest, taxes and insurance for the MMRB loan.
- c) Granting the variance will serve the purpose of the underlying statutes because the variance will ensure the viability of the Development by allowing Petitioner to proceed with a viable financing structure in a timely manner to acquire and construct the Development and thus further the Corporation's statutory mandate to provide safe, sanitary and affordable housing in Florida.

### 3. **Recommendation**

Staff recommends the Board grant the Petitioner's request for a variance from Rule 67-21.008(1)(b), Florida Administrative Code, to allow a delay of the start of payment of the fully amortized mortgage payments for a period of up to an additional 72 months beyond the 36 months after closing of the MMRB financing.



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### E. In Re: Island Horizons Housing, L.P. – FHFC Case No. 2006-017VW

<b>Development Name: (“Development”):</b>	<b>Island Horizons Housing 2005-023C</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Island Horizons Housing, L.P.</b>
<b>Number of Units: 72</b>	<b>Location: Brevard County</b>
<b>Type: Garden Apartments</b>	<b>Set Aside: 100% @ 60% AMI</b>
<b>Demographics: Elderly</b>	<b>Allocated Amount: N/A</b>
<b>MMRB: N/A</b>	<b>Housing Credits: \$500,000</b>

#### 1. Background

- a) During the 2005 Universal Cycle, Florida Housing awarded an allocation of Housing Credits to the Petitioner.
- b) On May 1, 2006, Florida Housing received a Petition for Waiver of Rules 67-48.004(14) and 67-48.004(1)(a), Florida Administrative Code, (“Petition”) from Island Horizons Housing, L.P. (“Petitioner”). A copy of the Petition is attached as [Exhibit E](#).
- c) Rule 67-48.004(14), Florida Administrative Code, states in pertinent part:

“(14) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

.....

(b) Identity of each Developer, including all co-Developers...”

- d) Rule 67-48.004(1)(a), Florida Administrative Code, adopts and incorporates by reference the Universal Application Instructions (the “Application Instructions”). The Application Instructions include the instructions discussed below (the “Applicable Instructions”).
- e) Part II.B.1. of the Application Instructions provides that:

“1. Developer or principal of Developer (Threshold)

The identity of the Developer(s) listed in this Application may not change until construction or Rehabilitation/Substantial Rehabilitation of the Development is complete.”
- f) Part II.A.2.a(1) of the Application Instructions provides as follows:

“If applying for HC, the Applicant must be a limited partnership (including a limited liability limited partnership) or a limited liability company. The Applicant entity shall be the recipient of the Housing Credits and cannot be changed until after a Final Housing Credit Allocation has been issued. Replacement of the Applicant or a material

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change (33.3% or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving an allocation and shall be deemed a material misrepresentation. Changes to the limited partner of a limited partnership will not result in disqualification.”

- g) The Petitioner’s application identified the Developer as National Church Residences, for which the Developer’s Prior Experience Chart was attached, and the Brevard Family of Housing Authorities as co-Developer. Subsequent to Petitioner’s submittal of its application, the Brevard Family of Housing Authorities determined that it would be more efficient and in the best interest of the Development to assign its development rights to Island Horizons, Inc., as co-Developer, whereby Island Horizons, Inc., together with National Church Residences would provide the development services necessary for the Development. Island Horizons, Inc., is a Florida non-profit, affiliated entity of the Brevard Family of Housing Authorities.
- h) As part of the negotiations to add Island Horizons, Inc., as the new co-Developer, the Petitioner’s general partner, Island Horizons Housing, Inc., has agreed to transfer 49% of its general partner interest (a total of 0.0049% of the total interests) in the Petitioner to Island Horizons, Inc.
- i) Petitioner requests a waiver of the foregoing rules and instructions to (1) change the identity of the co-Developer from Brevard Family of Housing Authorities to Island Horizons, Inc., and (2) change the ownership structure of the Petitioner by adding Island Horizons, Inc., as a co-General Partner who will hold a 0.0049% general partner interest.
- j) On May 12, 2006, the Notice of Petition was published in the Florida Administrative Weekly.
- k) To date, Florida Housing has not received any comments concerning the Petition.
- l) Section 120.542(2), Florida Statutes provides in pertinent part:

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.
- m) The granting of this request for waiver will serve the purpose of the underlying statute by ensuring the maximum use of available credits in order to encourage development of low-income housing in the state. Strict application of Rule 67-48.004(14) and the Applicable Instructions incorporated by Rule 67-48.004(1)(a), will create a substantial hardship for Petitioner in that it will result in unnecessary delay and expense and make it impossible to complete the Development on time and within budget.

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### *Consent*

#### 2. **Recommendation**

Staff recommends the Board grant the Petitioner's request for a waiver of Rule 67-48.004(14), F.A.C., and the Applicable Instructions incorporated by Rule 67-48.004(1)(a), F.A.C., to (1) change the identity of the co-Developer from Brevard Family of Housing Authorities to Island Horizons, Inc., such that for purposes of the Application the Petitioner's co-Developers will be National Church Residences and Island Horizons, Inc., and (2) change the ownership structure of the Petitioner by adding Island Horizons, Inc., as a co-General Partner, such that for purposes of the Application Island Horizons Housing, Inc., and Island Horizons, Inc., will be co-General Partners of Petitioner.

## LEGAL

### Consent

#### F. In Re: Clermont RRH, Ltd./Sunny Hill Apartments – FHFC Case No. 2006-015VW

<b>Development Name: (“Development”):</b>	<b>Sunny Hill Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Thomas Flynn, Principal Developer</b>
<b>Number of Units: 33</b>	<b>Location: Lake County</b>
<b>Type: Garden Apartments</b>	<b>Set Asides: 40% @ 60%</b>
<b>Demographics: Family</b>	<b>SAIL: N/A</b>
<b>MMRB: N/A</b>	<b>Housing Credits: \$68,500</b>

#### 1. Background

- a) During the 2005 Universal Cycle, Florida Housing awarded an allocation of Low Income Housing Tax Credits (“HC”) to Clermont RRH, Ltd. (“Petitioner”), for Application #2005-0004C.
- b) On May 1, 2006, Florida Housing received an “Amended Petition for Waiver of Compliance Monitoring Fees Imposed by Rule 67-48.007, Florida Administrative Code, and the Universal Application Instructions Adopted as Rules under Section 67-48.003(1)(a)<sup>1</sup>, Florida Administrative Code” (“Amended Petition”), from Petitioner. A copy of the Amended Petition is attached as [Exhibit F](#).
- c) Rule 67-48.004(1)(a), Florida Administrative Code (2005), states in pertinent part:

The Universal Application Package is adopted and incorporated herein by reference, effective February 7, 2005.

- d) The particular portions of the 2005 Universal Application Instructions which apply to this Petition state, in pertinent part:

#### 7. Compliance Monitoring Fees:

##### b. HC:

(2) Annual Compliance monitoring fees - \$1,532 + \$9.00 per set-aside unit, for the full Housing Credit Extended Use Period collected at final allocation based on a quarterly payment stream discounted at a rate of 2.75%

- e) Rule 67-48.007, Florida Administrative Code (2005), states in pertinent part:

The Corporation ... shall collect via check or money order the following fees and charges in conjunction with the ... HC Program:

##### (6) Compliance Monitoring Fees.

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<sup>1</sup> Petitioner submitted its Petition for Waiver on April 18, 2006. Petitioner’s Amended Petition requests substantially the same relief.

## LEGAL

### *Consent*

- f) Petitioner requests a waiver of the above Rules and the above portions of the 2005 Universal Application Instructions incorporated therein to partially waive Annual Compliance monitoring fee and impose an Annual Compliance monitoring fee for the Development based on \$300.00 per development over the compliance monitoring term, 30 years, and the payment discounted at 2.75%.
- g) On April 28, 2006, the Notice of the original Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Amended Petition.

## 2. Present Situation

- a) Section 120.542(2), Florida Statutes provides in pertinent part:

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.

- b) The Development is financed in part through a United States Department of Agricultural Rural Development program ("USDA RD") which provides a direct loan program for financing of multi-family housing. USDA RD and Florida Housing entered into an agreement to monitor compliance with the tax credit requirements of USDA RD borrowers. This agreement resulted in a reduced compliance monitoring fee imposed on USDA RD borrowers. In 2001, the Annual Compliance monitoring fee for those developments with USDA RD funds was \$300.00 per development over the compliance monitoring terms, and the payment was discounted 2.75%. This reduced monitoring fee was inadvertently omitted from the 2005 Universal Application Instructions and rules.
- c) Petitioner demonstrated that denial of these requested waivers would violate principles of fairness, in that requiring payment of the entire fee where monitoring is also being conducted by the USDA would result in an overpayment by Petitioner. Granting the Petition would serve the purpose of the underlying statute which provides for compliance and the collection of monitoring fees, and by ensuring that the affordable housing units are provided.

## 3. Recommendation

Staff recommends the Board grant the Petitioner's request for a waivers of Rules 67-48.004(1)(a), and 67-48.007, Florida Administrative Code, and the above stated portions of the 2005 Universal Application Instructions incorporated therein, to impose an Annual Compliance monitoring fee for Sunny Hill Apartments based on \$350.00 per development over the compliance monitoring term, thirty (30) years, and the payment discounted at 2.75%.

# LEGAL

## Consent

### G. In Re: Summerset Senior, LLC – FHFC Case No. 2006-010VW

<b>Development Name: (“Development”):</b>	<b>Summerset Village Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Regency Development Associates, Inc.</b>
<b>Number of Units: 132</b>	<b>Location: St. John’s County</b>
<b>Type: multifamily Apartments</b>	<b>Set Asides: 40% @ 60% (SAIL)</b>
<b>Demographics: Elderly</b>	<b>SAIL: \$1,500,000</b>
<b>MMRB: N/A</b>	<b>Housing Credits: N/A</b>

#### 1. Background

- a) During the 2004 Universal Cycle, Florida Housing awarded an allocation of SAIL funding to Summerset Senior, LLC. (“Petitioner”). The Development is currently undergoing construction.
- b) On March 30, 2006, Florida Housing received a “Petition for Waiver from Rules 67-48.002(111) and 67-48.004(14)” (“Petition”), from Petitioner. A copy of the Petition is attached as [Exhibit G](#).
- c) Rule 67-48.002(111), Florida Administrative Code (2004), states in pertinent part:

“Universal Application Package” or “UA1016 (Rev. 3-04)” means the forms and instructions, obtained from the Corporation at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the SAIL, HOME and/or HC Program(s). The Universal Application Package is adopted and incorporated herein by reference, effective on the date of the latest amendment to this rule chapter.

- d) The 2004 Universal Application Instructions, Specific Instructions, Part II, A.2(2) provide:

If applying for MMRB, SAIL or HOME, the Applicant entity shall be the borrowing entity and cannot be changed until after loan closing. Replacement of the Applicant...prior to this time shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board Approval.

- e) Rule 67-48.004(14)(a), Florida Administrative Code (2004), states in pertinent part:

Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline...those items are as follows:

- (a) Name of Applicant;

## LEGAL

### *Consent*

- f) Petitioner requests a waiver of the above Rules to permit a change in the Applicant entity prior to the completion of construction and prior to loan closing. On April 14, 2006, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Petition.

### 2. Present Situation

- a) Section 120.542(2), Florida Statutes provides in pertinent part:

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.

- b) Petitioner specifically requests this waiver to change the current Applicant entity, Summerset Senior, LLC, to a new legal entity, Summerset Village, LLC, which is the sole member of Petitioner. Petitioner demonstrated that due to structuring issues required to comply with the Fair Housing Act, Petitioner's financing was acquired by and through its sole member, Summerset Village, LLC. The Federal Fair Housing Act requires a complex to be designated as senior housing where substantially all of the units are leased to senior citizens. In order to comply, Petitioner divided the property into two complexes, Summerset Senior LLC, a seniors only complex and Summerset Family, LLC, a family complex. Summerset Village, LLC, provides debt service on behalf of the two complexes. Petitioner's request reflects its economic circumstances. There will be no change of ownership by changing the current Applicant entity to the new legal entity. Petitioner further demonstrated that failure to grant its Petition, will result in Petitioner not being in compliance with the Fair Housing Act and it will be unable to maintain the Development. Petitioner also demonstrated that it would violate the principles of fairness to deny its Petition as the underlying entities are the same.

### 3. Recommendation

Staff recommends the Board grant the Petitioner's request for a waiver of Rules 67-48.002(111) and 67-48.004(14)(a), Florida Administrative Code, to permit a change of Applicant prior to the completion of construction and prior to loan closing, from the current Applicant entity, Summerset Senior, LLC, to a new legal entity, Summerset Village, LLC.

## MULTIFAMILY BONDS

### *Consent*

#### V. MULTIFAMILY BONDS

##### A. Request Approval To Allocate \$14,700,000 In Tax-Exempt, Private Activity Bond Allocation To The Development

<b>DEVELOPMENT NAME (“Development”):</b>	<b>The Regents Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>AOH-Regent, LP/AOH-Regent G.P /American Opportunity for Housing, Inc./Midwest Funding Corporation/David Starr/Roberto J. Cavazos/David E. Noon/H. Richard Noon</b>
<b>NUMBER OF UNITS:</b>	<b>304</b>
<b>LOCATION (“County”):</b>	<b>Duval</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>85% @ 60% (MMRB); 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$14,700,000 of Tax-Exempt Bonds</b>
<b>ADDITIONAL COMMENTS:</b>	<b>Award of bond allocation</b>

#### 1. Background

At the March 3, 2006 meeting, the Board authorized the MMRB Program to conduct a supplemental application cycle.

#### 2. Present Situation

- a) As of March 3, 2006, the MMRB Program has approximately \$400,000,000 in tax-exempt, private activity bond allocation that is not committed to a specific multifamily development.
- b) The Regents Apartments is a 2006 Supplemental MMRB Application (“Application”) to acquire and rehabilitate a market-rate development in Duval County. The Developer, in its Application is committing to an additional affordability period of fifteen (15) years and approximately \$3,000,000 for rehabilitation expenditures.
- c) The Regents Apartments scored a total of fifty-two (52) points on the application. The rules governing the 2006 Supplemental MMRB Application cycle require an application to achieve a perfect score of sixty-six (66) points in order to be funded. Therefore, the Application is ineligible for funding under the 2006 Supplemental MMRB Application cycle. However, the rules further state: “If there is private activity bond allocation remaining after all eligible Applications are funded, then this allocation will be applied to the Corporation’s single-family bond program or otherwise used as directed by the Board.”
- d) Since the corporation’s single-family bond program is not in need of any additional allocation, staff recommends that the Board use its discretion to award private activity bond allocation to The Regents Apartments even though it did not obtain a perfect score on its Application. Staff believes that the public policy purposes served by preserving this Development far outweigh any failure to achieve a perfect score on the Application.



## MULTIFAMILY BONDS

### *Consent*

3. **Recommendation**

Approve the request to allocate \$14,700,000 in tax exempt, private activity bonds to The Regents Apartments, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

**MULTIFAMILY BONDS**

*Consent*

**B. Request Approval Of The Final Credit Underwriting Report For The Development In The Amount Of \$14,700,000 Of Tax-Exempt Bonds, Consisting Of 304 Units, Located In Jacksonville, Duval County, Florida**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>The Regents Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>AOH-Regent, LP/AOH-Regent G.P /American Opportunity for Housing, Inc./Midwest Funding Corporation/David Starr/Roberto J. Cavazos/David E. Noon/H. Richard Noon</b>
<b>NUMBER OF UNITS:</b>	<b>304</b>
<b>LOCATION (“County”):</b>	<b>Duval</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>85% @ 60% (MMRB); 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$14,700,000 of Tax-Exempt Bonds</b>
<b>ADDITIONAL COMMENTS: Bonds Issuance</b>	

**1. Background**

- a) Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2006 Supplemental MMRB Application Cycle. Applicant applied for tax-exempt bonds in the amount of \$14,700,000 in order to acquire and rehabilitate the Development.
- b) At the June 9, 2006 Board meeting, the Board will approve an Acknowledgement Resolution for the issuance of tax-exempt bonds in an amount not to exceed \$14,700,000 for acquisition/rehabilitation of the Development.

**2. Present Situation**

- a) While the current Program Rule does not prohibit changes or modifications of the proposed Development during credit underwriting, the Board has directed staff to advise it of any such changes.
- b) The Sources and Uses as submitted in the Application have been changed to reflect the addition of a City of Jacksonville CDBG loan.
- c) The Features and Amenities committed to in the Application required installing hookups for full washers and dryers in all units. However, the developer has realized that space will not allow for full washer and dryer hookups, except in the two and three bedroom units. The developer is willing to provide washer and dryer hookups in the two and three bedroom units as well as provide a library for the development that was not committed in the Application.
- d) In addition, the total cost is \$1,176,383 higher than indicated in the Application. This is due to higher construction loan interest and bridge loan costs.

## MULTIFAMILY BONDS

### *Consent*

- e) A Final Credit Underwriting Report dated May 25, 2006, is attached as [Exhibit A](#).

### **3. Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated May 25, 2006 recommending that \$14,700,000 in bonds be issued for the purpose of acquiring and rehabilitating the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

# MULTIFAMILY BONDS

## *Consent*

### C. Assignment of Bond Underwriters and Structuring Agents

#### 1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the construction of the proposed Development referenced below, a Final Credit Underwriting Report is being presented to the Board for approval simultaneously with this request to assign the appropriate professionals to this transaction. A brief description of the Development is detailed below along with the Staff's recommendation for the assignment.
- b) Additionally, the Corporation's Senior Financial Advisor has prepared a method of bond sale letter. Staff has reviewed the method of sale letter and Board approval is requested at the current meeting.

#### 2. Present Situation

- a) The Credit Underwriter, the Senior Financial Advisor and Florida Housing staff have reviewed the financing structure for the proposed Development.
- b) The Senior Financial Advisor's recommendation for the method of bond sale is being presented to the Board at the current meeting during the Multifamily Mortgage Revenue Bond Program Update of items on the agenda.

#### 3. Recommendation

That the Board approve the assignment of the recommended professional as shown in the chart for the proposed Development.

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>
<b>Regent Apartments</b>	<b>Duval</b>	<b>304</b>	<b>Negotiated/Private Placement</b>	<b>RBC Dain Rauscher</b>

## MULTIFAMILY BONDS

### *Consent*

#### **D. Request Approval Of The Method Of Bond Sale Recommendation From Florida Housing's Senior Financial Advisor**

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

- a) The Credit Underwriter has provided a Final Credit Underwriting Report for the proposed Development below. Florida Housing seeks Board approval pursuant to the recommendation of the Credit Underwriter and the appropriate Florida Housing staff.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed bond structure by the Senior Financial Advisor in order to make a recommendation to the Board for the method of bond sale.
- c) CSG Advisors has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as [Exhibit B](#).

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>
<b>Regents Apartments</b>	<b>Duval</b>	<b>304</b>	<b>Negotiated/Private Placement</b>

##### **2. Recommendation**

That the Board approve the recommendation of the Senior Financial Advisor for the method of bond sale for the above Development.

## MULTIFAMILY BONDS

### *Consent*

**E. Request Approval To Divide The \$331,422,280 In Initial 2006 Private Activity Bond Allocation Received By Florida Housing From The Division Of Bond Finance (DBF) Between The Multifamily Mortgage Revenue Bond (MMRB) Program And The Single-Family Mortgage Revenue Bond (SFMRB) Program**

**1. Background**

The Corporation was assigned an initial 2006 private activity bond allocation of \$331,422,280. Each year, Florida Housing's Board allocates that initial authority between the MMRB and SFMRB programs. The amount allocated to the SFMRB Program also includes any amounts needed for the Mortgage Credit Certificate (MCC) Program.

**2. Present Situation**

- a) On June 30, 2006, staff must file a document with the DBF detailing which 2006 MMRB developments have received TEFRA approval from the Governor and are still eligible for bond allocation, as well as designating an amount FHFC intends to use for single-family purposes. The amounts detailed in this document are tentative, and can be amended by Florida Housing in subsequent filings with DBF through December 29, 2006.
- b) The 2006 Universal Application Cycle is now in the informal appeals stage. The outcome of the appeals may affect which MMRB applications are eligible for funding. In addition, the 2006 Supplemental MMRB Application Cycle is open. New applications may be submitted on a continuous basis. Finally, the hurricane rental recovery loan program is likely to stimulate new bond applications.

**3. Recommendation**

That the Board allow staff to determine, based on the eligible MMRB applications that exist as of June 30, 2006, projected single family and projected MCC activity, the amount of the initial 2006 private activity bond allocation to designate for use by each program in the required filing with DBF, and to allow revisions to those amounts, as necessary, for subsequent filings with DBF through December 29, 2006.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**VI. PREDEVELOPMENT LOAN PROGRAM (PLP)**

**A. Request Approval of Name Change for Applicant/Developer for Villa Aurora (PLP 05-070)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Villa Aurora</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Villa Aurora, Inc., a non-profit corporation</b>
<b>CO-DEVELOPERS:</b>	<b>n/a</b>
<b>NUMBER OF UNITS:</b>	<b>76</b>
<b>LOCATION (“County”):</b>	<b>Miami-Dade County</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>60% @ 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 500,000</b>
<b>ADDITIONAL COMMENTS: Villa Aurora, LLLP is a single asset affiliate of Carrfour Supportive Housing, Inc. that was created for the sole purpose of this Development.</b>	

**1. Background/Present Situation**

- a) On June 9, 2005, Florida Housing issued an Invitation to Participate in the PLP to the Developer. The Development will be located in Miami-Dade County.
- b) The Technical Assistance Provider (TAP) approved the development plan and recommended a loan amount of \$500,000 for PLP eligible activities. The TAP assisted the Developer in preparing the development plan and budget.
- c) Subsequent to Board approval, the Applicant has requested a change to the Applicant entity from Villa Aurora, Inc. to Villa Aurora, LLLP in order to be consistent with the entity named as the tenant under its current ground lease ([Exhibit A](#)). The sole managing member of the LLLP is Carrfour Supportive Housing, Inc, a non-profit corporation.

**2. Recommendation**

Authorize staff to change the name of the Applicant/Developer entity to Villa Aurora, LLLP in the loan documents and proceed with closing activities.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**B. Request Approval of PLP Loan to United Development Communities, Inc., a Non-Profit Corporation, for UDC ARHP Broward County (PLP 05-093)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>UDC ARHP Broward County</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>United Development Communities, Inc., a non-profit corporation</b>
<b>CO-DEVELOPER:</b>	<b>Curtis John Mimna</b>
<b>NUMBER OF SET-ASIDE UNITS:</b>	<b>4</b>
<b>LOCATION (“County”):</b>	<b>Broward County</b>
<b>TYPE:</b>	<b>Homeownership</b>
<b>SET ASIDE:</b>	<b>100% @ 80% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 500,000</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval.</b>	

**1. Background/Present Situation**

- a) On March 27, 2006, Florida Housing issued an Invitation to Participate in the PLP to the Developer. The Development will be located in Broward County.
- b) The Technical Assistance Provider (TAP) has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit B](#)). The TAP assisted the Developer in preparing the development plan and budget ([Exhibit C](#)). Staff has reviewed them and determined that all budget items are PLP eligible.
- c) Additionally, \$452,000 of the \$500,000 total PLP Loan amount will be utilized for site acquisition. As such, the Development will be 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.

**2. Recommendation**

Approve a PLP Loan in the amount of \$500,000 to the Developer, a non-profit corporation, for predevelopment expenses as recommended by the TAP and issue the commitment letter.



**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**C. Request Approval of PLP Loan to Greater Miami Neighborhoods, Inc., a Non-Profit Corporation, for Plaza La Isabella (PLP 05-094)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Plaza La Isabella</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Greater Miami Neighborhoods, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>n/a</b>
<b>NUMBER OF SET-ASIDE UNITS:</b>	<b>160</b>
<b>LOCATION (“County”):</b>	<b>Miami-Dade County</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>60% @ 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 500,000</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval.</b>	

**1. Background/Present Situation**

- a) On March 29, 2006, Florida Housing issued an Invitation to Participate in the PLP to the Developer. The Development will be located in Miami-Dade County.
  
- b) The Technical Assistance Provider (TAP) has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit D](#)). The TAP assisted the Developer in preparing the development plan and budget ([Exhibit E](#)). Staff has reviewed them and determined that all budget items are PLP eligible.

**2. Recommendation**

Approve a PLP Loan in the amount of \$500,000 to the Developer, for predevelopment expenses as recommended by the TAP and allow staff to issue the commitment letter and begin loan closing proceedings.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### VII. PROFESSIONAL SERVICES SELECTION (PSS)

##### A. Environmental Engineering/Consultant Services

###### 1. Background

a) At its May 2, 2003 meeting, the Board of Directors of Florida Housing selected the following firms to provide Environmental Engineering/Consultant services:

- (1) Malcolm Pirnie
- (2) Genesis Group
- (3) Florida Planning Group
- (4) Professional Services Industries, Inc.

b) The initial term of the contracts expire in July, 2006. The contracts may be renewed twice. Each renewal is for an additional one-year period.

###### 2. Present Situation

a) The contracts expire on various dates in July, 2006.

b) Florida Housing staff supports a renewal to extend the term of the contracts for a one-year period.

###### 3. Recommendation

Staff believes that it is in the best interests of Florida Housing to continue to retain our current Environmental Engineering/Consultants pursuant to the existing contract, and recommends the Board direct staff to proceed with the contract renewal process.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Structuring Agent Services**

##### **1. Background**

- a) At its May 2, 2003 meeting, the Board of Directors of Florida Housing directed staff enter into contract negotiations with Bank of America Securities LLC, Morgan Keegan and Company Inc., RBC Dain Rauscher, and Stern Brothers, to provide Structuring Agent services.
- b) On October 24, 2003, Banc of America Securities LLC withdrew its proposal because they could not adhere to the provisions of Section 420.512(5), Fla. Stat. (Prohibited Business Solicitation Communications).

##### **2. Present Situation**

- a) The initial term of the contracts expire in August, 2006. The contracts may be renewed twice. Each renewal is for an additional one-year period.
- b) The contracts expire on various dates in August 2006.
- c) Florida Housing staff supports a renewal to extend the term of the contracts for a one-year period.

##### **3. Recommendation**

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

## RENTAL RECOVERY LOAN PROGRAM (RRLP)

### *Consent*

#### VIII. RENTAL RECOVERY LOAN PROGRAM (RRLP)

##### A. Request Approval of RRLP Credit Underwriting Report for Johnson Lakes Apartments (2005-313HR)

<b>Development Name: Johnson Lakes Apartments (“Development”)</b>	<b>Location: Escambia County</b>
<b>Developer/Principal: Johnson Lakes Development, LLC (“Developer”)</b>	<b>Set-Aside: 25% @ 35% AMI and 75% @ 60% AMI</b>
<b>Number of Units: 160</b>	<b>Allocated Amount: \$6,141,214</b>
<b>Type: Garden Apartments</b>	<b>Total Housing Credit Equity: \$5,827,000</b>
<b>Demographics: Elderly</b>	
<b>MMRB: \$9,000,000 (Local)</b>	

##### 1. Background/Present Situation

- a) On October 14, 2005, the Board approved the final scores and ranking for the 2005 RRLP Application cycle.
- b) On November 10, 2005, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for an RRLP Loan in an amount up to \$6,141,214 for this 160-unit elderly development located in Escambia County.
- c) On May 25, 2006, staff received a credit underwriting report with a positive recommendation for an RRLP loan in the amount of \$6,141,214 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of RRLP Rule 67ER05, 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*

#### IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

##### A. Request Approval of a SAIL Credit Underwriting Report for Meridian Pointe Apartments, Cycle XVII (2005-030S)

<b>Development Name: Meridian Pointe Apartments (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)</b>	<b>Set-Aside: 100% @ 60% AMI</b>
<b>Number of Units: 360</b>	<b>Allocated Amount: \$3,000,000</b>
<b>Type: Garden Style</b>	<b>Total Housing Credit Equity: \$11,377,886</b>
<b>Demographics: Family</b>	
<b>MMRB: \$19,800,000 (Local)</b>	

##### 1. Background/Present Situation

- a) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On September 29, 2005, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$3,000,000 for this 360-unit family development in Hillsborough County.
- c) On May 24, 2006, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$3,000,000 ([Exhibit A](#)). 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*

**B. Request Approval of a SAIL Credit Underwriting Report for Summer Lakes II Apartments, Cycle XVII (2005-005S)**

<b>Development Name: Summer Lakes II Apartments (“Development”)</b>	<b>Location: Collier County</b>
<b>Developer/Principal: The Richman Group Development Corporation (“Developer”)</b>	<b>Set-Aside: 60% @ 50% AMI</b>
<b>Number of Units: 276</b>	<b>Allocated Amount: \$3,000,000</b>
<b>Type: Garden Style</b>	<b>Total Housing Credit Equity: \$8,902,092</b>
<b>Demographics: Family</b>	
<b>MMRB: \$22,000,000 (Local)</b>	

**1. Background/Present Situation**

- a) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On September 29, 2005, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$3,000,000 for this 276-unit family development in Collier County.
- c) On May 25, 2006, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$3,000,000 ([Exhibit B](#)). 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 to Exchange Amenities for Spring Haven I Apartments, Cycle XIV (2002-135BS)

Development Name: Spring Haven I Apartments (“Development”)	Location: Hernando County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 11% @ 50% AMI and 89% @ 60% AMI
Number of Units: 176	Allocated Amount: \$1,500,000
Type: Garden Style	Total Housing Credit Equity: \$2,111,768
Demographics: Family	
MMRB: \$6,200,000	

1. Background/Present Situation

- a) On March 30, 2004, a 2002 SAIL loan closed in the amount of \$1,500,000 for this 176-unit family development in Hernando County.
- b) On April 25, 2006, staff received a letter from the Developer requesting approval of a change of amenities from “gated community with “carded” entry or security guard” to “microwave oven in each unit” and “marble window sills” ([Exhibit C](#)).
- c) On May 18, 2006, staff received a credit underwriting review with a positive recommendation for the exchange in the amenities ([Exhibit D](#)). The “gated community with “carded” entry or security guard” amenity had a point value of 2 points in the 2002 application and the “microwave ovens” and “marble window sills” amenities had a point value of 1 point each in the 2002 application. 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 request to change the amenities in this Development and direct staff to amend the Land Use Restriction Agreement for SAIL and Multifamily Bonds.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**D. Request Approval of SAIL Credit Underwriting Report for Royalton Apartments, Cycle XVI / Cycle XVII (2004-037CS / 2005-048S)**

<b>Development Name: Royalton Apartments (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Royalton Development, LLC (“Developer”)</b>	<b>Set-Aside: 16% @ 30% AMI and 84% @ 60% AMI</b>
<b>Number of Units: 100</b>	<b>Allocated Amount: \$2,000,000 (2004) and \$1,000,000 (2005)</b>
<b>Type: Single Room Occupancy (SRO)</b>	<b>Housing Tax Credit Equity: \$7,832,434</b>
<b>Demographics: Homeless</b>	<b>Historic Tax Credit Equity: \$1,823,407</b>
<b>MMRB: N/A</b>	

**1. Background/Present Situation**

- a) During the 2004 Universal Application Cycle, the Applicant applied for a SAIL loan in the amount of \$2,000,000 for this 100-unit homeless development in Miami-Dade County.
- b) On October 19, 2004, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL Loan in an amount up to \$2,000,000. In the 2005 Universal Application Cycle, Applicants that were successful in receiving an award of 2004 SAIL funds could request additional funding.
- c) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Cycle and directed staff to proceed with all necessary credit underwriting activities.
- d) On October 10, 2005, staff issued a preliminary commitment letter and an invitation to credit underwriting for an additional SAIL loan in an amount up to \$1,000,000 for this 100-unit homeless development in Miami-Dade County.
- e) On May 25, 2006, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$3,000,000 ([Exhibit E](#)). 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.



## SPECIAL ASSETS

### *Consent*

#### X. SPECIAL ASSETS

##### A. Request Approval To Refinance The First Mortgage And Extension Of The SAIL Loan Term For TWC Sixty-Six, Ltd., A Florida Limited Partnership For Windsong Apartments (2000-112CS)

<b>Development Name: Windsong Apartments (“Development”)</b>	<b>Location: Columbia County</b>
<b>Developer/Principal: TWC Sixty-Six, Ltd., (“Developer”)</b>	<b>Set-Aside: 15% @ 35% AMI 85% @ 60% AMI Terms: SAIL 50 years, HC 50 years</b>
<b>Funding Sources: SAIL 00-112CS HC 00- 112CS</b>	<b>Amounts: SAIL: \$643,200 Housing Credits: \$681,650</b>
<b>Number of Units: 180</b>	<b>Demographics: Family</b>

#### 1. Background

During the 2000 SAIL Cycle XII, Florida Housing awarded a \$643,200 loan to TWC Sixty-Six, Ltd., a Florida Limited Partnership (Borrower) for the development of a 180-unit apartment complex in Columbia County, Florida. The Development also received a 2000 allocation of low-income housing tax credits in the amount of \$681,650 and was placed in service in 2001.

#### 2. Present Situation

- a) By letter dated March 27, 2006 ([Exhibit A](#)), the borrower is requesting Florida Housing’s approval of the refinancing of the first mortgage. The refinancing involves a lower interest rate which improves cash flow. The borrower has also requested that the SAIL loan that matures 7/1/2017 be extended 4 years to match the new maturity date of the refinanced first mortgage.
- b) Staff has received a credit underwriting report from Seltzer Management ([Exhibit B](#)) recommending approval of the refinancing and extension of the SAIL loan term. The Borrower has agreed to extend the affordability period by the length of time equal to the extension of the SAIL loan.

#### 3. Recommendation

Approve the recommendation of the Credit Underwriter outlined in the May 4, 2006 report recommending refinancing the first mortgage, extending the SAIL loan term and Land Use Restriction Agreement, subject to further approvals and verifications by the Credit Underwriter and appropriate Florida Housing Staff and direct Staff to proceed with loan modification activities.

## SPECIAL ASSETS

### *Consent*

**B. Request Approval Of Transfer Of Ownership Interest For River Park Associates, LP, A Florida Limited Partnership For River Park Place (Home 97HR-012, HC 97L-073, 1998-005C)**

<b>Development Name: River Park Place (“Development”)</b>	<b>Location: Indian River County</b>
<b>Developer/Principal: National Housing Corporation (“Developer”)</b>	<b>Set-Aside: HOME 20% @ 50% AMI, 80% @ 60% AMI LURA: 50 Years - HC 15.27% @ 35 % AMI, 1.38% @ 50% AMI, and 83.35% @ 60 AMI EUA: 50 years</b>
<b>Number of Units: 144</b>	<b>Allocated Amount: \$1,400,000</b>
<b>Demographics: Family</b>	<b>Housing Credits: \$975,000</b>

**1. Background**

During the 1997 Cycle, Florida Housing awarded \$1,400,000 in Home funding and \$975,000 in 9% low-income housing tax credits to River Park Associates, LP, a Florida limited partnership (“Borrower”), for the development of a 144-unit development in Vero Beach, Florida and the Development was placed in service in 1998.

**2. Present Situation**

- a) The current general partner is River Park Enterprises, Inc., and is 100% owned by Arthur Sandler. Mr. Sandler has entered into an agreement that will effectively transfer 65% of his direct interest (1% general partner) to a newly formed entity NHC 2 Master Corporation. The ownership structure of NHC 2 will be 25% by Arthur Sandler, 25% by Steven Sandler, and 50% by Robert Josephberg.
- b) Staff has received a credit underwriting report from AmeriNational Community Services, Inc. ([Exhibit C](#)) recommending approval of the transfer of the ownership interest in the general partnership.

**3. Recommendation**

Approve the recommendation of the Credit Underwriter outlined in the May 12, 2006 report recommending approval of the transfer of ownership interest in the general partnership.

## SPECIAL ASSETS

### *Consent*

**C. Request Approval Of Extension Of SAIL Loan For CCA Holdings, Ltd., A Florida Limited Partnership For Kyle's Run (95S-044) To Be Co-Terminus With The First Mortgage Financing**

<b>Development Name: Kyle's Run ("Development")</b>	<b>Location: Indian River County</b>
<b>Developer/Principal: CCA Holdings, Ltd., ("Developer")</b>	<b>Set-Aside: 20% @ 40% AMI 80% @ 60% AMI Terms: SAIL 50 years, HC 50 years</b>
<b>Funding Sources: SAIL 95S-044 HC 96L-008</b>	<b>Amounts: SAIL: \$1,550,000 Housing Credits: \$1,186,819</b>
<b>Number of Units: 200</b>	<b>Demographics: Family</b>

**1. Background**

During the 1995 SAIL Cycle VII, Florida Housing awarded a \$1,550,000 loan to CCA Holdings, Ltd., a Florida Limited Partnership (Borrower) for the development of a 200-unit apartment complex in Indian River County, Florida. The Development also received a 1996 allocation of low-income housing tax credits in the amount of \$1,186,819 and was placed in service in 1996.

**2. Present Situation**

- a) By letter dated April 26, 2006 ([Exhibit D](#)), the borrower is requesting Florida Housing's approval of modification to the SAIL loan documents to permit the SAIL loan to be co-terminus with the first mortgage documents. The borrower has requested that the SAIL loan that matures 2/28/2015 be extended to match the maturity date of the first mortgage of 9/1/2015.
- b) Staff has received a credit underwriting report from Seltzer Management ([Exhibit E](#)) recommending approval of the extension of the SAIL loan term.

**3. Recommendation**

Approve the recommendation of the Credit Underwriter outlined in the May 11, 2006 report recommending extending the SAIL loan term, subject to further approvals and verifications by the Credit Underwriter and appropriate Florida Housing Staff and direct Staff to proceed with loan modification activities.

## SPECIAL ASSETS

### *Consent*

**D. Request Approval Of Substitution Of General Partner Interest For Park Green Ltd., A Florida Limited Partnership For Park Green Apartments (98S-014, 97L-006)**

<b>Development Name: Park Green Apartments (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Park Green, Ltd. (“Developer”)</b>	<b>Set-Aside: SAIL 60% @ 50% AMI, 40% @ 60% AMI LURA: 50 Years - HC 15% @ 35 % AMI, 85% @ 50% AMI EUA: 50 years</b>
<b>Number of Units: 8</b>	<b>Allocated Amount: \$109,148</b>
<b>Demographics: Family</b>	<b>Housing Credits: \$57,611</b>

**1. Background**

- a) During the 1998 Cycle Florida Housing awarded \$109,148 in SAIL funding and \$109,148 in 9% low-income housing tax credits to Park Green Ltd., a Florida limited partnership (“Borrower”), for the development of an 8-unit development in Florida City, Florida and the Development was placed in service in 1998.
- b) In February 2004, BCCC, Inc. (the Special Limited Partner) removed the co-general partners. BCCC, Inc. assigned management responsibilities to Mr. Lovey Clayton and Ms. Wendy Lobos, pending approval from FHFC.
- c) In May 2004, BCCC, Inc. petitioned FHFC Board of Directors to approve a rule waiver for Park Green, Ltd. to forgive reporting requirements for several years due to the new management team’s inability to locate records kept by the former management company. The rule waiver was subsequently passed.

**2. Present Situation**

- a) By letter dated March 14, 2006 ([Exhibit F](#)), the limited partner is requesting the approval of the substitution of the general partner.
- b) Staff has received a credit underwriting report from First Housing Development Corporation ([Exhibit G](#)) recommending approval of the substitution of the general partnership interest with Mr. Lovey Clayton.

**3. Recommendation**

Approve the recommendation of the Credit Underwriter outlined in the May 9, 2006 report recommending approval of the substitution of general partner interest.

## SPECIAL ASSETS

### *Consent*

**E. Request Approval Of Extension Of SAIL Loan For Rio Towers, Ltd., A Florida Limited Partnership For Rio Towers Apartments (91-029S, 90-031)**

<b>Development Name: Rio Towers (East Little Havana) (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Equity Investor Associates, Inc. (“Developer”)</b>	<b>SAIL Set-Aside: 40% @ 60% AMI, 60% @ 60% AMI; LURA: 15 years; HC 100% @ 60 % AMI; EUA: 50 years</b>
<b>Number of Units: 82</b>	<b>Allocated Amount: \$800,000</b>
<b>Demographics: Elderly/Family</b>	<b>Housing Credits: \$413,746</b>

**1. Background**

During the 1991 SAIL Cycle III, Florida Housing awarded an \$800,000 SAIL loan to Rio Towers, Ltd., a Florida Limited Partnership (“Borrower”), for the development of an 82-unit development in Miami-Dade County. The SAIL loan closed on November 20, 1991 and will mature on July 23, 2006. The Development also received a 1990 allocation of low-income housing tax credits and was placed in service in 1992.

**2. Present Situation**

The Borrower has requested a one-year SAIL loan and Land Use Restriction Agreement (LURA) extension to allow the borrower sufficient time to sell or refinance the property to maintain the Development’s affordability.

**3. Recommendation**

Approve the request to extend the SAIL loan and LURA one year and direct staff to proceed with loan modification activities.