

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
January 26, 2007
Consent Items



DEMONSTRATION LOANS

Consent

I. DEMONSTRATION LOANS

- A. Request Approval Of Credit Underwriting Report For Turtle Nest Village, A Non-Profit/Community Based Organization, For A Development For Youths Aging Out Of Foster Care (RFP 2006/01-05)

DEVELOPMENT NAME (“Development”):	Turtle Nest Village
DEVELOPER/PRINCIPAL (“Developer”):	Turtle Nest Village, a non-profit/community based organization
NUMBER OF UNITS:	6*
LOCATION (County):	Palm Beach County
TYPE:	Rental, Transitional
SET ASIDE:	Youths Aging Out of Foster Care
DEMONSTRATION LOAN AMOUNT:	\$400,000
ADDITIONAL COMMENTS: *The unit configuration is 3 two bedroom units for a total of 6 individual youth served.	

1. Background/Present Situation

- a) On January 6, 2006, Florida Housing Finance Corporation issued a Request for Proposals (RFP) for the development of transitional housing for youth aging out of foster care.
- b) The Developer submitted a response proposing a development proposal of three (3) two-bedroom units (6 “units”).
- c) On June 9, 2006, the Board approved funding not to exceed a total of \$400,000 for the proposed development, based on staff recommendations. This approval was subject to a positive recommendation from the Credit Underwriter.
- d) On December 27, 2006, staff received a credit underwriting report for the proposed development with a positive recommendation for a loan of \$400,000 subject to the conditions outlined in the report ([Exhibit A](#)).

2. Recommendation

Approve the Credit Underwriter’s final recommendation and authorize staff to issue a firm loan commitment and proceed with loan closing activities.

DEMONSTRATION LOANS

Consent

B. Request Approval of Name Change on Demonstration Loan (2001/08-006HL) from Miami Beach Community Development Corporation to MBCDC Meridian Place, LLC

DEVELOPMENT NAME (“Development”):	Meridian Place Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Miami Beach Community Development Corporation
NUMBER OF UNITS:	34
LOCATION (County):	Miami-Dade County
TYPE:	Rental
SET ASIDE:	Extremely low income, elderly homeless
DEMONSTRATION LOAN AMOUNT:	\$1,000,000
ADDITIONAL COMMENTS: Development formerly known as Sunsouth Place	

1. Background/Present Situation

- a) On December 15, 2006 the Board approved the transfer of ownership of a development known as Sunsouth Place from the Carrfour Corporation to the Miami Beach Community Development Corporation. In addition to the transfer of ownership, the Board approved a change in the name of the development to Meridian Place Apartments and a reduction in the number of units to 34.
- b) Subsequent to the approval, the Miami Beach CDC submitted a request for permission to take ownership of the development in the name of MBCDC Meridian Place, LLC.
- c) The credit underwriter has reviewed the request and has found that the Miami Beach holds the 100% membership interest in the newly formed LLC. In addition, the credit underwriter received an opinion letter from the Legal Services of Greater Miami stating that MBCDC is the sole member and owner of the LLC. Based on this information, the credit underwriter is recommending approval ([Exhibit B](#)) of the developer’s request.

2. Recommendation

Approve the developer’s request to take ownership of Meridian Place Apartments in the name of MBCDC Meridian Place, LLC, in accordance with the credit underwriter’s recommendation.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Consent

I. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

A. Request Approval of Credit Underwriting Report for Mt. Carmel Gardens, Cycle XVIII, (2006-003E)

Development Name: Mt. Carmel Gardens (“Development”)	Location: Duval County
Developer/Principal: Mt. Carmel Gardens, Inc. (“Applicant”)	Set-Aside: N/A
Number of Units: 207	Allocated Amount: \$479,761
Type: High-Rise	Total Housing Credit Equity: N/A
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On June 9, 2006, the Board approved the final scores and ranking for the 2006 EHCL Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On June 20, 2006, staff issued a preliminary commitment letter and an invitation to credit underwriting for an EHCL loan in an amount up to \$479,761 for repairs to this 207-unit elderly development in Duval County.
- c) On January 11, 2007, staff received a credit underwriting report with a positive recommendation for an EHCL loan in the amount of \$479,761 ([Exhibit A](#)). The EHCL loan will be secured with a fourth mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of EHCL Rule Chapter 67-32, 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

II. HOMEOWNERSHIP LOAN PROGRAM

A. Approve Request for an Increase in Line of Credit for DFC Homes of Florida, Inc. for Sable Chase/HH02-005

Applicant Name (“Applicant”):	DFC Homes of Florida, Inc.
Development Name (“Development”):	Sable Chase
Developer/Principal (“Developer”):	Kenny Davis
Number of Units: 32	Location: Broward County, Florida
Type: HOME Construction Loan	Allocated Amount: \$1,325,000

1. Background

- a) The Applicant submitted an application during round one of the 2002 Homeownership Loan Program cycle, which scored within the funding range, and was invited into credit underwriting on November 4, 2002.
- b) The final credit underwriting report (“CUR”) dated January 9, 2004, was approved at the January 23, 2004 Board Meeting.
- c) After several delays, the Construction Loan closed on May 31, 2005.

2. Present Situation

- a) On December 28, 2006, the Developer requested approval to increase their line of credit with Citrus Bank from \$2,000,000 to \$2, 250,000, which is necessary to address change orders and labor/material cost increases. The letter is attached as [Exhibit A](#).
- 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 Citrus Bank by \$250,000, from \$2,000,000 to \$2, 250,000, subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing staff.

LEGAL

Consent

III. LEGAL

A. In Re: Catholic Charities Housing, Diocese of Venice, Inc.

FHFC Case No. 2006-074VW

Development Name: (“Development”):	Casa San Juan Bosco
Developer/Principal: (“Developer”):	Casa San Juan Bosco, Inc.
Number of Units: 147	Location: DeSoto County
Type: duplexes	Set Asides: 71% @ 50% AMI
Demographics: Farmworker	SAIL: \$2,000,000; HOME: \$6,000,000
MMRB: N/A	Housing Credits: N/A

1. Background

- a) Pursuant to “Florida Housing Finance Corporation Request for Proposals #2004-11 for the Development and Rehabilitation of Farmworker Housing” (“2004-11 RFP”), Florida Housing awarded an allocation of \$2,000,000 in State Apartment Incentive Loan Program (SAIL) funding to Catholic Charities Housing, Diocese of Venice, Inc., (“Petitioner”) to construct a 44-unit farmworker housing project in DeSoto County, Florida (“San Juan Bosco Development”). Additionally, Pursuant to the “Florida Housing Finance Corporation Request for Proposals 2005-05 for the Development and Rehabilitation of Migrant Farmworker Housing” (“2005-05 RFP”), Florida Housing awarded an allocation of \$6,000,000 in HOME Investment Partnership Program funds to Petitioner to construct the San Juan Bosco Development.
- b) On December 21, 2006, Florida Housing received an “Amended Petition Catholic Charities Housing, Diocese of Venice, Inc., for Waiver of Rule 67-48.004(14)” (“Amended Petition¹”), from Petitioner. A copy of the Amended Petition is attached as [Exhibit A](#).
- c) On November 22, 2006, the original Notice of Petition was published in the Florida Administrative Weekly in Volume 32, Number 47.
- d) The 2004-11 RFP, Instructions at Part H. Loan Terms, provides:

Funds awarded pursuant to this RFP will be loaned on terms in accordance Fla. Admin. Code R. 67-48, the SAIL program rule and Section 420.5087, Fla. Stat.
- e) The 2005-05 RFP, Instructions at Part H. HOME Program Requirements, provides:

8. Applicant and Contractor shall satisfy and comply with all requirements and provisions of 42 U.S.C. 12701 et seq., Section 420.5089, Florida Statutes, 24 C.F.R. part 92, and Fla. Admin. Code R. 67-48, as now or hereafter in effect.

¹ As the petitions were substantially the same and requested the same relief, the amended petition was not re-noticed.

LEGAL

Consent

- f) Rule 67-48.004(14), Florida Administrative Code (2004 and 2005), 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;

- g) Petitioner requests a waiver of Rule 67-48.004(14)(a), F.A.C., to permit a change in the name of the Applicant. Specifically, Petitioner wishes to change the current Applicant name, Catholic Charities Housing, Diocese of Venice, Inc., to another Applicant name, Casa San Juan Bosco, Inc.

2. **Present Situation**

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.

3. **Recommendation**

Staff recommends the Board grant the Petitioner's request for a waiver of Rule 67-48.004(14)(a), Florida Administrative Code. Petitioner demonstrated that a waiver of the above Rules is necessary and that denial thereof would create a substantial hardship for Petitioner. Petitioner demonstrated that the creation of the new legal entity, Casa San Juan Bosco, Inc., was in part done to minimize the risk of liability to the San Juan Bosco Development and that San Juan Bosco, Inc., will have the identical development team and board of directors as Catholic Charities Housing, Diocese of Venice, Inc.; and the continuity, progress and quality of the San Juan Bosco Development will not be disrupted by granting this request for relief. Strict application of Rule 67-48.004(14), will create a substantial hardship for Petitioner in that it will result in economic and legal hardship associated with the segregation of funds and risks associated with Petitioner's other developments. Further, title to the San Juan Bosco Development has already been acquired in the name of San Juan Bosco, Inc., and Petitioner would suffer a substantial hardship if a deed transferring ownership back to Petitioner were required.

MULTIFAMILY BONDS

Consent

IV. MULTIFAMILY BONDS

A. Request Approval Of The Final Credit Underwriting Report For Briarwood Apartments

DEVELOPMENT NAME (“Development”):	Briarwood Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	218 Housing Partners, LP/SMK Housing Partners, LLC/Sanford L. Seligman/Karen Seligman/Michael Seligman
NUMBER OF UNITS:	102
LOCATION (“County”):	Clay
TYPE (Rental, Homeownership):	Rental/Family (MMRB, SAIL and HC)
SET ASIDE:	85% @ 60% (MMRB) 100% @ 60% (SAIL & HC)
ALLOCATED AMOUNT:	\$4,520,000 of Tax-Exempt Bonds and \$3,100,000 SAIL

1. Background

Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2006 Universal Cycle. Applicant applied for tax-exempt bonds in the amount of \$4,150,000 and SAIL funds in the amount of \$3,100,000 in order to construct the Development. The Applicant subsequently requested an additional \$370,000 in tax-exempt bonds for a total amount of \$4,520,000.

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) Total Development Costs have increased \$1,174,238 since the Application primarily due to increases in construction, financial and general development costs as well as an increase in the bond redemption reserve account which was increased to offset the increase in the bond amount.
- c) A Final Credit Underwriting Report dated January 11, 2007, 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 January 11, 2007 recommending that \$4,520,000 in bonds and \$3,100,000 in SAIL funds be issued for the purpose of constructing 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

- B. Request Approval Of The Final Credit Underwriting Report For The Development In The Amount Of \$9,955,000 Of Tax-Exempt Bonds And \$2,900,000 SAIL Loan Extension, Consisting Of 262 Units, Located In Miami, Miami-Dade County, Florida**

DEVELOPMENT NAME (“Development”):	Cutler Hammock Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Cutler Hammock Preservation, L.P./Cutler Hammock Preservation GP, LLC/ Cutler Hammock Preservation GPII, LLC/The Related Companies L.P.
NUMBER OF UNITS:	262
LOCATION (“County”):	Miami-Dade
TYPE (Rental, Homeownership):	Rental/Family (MMRB, SAIL and HC)
SET ASIDE:	70% @ 60% (MMRB) 20% @ 60% (SAIL-Elderly) 80% @ 60% (SAIL) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$9,955,000 of Tax-Exempt Bonds and \$2,900,000 SAIL Loan Extension
ADDITIONAL COMMENTS: Acquisition/Rehabilitation with Extension of Existing SAIL Loan	

1. Background

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 \$11,370,000 in order to acquire and rehabilitate 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” have been changed to reflect the assumption of an existing SAIL Loan and a decrease of \$1,415,000 in the Tax-Exempt Bond amount from \$11,370,000 to \$9,955,000.
- c) Total construction costs have increased from \$17,044,049 to \$19,052,339. The primary differences are acquisition cost revised to reflect the impact of the assumable SAIL loan and revised cost of rehabilitation.
- d) A commitment to extend the existing SAIL Elderly set-aside of 20% at 60% will be extended to match the new maturity date of the SAIL Loan. The Applicant has also requested an increase of its Housing Credit set-aside from 70% of the units to 100% of the units
- e) The Application listed Fortune Construction Company as the General Contractor completing the rehabilitation. The Borrower provided a contract with Della Security and Construction Services, Inc. (“Della”). The underwriter has reviewed the experience of Della and does not find the change to be material to the Application.

MULTIFAMILY BONDS

Consent

- f) The Application listed Norman Tandy and Associates as the Engineer/Architect during the rehabilitation. The Borrower has provided a contract with PresCon, LLC (“PresCon”) to provide these services. The underwriter has reviewed the experience of PresCon and does not find the change to be material to the Application.
- g) A Final Credit Underwriting Letter dated January 10, 2007, is attached as [Exhibit B](#).

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated January 10, 2007 recommending that \$9,955,000 in bonds and \$2,900,000 SAIL loan extension 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. Request Approval Of The Final Credit Underwriting Report For Heritage Villas

DEVELOPMENT NAME (“Development”):	Heritage Villas
DEVELOPER/PRINCIPAL (“Applicant”):	Indian River RDA, LP/Vero Partners, LLC/Sanford L. Seligman/Karen Seligman/Michael Seligman
NUMBER OF UNITS:	116
LOCATION (“County”):	Indian River
TYPE (Rental, Homeownership):	Rental/Family (MMRB, SAIL and HC)
SET ASIDE:	85% @ 60% (MMRB) 100% @ 60% (SAIL & HC)
ALLOCATED AMOUNT:	\$5,930,000 of Tax-Exempt Bonds and \$4,000,000 SAIL

1. Background

Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2006 Universal Cycle. Applicant applied for tax-exempt bonds in the amount of \$5,100,000 and SAIL funds in the amount of \$4,000,000 in order to construct the Development. The Applicant subsequently requested an additional \$830,000 in tax-exempt bonds for a total amount of \$5,930,000.

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) Total Development Costs have increased \$2,200,891 since the Application primarily due to increases in construction, financial and general development costs as well as an increase in the bond redemption reserve account which was increased to offset the increase in the bond amount.
- c) A Final Credit Underwriting Report dated January 11, 2007, is attached as [Exhibit C](#).

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated January 11, 2007 recommending that \$5,930,000 in bonds and \$4,000,000 in SAIL funds be issued for the purpose of constructing 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

D. Request Approval For An Assumption And Amendment Of LURA Obligations Of Brittany Of Rosemont I And Brittany Of Rosemont II

DEVELOPMENT NAME (“Developments”):	Brittany of Rosemont I Brittany of Rosemont II
DEVELOPER/PRINCIPAL (“Applicant”):	Alliant Holdings of Florida, LLC/Alliant Capital, Ltd./TV Spano/NAHA Acquisitions LLC
NUMBER OF UNITS:	252 - respectively 240 – respectively
LOCATION (“County”):	Orange Orange
TYPE (Rental, Homeownership):	Rental/Family (MMRB, SAIL and HC)
SET ASIDE:	20% @ 50% - respectively 20% @ 50% - respectively
ALLOCATED AMOUNT:	\$13,090,000 of Tax-Exempt Bonds and \$425,000 Taxable Bonds - respectively \$12,920,000 of Tax-Exempt Bonds and \$480,000 Taxable Bonds
ADDITIONAL COMMENTS: Assumption and Amendment of the Land Use Restriction Agreement (“LURA”) Obligations	

1. Background

- a) In 1995, Florida Housing financed the construction of Brittany of Rosemont I with \$13,090,000 in Tax-Exempt Bonds and \$425,000 in Taxable bonds (the “1995 Series C Bonds”), designated as 1995 Series C. The Taxable bonds are no longer outstanding.
- b) In 1995, Florida Housing financed the construction of Brittany of Rosemont II with \$12,920,000 in Tax-Exempt Bonds and \$480,000 in Taxable bonds (the “1995 Series G Bonds,” together with the 1995 Series C Bonds, the “Bonds”), designated as 1995 Series G. The Taxable bonds are no longer outstanding.
- c) The proposed sale of the Developments by Alliant Holdings of Florida, LLC to NAHA Acquisitions, LLC will result in the redemption of the Tax-Exempt Bonds and the termination of the Guarantee Program’s credit enhancement on the mortgage securitizing the Bonds.

2. Present Situation

- a) NAHA Acquisitions LLC (“Purchaser”), in a letter dated January 4, 2007 ([Exhibit D](#)), requested approval to purchase the Developments.
- b) The Credit Underwriter has reviewed the Purchaser’s request and by letter dated January 11, 2007 ([Exhibit E](#)) recommends that Florida Housing approve the request.

3. Recommendation

That the Board approve the Assumption and Amendment of LURA Obligations of the Developments, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

E. Request Approval To Allocate \$64,530,000 In Tax-Exempt, Private Activity Bond Allocation To The Developments

DEVELOPMENT NAME (“Developments”):	Oviedo Town Centre I Oviedo Town Centre II Oviedo Town Centre III Oviedo Town Centre IV Southwinds Village at Delray Pinewood Pointe Apartments
DEVELOPER/PRINCIPAL (“Developers”):	Oviedo Town Centre Development Group, LLLP Oviedo Town Centre II Partners, LLLP Oviedo Town Centre III, LLLP Oviedo Town Centre IV, LLLP Southwinds Partners, LLLP Village at Delray, Ltd. SP Pinewood LP
NUMBER OF UNITS:	102 – respectively 35 – respectively 84 – respectively 24 – respectively 112 – respectively 264 - respectively 136 – respectively
LOCATION (“Counties”):	Seminole – respectively Seminole – respectively Seminole – respectively Seminole – respectively Lake – respectively Palm Beach - respectively Duval – respectively
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	70% @ 60% – respectively 70% @ 60% – respectively 70% @ 60% – respectively 70% @ 60% – respectively 70% @ 60% – respectively 80% @ 60% - respectively 85% @ 60% - respectively
ALLOCATED AMOUNT:	\$9,000,000 – respectively \$3,500,000 – respectively \$7,500,000 – respectively \$2,500,000 – respectively \$10,000,000 – respectively \$22,910,000 - respectively \$9,120,000 of Tax Exempt Bonds – respectively
ADDITIONAL COMMENTS: Award of bond allocation	

MULTIFAMILY BONDS

Consent

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 December 29, 2006, the MMRB Program has approximately \$300,000,000 in tax-exempt, private activity bond allocation that is not committed to a specific multifamily development.
- b) The Developments are 2006 Supplemental MMRB Applications (“Applications”) to construct new affordable developments in the Counties.
- c) 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 Applications are 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 Developments even though they did not obtain a perfect score on their Applications. Staff believes that the public policy purposes served by obtaining these Developments as affordable for thirty (30) years far outweigh any failure to achieve a perfect score on the Application.

3. **Recommendation**

Approve the request to allocate \$64,530,000 in tax exempt, private activity bonds to the Developments, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

F. 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 Developments referenced below, Final Credit Underwriting Reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals to this transaction. Brief descriptions of the Developments are detailed below along with the Staff's recommendation for the assignment.
- b) Additionally, the Corporation's Senior Financial Advisor has prepared method of bond sale letters. Staff has reviewed the method of sale letters and Board approval is requested at the current meeting.

2. Present Situation

- a) The Credit Underwriters, the Senior Financial Advisor and Florida Housing staff have reviewed the financing structure for the proposed Developments.
- b) The Senior Financial Advisor's recommendations for the method of bond sale are being presented to the Board at the current meeting during the Multifamily Mortgage Revenue Bond Program Update of items on the agenda.
- c) That the Board approve the assignment of the recommended professionals as shown in the chart for the proposed Developments.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional
Briarwood Apartments	Clay	102	Private Placement	Morgan Keegan & Company, Inc.
Heritage Villas	Indian River	116	Private Placement	Morgan Keegan & Company, Inc.
Cutler Hammock	Miami-Dade	162	Private Placement	Stern Brothers & Co.

MULTIFAMILY BONDS

Consent

G. Request Approval Of The Method Of Bond Sale Recommendations From Florida Housing's Senior Financial Advisor

1. Background/Present Situation

- a) The Credit Underwriter has provided Final Credit Underwriting Reports for the proposed Developments below. Florida Housing seeks Board approval pursuant to the recommendations 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 structures by the Senior Financial Advisor in order to make recommendations 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 Developments. The recommendation letters are attached as [Exhibit F](#).

Development Name	Location of Development	Number of Units	Method of Bond Sale
Briarwood Apartments	Clay	102	Private Placement
Heritage Villas	Indian River	116	Private Placement
Cutler Hammock	Miami-Dade	162	Private Placement

2. Recommendation

That the Board approve the recommendations of the Senior Financial Advisor for the method of bond sale for the above Developments.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

V. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval Of PLP Loan To Tallahassee Habitat For Humanity, A Non-Profit Corporation, For Blue Bird (PLP 05-099)

DEVELOPMENT NAME (“Development”):	Blue Bird
APPLICANT/DEVELOPER (“Developer”):	Tallahassee Habitat for Humanity, a non-profit corporation
CO-DEVELOPERS:	n/a
NUMBER OF UNITS:	40
LOCATION (“County”):	Leon County
TYPE:	Home Ownership
SET ASIDE:	100% @ 80% AMI
PLP LOAN AMOUNT:	\$ 173,715

1. Background/Present Situation

- a) On July 19, 2006, Florida Housing Finance Corporation issued an “Invitation to Participate” in the PLP program to the Developer for a development to be called Blue Bird. The Development will be located in Leon County.
- b) The Technical Assistance Provider (TAP) has approved the development plan and has recommended a loan amount of \$173,715 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.

2. Recommendation

Approve a PLP Loan in the total amount of \$173,715 to the Developer for predevelopment expenses as recommended by the TAP and allow staff to issue the commitment letter and begin loan closing proceedings.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval Of PLP Loan To Greater Miami Neighborhoods, Inc., A Non-Profit Corporation, For Puerto Real (PLP 05-105)

DEVELOPMENT NAME (“Development”):	Puerto Real
APPLICANT/DEVELOPER (“Developer”):	Greater Miami Neighborhoods, Inc., a non-profit corporation
CO-DEVELOPERS:	n/a
NUMBER OF UNITS:	121
LOCATION (“County”):	Miami-Dade County
TYPE:	Rental
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 500,000.00

1. Background/Present Situation

- a) On October 26, 2006, Florida Housing Finance Corporation issued an “Invitation to Participate” in the PLP program to the Developer for a development called Puerto Real. 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 \$500,000.00 for PLP eligible activities ([Exhibit C](#)). The TAP assisted the Developer in preparing the development plan and budget ([Exhibit D](#)). Staff has reviewed them and determined that all budget items are PLP eligible.

2. Recommendation

Approve a PLP Loan in the total amount of \$500,000.00 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

VI. PROFESSIONAL SERVICES SELECTION (PSS)

A. Arbitrage Rebate Analyst Services

1. Background

- a) At its December 12, 2003 meeting Florida Housing's Board authorized staff to enter into contract negotiations with Bondlogistix LLC and The Arbitrage Group, Inc.
- b) The initial term of the contract with Bondlogistix LLC expires February 18, 2007.
- c) The initial term of the contract with The Arbitrage Group, Inc. expires, March 18, 2007.
- d) The contracts may be renewed twice. Each renewal is for an additional one-year period.

2. Present Situation

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 Arbitrage Rebate Analysts pursuant to the existing contract, and recommends the Board direct staff to proceed with the contract renewal process.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

B. Technical Assistance Provider Services

1. Background

- a) At its December 3, 2004 meeting, the Board of Directors of Florida Housing (Board) authorized staff to enter into contract with The Florida Housing Coalition, Inc. to provide Technical Assistance Provider services for the Predevelopment Loan and Demonstration Loan Programs.
- b) The contract may be renewed twice, each time for an additional one (1) year period.
- c) At its January 20, 2006 meeting, the Board ratified staff's decision to extend the term of the contract with The Florida Housing Coalition, Inc. until January 14, 2007.

2. Present Situation

Florida Housing staff support a renewal to extend the term and effective January 14, 2007 renewed the contract for the final one-year period.

3. Recommendation

Ratify staff's decision to extend the term of the contract with The Florida Housing Coalition, Inc. for the final one-year period.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

C. Investment Manager Services

1. Background

- a) Effective January 13, 2003, Florida Housing entered into contract with UBS Global Asset Management (Americas) Inc. for Investment Manager Services.
- b) The initial term of the contract was for three years. The contract may be renewed twice, each time for an additional one (1) year period.
- c) At its December 9, 2005 meeting, Florida Housing's Board of Directors approved extending the contract for an additional one (1) year period.

2. Present Situation

- a) The current term of the contract expires on January 13, 2007.
- b) Florida Housing staff support a renewal to extend the term and effective January 13, 2007 renewed the contract for the final one-year period.

3. Recommendation

Ratify staff's decision to extend the term of the contract with UBS Global Asset Management (Americas) Inc. for the final one-year period.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

D. Financial Advisor Services

1. Background

- a) Effective February 26, 2004, Florida Housing entered into contract with CSG Advisors Inc. to provide Financial Advisor Services.
- b) The initial term of the contract was for three years. The contract may be renewed twice. The term of each renewal is for a one (1) year period.

2. Present Situation

- a) The current term of the contract expires on February 26, 2007.
- b) With the Guarantee Fund financial advisory services contract ending, Florida Housing staff is reexamining its overall need for and approach for financial advisory services. As a result of this reexamination, staff is recommending the CSG contract be renewed until Florida Housing selects a financial advisor through a solicitation process. However, in no event will the CSG contract be extended beyond February 26, 2008.

3. Recommendation

Authorize staff to proceed with the contract renewal process.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Briarwood Apartments, Cycle XVIII (2006-054BS)

Development Name: Briarwood Apartments (“Development”)	Location: Clay County
Developer/Principal: Sanford Seligman (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 102	Allocated Amount: \$3,100,000
Type: Garden Style	Housing Credit Equity \$2,664,863
Demographics: Family	MMRB: \$4,520,000

1. Background/Present Situation

- a) On July 28, 2006, the Board approved the final scores and ranking for the 2006 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 7, 2006, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$3,100,000 for this 102-unit family development located in Clay County. The Development was also awarded an MMRB allocation. The credit underwriting report is addressed in the MMRB section of this board package. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Credit Underwriting Report for Heritage Villas, Cycle XVIII (2006-055BS)

Development Name: Heritage Villas (“Development”)	Location: Indian River County
Developer/Principal: Sanford Seligman (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 116	Allocated Amount: \$4,000,000
Type: Garden Style	Housing Credit Equity \$4,490,578
Demographics: Family	MMRB: \$5,930,000

1. Background/Present Situation

- a) On July 28, 2006, the Board approved the final scores and ranking for the 2006 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 7, 2006, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$4,000,000 for this 116-unit family development located in Indian River County. The Development was also awarded an MMRB allocation. The credit underwriting report is addressed in the MMRB section of this board package. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Credit Underwriting Report for Merry Place Apartments, Wilma Go Zone (RFP2006-04-06/2005-036C)

Development Name: Merry Place Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Banc of America Community Development Corporation and Baobab Development, Inc. “Developer”)	Set-Aside: 15% @ 30% AMI, 85% @ 60% AMI
Number of Units: 128	Allocated Amount: \$1,024,000
Type: Garden Apartments	Housing Tax Credit Equity: \$13,744,000
Demographics: Family	MMRB: N/A

1. **Background/Present Situation**

- a) Through an RFP process in April, 2006, developments that were located in the counties damaged by Hurricane Wilma and were awarded an allocation of only Competitive Housing Credits (HC) in the Universal Application Cycle were allowed to request SAIL funds. The Applicant applied for a SAIL loan in the amount of \$1,024,000 for this 128-unit family development in Palm Beach County.
- b) On June 28, 2006, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$1,024,000.
- c) On December 29, 2006, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,024,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. **Recommendation**

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval for the Exchange of Amenities for Summerset Village, Cycle XVI (2004-094S/2006-511C)

Development Name: Summerset Village (“Development”)	Location: St. Johns County
Developer/Principal: Transom Development, Inc. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 132	Allocated Amount: \$1,500,000
Type: Three-story with Elevator	Housing Credit Equity \$4,682,482
Demographics: Elderly	MMRB: \$10,740,000 (Local)

1. Background/Present Situation

- a) During the 2004 Universal Application Cycle, the Applicant applied for a SAIL loan in the amount of \$1,500,000 for this 132-unit elderly development in St. Johns County.
- b) On October 28, 2004, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$1,500,000.
- c) On October 20, 2006, the Board approved a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,500,000 and directed staff to proceed with loan closing activities.
- d) On January 10, 2007, staff received a letter from the Borrower requesting a change in amenities from heat pump with a minimum of HSPF of 7.4 to air conditioning with SEER rating of 13 or better ([Exhibit B](#)). The heat pump has a value of one (1) point and the air conditioning has a value of two (2) points which exceeds the point value requirement for this section of the application.

2. Recommendation

Approve the request to change amenities in this Development and direct staff to make changes to documents.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval for an Extension of the Closing Deadline for Summerset Village, Cycle XVI (2004-094S/2006-511C)

Development Name: Summerset Village (“Development”)	Location: St. Johns County
Developer/Principal: Transom Development, Inc. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 132	Allocated Amount: \$1,500,000
Type: Three-story with Elevator	Housing Credit Equity \$4,682,482
Demographics: Elderly	MMRB: \$10,740,000 (Local)

1. Background/Present Situation

- a) During the 2004 Universal Application Cycle, the Applicant applied for a SAIL loan in the amount of \$1,500,000 for this 132-unit elderly development in St. Johns County.
- b) On October 28, 2004, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$1,500,000.
- c) On October 20, 2006, the Board approved a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,500,000 and directed staff to proceed with loan closing activities.
- d) On January 11, 2007, staff received a letter from the Borrower’s attorney requesting an extension of the closing deadline until March 16, 2007so that a Phase I Environmental up-date can be obtained ([Exhibit C](#)).

2. Recommendation

Approve the request to extend the closing deadline until March 16, 2007, subject to the payment of the loan closing extension fee pursuant to Rule Chapter 67-48, F.A.C.

SPECIAL ASSETS

Consent

VIII. SPECIAL ASSETS

- A. **Request Approval To Refinance The First Mortgage For Indian Run Limited Partnership, A Florida Limited Partnership For The Crossings At Indian Run Apartments (97S-003) (97L-508) (1996 Series V)**

Development Name: The Crossings at Indian Run (“Development”)	Location: Martin County
Developer/Principal: Indian Run Limited Partnership/The Gatehouse Group, Inc. (“Developer”)	Set-Aside: 100% @ 60% AMI SAIL LURA: 50 years; EUA: 30
Number of Units: 344	Allocated Amount: SAIL: \$4,947,342
Demographics: Family	Housing Credits: \$989,698.56 MMRB: \$13,175,000

1. **Background**

During the 1997 SAIL Cycle IX, Florida Housing awarded a \$4,947,342 loan to Indian Run Limited Partnership, a Florida Limited Partnership (“Borrower”), for the development of a 344-unit apartment complex in Martin County, Florida. The SAIL loan closed on December 17, 1997 and will mature on June 30, 2026. The Development also received a bond allocation (1996 Series V) of \$13,175,000 and a 1998 allocation of low-income housing tax credits of \$989,698.56.

2. **Present Situation**

- a) In a letter dated December 12, 2006 and revised December 22, 2006 ([Exhibit A](#)), The Gatehouse Group, Inc requests to refinance the first mortgage, paying off the associated bonds and removing the Guarantee Program liability.
- b) Staff has received a credit underwriting report from Seltzer Management ([Exhibit B](#)) recommending approval of the refinancing.

3. **Recommendation**

Approve the recommendation of the Credit Underwriter outlined in the January 2007 report recommending refinancing the first mortgage subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

B. Request Approval Of Extension Of SAIL Loan For Lakeview Housing Limited Partnership, A Florida Limited Partnership For Lakeview Apartments (91S-033)

Development Name: Lakeview (“Development”)	Location: Miami-Dade County
Developer/Principal: Lakeview Housing Limited Partnership/ULGM, Inc. (“Developer”)	Set-Aside: 100% @ 60% AMI LURA: 50 years; EUA: 30 years
Number of Units: 40	Allocated Amount: SAIL - \$1,551,248
Demographics: Family	Housing Credits: \$240,208

1. Background

During the 1991 SAIL Cycle III, Florida Housing awarded a \$1,551,248 construction/permanent loan to Lakeview Housing Limited Partnership, a Florida Limited Partnership (“Borrower”), for the development of a 40-unit development in Miami-Dade County. The SAIL loan closed on February 25, 1992 and will mature on February 25, 2007. The Development also received a 1990 allocation of low-income housing tax credits of \$240,208. The Development was placed in service in December of 1992.

2. Present Situation

In a letter dated December 15, 2006 ([Exhibit C](#)) the Borrower has requested a one-year SAIL loan and Land Use Restriction Agreement (LURA) extension to February 25, 2008 and February 25, 2043 respectively, to allow the Borrower sufficient time to refinance the property to maintain the Development’s affordability.

3. Recommendation

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

SPECIAL ASSETS

Consent

C. Request Approval Of Extension Of SAIL Loan For Homestead Apartments Associates, Ltd., A Florida Limited Partnership For Riverwalk I Apartments (91S-072)

Development Name: Riverwalk I (“Development”)	Location: Miami-Dade County
Developer/Principal: Homestead Apartments Associates, Ltd./Related Companies (“Developer”)	Set-Aside: 20% @ 50% AMI Farmworker, 80% @ 60% AMI Family LURA: 15 years; EUA: 30 years
Number of Units: 123	Allocated Amount: SAIL - \$843,000
Demographics: Farmworker/Family	Housing Credits: \$471,638

1. Background

During the 1991 SAIL Cycle III, Florida Housing awarded a \$843,000 construction/permanent loan to Homestead Apartments Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 123-unit development in Miami-Dade County. The SAIL loan closed on March 10, 1992 and will mature on March 10, 2007. The Development also received a 1991 allocation of low-income housing tax credits of \$471,638. The Development was placed in service in November of 1993.

2. Present Situation

In a letter dated January 4, 2007 ([Exhibit D](#)) the Borrower has requested a one-year SAIL loan and Land Use Restriction Agreement (LURA) extension to March 10, 2008 to allow the Borrower sufficient time to refinance the property to maintain the Development’s affordability.

3. Recommendation

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

SPECIAL ASSETS

Consent

D. Request Approval Of Extension Of SAIL Loan For Homestead Apartments Associates II, Ltd., A Florida Limited Partnership For Riverwalk II Apartments (92S-019)

Development Name: Riverwalk II (“Development”)	Location: Miami-Dade County
Developer/Principal: Homestead Apartments Associates II, Ltd./Related Companies (“Developer”)	Set-Aside: 20% @ 50% AMI Farmworker, 80% @ 60% AMI Family LURA: 50 years; EUA: 50 years
Number of Units: 112	Allocated Amount: SAIL - \$770,000
Demographics: Farmworker/Family	Housing Credits: \$451,372

1. Background

During the 1992 SAIL Cycle IV, Florida Housing awarded a \$770,000 construction/permanent loan to Homestead Apartments Associates II, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 112-unit development in Miami-Dade County. The SAIL loan closed on October 8, 1992 and will mature on October 8, 2007. The Development also received a 1992 allocation of low-income housing tax credits of \$451,372. The Development was placed in service in December of 1993.

2. Present Situation

In a letter dated January 4, 2007 ([Exhibit E](#)) the Borrower has requested a one-year SAIL loan and Land Use Restriction Agreement (LURA) extension to October 8, 2008 and October 8, 2043 respectively, to allow the Borrower sufficient time to refinance the property to maintain the Development’s affordability.

3. Recommendation

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

SPECIAL ASSETS

Consent

E. Request Approval of the Transfer of the Property and the Assumption and Extension of Cutler Hammock Apartments SAIL Loan (90S-027) (2006A-203B)

Development Name: Cutler Hammock Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cutler Hammock Development, LLC. (“Developer”)	Set-Aside: 100% @ 60% AMI SAIL LURA: 31 years; EUA 30 years
Number of Units: 262	Allocated Amount: SAIL: \$2,900,00
Demographics: Elderly/Family	Housing Credits: \$1,049,192

1. Background

- a) On September 14, 1990, a SAIL loan in the amount of \$2,900,000 for this 262-unit development in Miami-Dade County closed. The SAIL loan matured on September 14, 2005. The Development also received a 1990 allocation of low-income tax credits and was placed in service June 19, 1992.
- b) The Borrower requested and the Board approved a SAIL loan and Land Use Restriction Agreement (LURA) extension to June 14, 2007 and September 14, 2021 respectively, to allow the new Borrower sufficient time to arrange financing in order to acquire and rehabilitate the Development.
- c) The Borrower applied for MMRB financing from Florida Housing and the Board approved that request at the July 2006 Board meeting.

2. Present Situation

- a) The Borrower requested approval to assume the SAIL loan. Additionally, it requested that the SAIL loan term and the affordability period in the LURA be extended to be co-terminus with the new MMRB financing. The loan will require full amortization, a fixed base rate of 3.00%, an all-in rate of 3.36% that includes servicing fees, and a Debt Service Coverage (“DSC”) ratio of not less than 1.00 to 1.00. Staff has reviewed the credit underwriting report and finds that the development meets all of the requirements of SAIL Rule 67-48, F.A.C.
- b) The credit underwriting report is further addressed in the MMRB section of the Board package.

3. Recommendation

Approve the transfer of the Property and direct staff to proceed with loan closing activities.