

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
May 2, 2008
Consent Items



DEMONSTRATION LOANS

Consent

I. DEMONSTRATION LOANS

A. Request Approval of the Credit Underwriting Report for Children’s Home Society-Buckner Division (CHS-Buckner), a Non-Profit Organization for CHS – Buckner (RFP 2006/01-04YAFC)

DEVELOPMENT NAME (“Development”):	CHS – Buckner
DEVELOPER/PRINCIPAL (“Developer”):	Children’s Home Society – Buckner Division (CHS – Buckner), a not-for-profit organization
NUMBER OF UNITS:	10
LOCATION (County):	Duval County
TYPE:	Rental
SET ASIDE:	Youth Aging out of Foster Care
DEMONSTRATION LOAN AMOUNT:	\$249,000

1. Background

- a) On January 6, 2006, Florida Housing Finance Corporation issued a Request for Proposals (RFP) for the development and/or rehabilitation of transitional housing for youths aging out of foster care (2006-01).
- b) On March 16, 2006, the Developer submitted a response and on June 9, 2006, the Board approved funding not to exceed a total of \$249,000. This approval was subject to a positive recommendation from the Credit Underwriter.
- c) On September 13, 2007, the Developer provided an update regarding the status of the underwriting process. The Developer was awaiting funding approval on a Duval County Community Development Block Grant in order to cover the increased construction costs. Instead, the Developer received a non-amortizing loan from the Jacksonville Housing Commission (JHC) in the amount of \$741,375 at zero percent interest for a term of fifteen years or until the property is no longer used for the purpose of youth aging out of foster care transitional housing.

2. Present Situation

Staff received a credit underwriting report on April 2, 2008 for the proposed development with a positive recommendation for a loan of \$249,000 subject to conditions contained in the report that must be met by the Developer prior to closing on this loan.

3. Recommendation

Approve the Credit Underwriter’s recommendation ([Exhibit A](#)) to approve a loan in the amount of \$249,000 to CHS – Buckner subject to conditions outlined in the Credit Underwriting Report and to authorize staff to issue a firm loan commitment and proceed with loan closing activities.

HOMEOWNERSHIP PROGRAM

Consent

II. HOMEOWNERSHIP LOAN PROGRAM

A. Request for Approval to Extend the Construction Period for Three Rivers Housing Foundation, Inc. (Non-Profit) for Columbia HOME / HH03-027

Applicant Name (“Applicant”):	Three Rivers Housing Foundation, Inc. (Non-Profit)
Development Name (“Development”):	Columbia HOME
Developer/Principal (“Developer”):	Forrest Boone
Number of Units: 11	Location: Columbia, Florida
Type: HOME Purchase Assistance Loan	Allocated Amount: \$233,750

1. Background

- a) The Applicant submitted an application during the 2003 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on February 17, 2004.
- b) The final credit underwriting report, dated November 18, 2004, was approved at the December 3, 2004 Board Meeting, with the loan commitment contingent upon completion of the environmental review process.
- c) On March 7, 2005, a loan commitment was issued to the Developer with the construction period scheduled to end March 7, 2008.

2. Present Situation

- a) On April 14, 2008, the Developer requested an extension from March 7, 2008 until March 7, 2009, advising of difficulties in obtaining qualified homebuyers. The letter is attached as [Exhibit A](#).
- b) To date, the Developer has closed on 4 homes, utilizing \$95,500 out of the original \$233,750 that was awarded.

3. Recommendation

Staff recommends that the Board grant an extension of the construction period until March 7, 2009.

HOMEOWNERSHIP PROGRAM

Consent

B. Request for Approval to Extend the Construction Period for The Housing League, Inc., (Non-Profit) for St. Johns County Scattered Sites / HH03-022

Applicant Name (“Applicant”):	The Housing League, Inc. (Non-Profit)
Development Name (“Development”):	St. Johns County Scattered Sites
Developer/Principal (“Developer”):	Jerry Flick
Number of Units: 40	Location: St. Johns County, Florida
Type: HOME Purchase Assistance Loan	Allocated Amount: \$1,000,000

1. Background

- a) The Applicant submitted an application during the 2003 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on February 2, 2004.
- b) The final credit underwriting report, dated December 21, 2004, was approved at the January 14, 2005 Board Meeting, with the loan commitment contingent upon completion of the environmental review process.
- c) On May 24, 2005, a loan commitment was issued to the Developer with the construction period scheduled to end May 24, 2008.

2. Present Situation

- a) On April 14, 2008, the Developer requested an extension from May 24, 2008 until May 24, 2009, due to difficulties in obtaining qualified homebuyers, and advised that only \$52,500 will be utilized for 2 home closings in process. The remaining HOME funds will be de-obligated. The letter is attached as [Exhibit B](#).
- b) To date, the Developer has closed on 2 homes, utilizing \$75,000 out of the original \$1,000,000 that was awarded.

3. Recommendation

Staff recommends that the Board grant an extension of the construction period from May 24, 2008 until May 24, 2009 to complete the 2 home closings in process and de-obligate the remaining HOME funds.

HOME RENTAL

Consent

III. HOME RENTAL

A. Request Approval of Credit Underwriting Report for By The River (RFP 2006-02-04 / SHADP 2007-002)

Development Name: By The River (“Development”)	Location: Indian River County
Developer/Principal: By The River Inc. (“Applicant”)	Set-Aside: 20% @ 30% AMI / 80% @ 60% AMI HOME Assisted 41 Units 25% @ 30% AMI / 75% @ 60% AMI SHADP Assisted 41 Units
Number of Units: 41	Allocated Amount: \$2,959,216 HOME Loan \$1,847,357 SHADP Loan
Type: Garden Style/New Construction	Demographics: Frail Elderly

1. Background/Present Situation

- a) On June 9, 2006, the Board awarded HOME funding to the top five proposals for Request for Proposals (RFP 2006-02). On January 25, 2008, the Board awarded Special Housing Assistance and Development Program (SHADP) funding.
- b) On June 22, 2006, staff issued a HOME preliminary commitment letter and invitation to credit underwriting for a HOME loan in an amount up to \$2,959,216 and on January 31, 2008, staff issued a SHADP preliminary commitment letter and invitation to credit underwriting for a SHADP loan in an amount up to \$1,946,515 for this 41-unit frail elderly development in Indian River County. The \$1,946,515 loan amount was reduced to \$1,847,357 in credit underwriting.
- c) On April 15, 2008, staff received a credit underwriting report with a positive recommendation for a HOME loan in the amount of \$2,959,216, to be secured by a first mortgage and a SHADP loan in the amount of \$1,858,587, to be secured by a second mortgage ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of HOME Rule Chapter 67-48, F.A.C. and SHADP Rule Chapter 67ER07-01, 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.

HOME RENTAL

Consent

B. Request Approval to Amend the Land Use Restriction Agreement (LURA) for Pueblo Bonito III (2004-016H)

Development Name: Pueblo Bonito III (“Development”)	Location: Lee County
Developer/Principal: National Development of America, LLC (“Developer”)	Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI
Number of Units: 30	Allocated Amount: \$2,450,000
Type: Duplex/NC	Demographics: Family

1. Background/Present Situation

- a) On August 31, 2006, the HOME loan closed in the amount of \$2,450,000 for new construction of a 30-unit family development in Lee County
- b) On January 2, 2008, staff received a letter from the Borrower requesting a change to the features and amenities committed to, specifically, from steel exterior entry door frames to composite door frames ([Exhibit B](#)).
- c) On April 10, 2008, staff received a review letter from the credit underwriter with a recommendation to approve the borrower’s request for the substitution of composite door frame for steel door frames on exterior entry doors ([Exhibit C](#)). During construction, the contractor installed an alternate product with a cost savings to the development of \$4,744.74. The lifetime warranty of the composite door frame is superior to that of the two year warranty for the steel door frames; the composite frames are preferred in the industry; and the Construction Consultant concur that the composite door frames are as good if not better than the steel frames because the composite frames will not rot as wood behind steel could rot/rust over time.

2. Recommendation

Approve the request for substitution of composite door frames for steel door frames in this Development and direct staff to amend the LURA to reflect the changes indentified above.

HOUSING CREDITS

Consent

IV. HOUSING CREDITS

A. Request Approval of Credit Underwriting Report for Silver Sands (2007-097C/2008-003C)

Development Name: Silver Sands (“Development”)	Location: Brevard County
Ambling Development Partners, LLC and Melbourne Housing Authority (“Developer”)	Set-Aside: 20% @ 33% AMI and 80% @ 60% AMI
Number of Units: 72	Allocated Amount: \$595,000 Supplemental
Type: Mid-Rise with Elevator	Housing Credit Equity: \$10,450,460
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On September 21, 2007, the Board approved the final scores and ranking for the 2007 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On September 28, 2007, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for the Medium County Geographic Set-Aside for Housing Credits and a Supplemental loan in the amount of \$595,000 for this 72-unit elderly development located in Brevard County.
- c) On April 17, 2008, staff received a credit underwriting report with a positive recommendation for an annual Housing Credit Allocation of \$1,185,650 and a Supplemental loan in the amount of \$595,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of 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.

LEGAL

Consent

V. LEGAL

A. In Re: Oviedo Town Center Partners, Ltd. - FHFC Case No. 2008-001VW

Development Name: (“Development”):	Oviedo Town Center Apartments Application No. 2005-082S
Developer/Principal: (“Developer”):	Atlantic Housing Partners
Number of Units: 120	Location: Seminole County
Type: Garden Apartments	Set Aside: 70% at 60% AMI
Demographics: Family	SAIL: \$3,000,000

1. Background

- a) During the 2005 Universal Cycle, Oviedo Town Center Partners, Ltd., (“Petitioner”) applied for and was awarded State Apartment Incentive Loan (“SAIL”) funds to finance a portion of the costs to develop Oviedo Town Center Partners Apartment (the “Development”) located in Seminole County, Florida.
- b) On February 4, 2008, Florida Housing received a “Petition for Waiver from Rule 67-480.004(14), Florida Administrative Code (2007). A copy of the Petition is attached as [Exhibit A](#).
- c) Rule 67-48.004(14), Florida Administrative Code (2007), provides 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:

...(e) Site for the Development

...(j) Total number of units

...(m) Funding Request (except for Taxable Bonds) amount

- d) Petitioner has requested a waiver of the above rule to allow Petitioner to allow it to decrease the number of units in the installment from 120 to 106 units. And to reduce the total SAIL loan amount from \$3,000,000 to \$2,650,000. Petitioner reports that approving the requested waiver serves the underlying purpose of Section 420.5087, Florida Statute and the SAIL Program by facilitating and stimulating affordable multi-family rental housing. Furthermore, Petitioner has demonstrated that failure to grant this Petition would preclude the construction of the Oviedo Town Center Apartments from moving forward. These delays are a result of the City of Oviedo failing to issue permits because it wanted time to study the possibility of taking a portion of the site for a public right of way. Consequently, Petitioner reduced the size of the site and the number of units during the study to meet the City of Oviedo’s permit demands.

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Consent

- e) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- f) Notice of the Petition was published in Volume 34, Number 07, of the Florida Administrative Weekly. To date, Florida Housing received no comments regarding the Petition.
- g) 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.
- h) Petitioner has demonstrated that strict application of the above Rule under these circumstances would cause substantial hardship to Petitioner. Petitioner has further demonstrated that permitting this change in Development would also serve the underlying purpose of the statute.

2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for a waiver from Rule 67-480.004(14), Florida Administrative Code (2007) to allow Petitioner to decrease the Development from 120 to 106 units, and reducing the total SAIL loan amount from \$3,000,000 to \$2,650,000.

LEGAL

Consent

B. In Re: Kathleen Pointe Partners, Limited Liability Limited Partnership - FHFC Case No. 2008-010VW

Development Name: (“Development”):	Kathleen Pointe, 2007-133C
Developer/Principal: (“Developer”):	Atlantic Housing Partners, LLLP
Number of Units: 80	Location: Polk County
Type: Garden Apartments	Set Aside: 10% at 40% AMI 90% at 60% AMI
Demographics: Family	Credits: \$1,155,000

1. Background

- a) During the 2007 Universal Cycle, Kathleen Pointe Partners, LLLP, (“Petitioner”) applied for and was awarded competitive low-income housing tax credits (“Housing Credits”) to finance the construction of Kathleen Pointe (the “Development”) located in Polk County, Florida.
- b) On March 26, 2008, Florida Housing received a “Petition for Waiver from Florida Administrative Code Rule 67-48.004” (“Petition”). The Petition is attached hereto as [Exhibit B](#).
- c) Rule 67-48.004(14)(e), Florida Administrative Code (2007), provides 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:

(e) Site for the Development;

- d) In Petitioner’s original Application, the site for the Development was identified as “the North side of Mall Hill Road, east of the intersection of Mall Hill Road and Kathleen Road in Lakeland, Florida 33810.” In the contract for purchase of the development site, the legal description provides in pertinent part: “A portion of Lot 7 and Tracts A and B of the Mall Hill Center Plat.” Subsequently, Petitioner was required to convey a portion of Tract A to Polk County for a road-widening and turn lane project.
- e) On April 4, 2008, the Notice of the Petition was published in Volume 34, Number 14, of the [Florida Administrative Weekly](#). Florida Housing received no comments regarding the Petition.

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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 has demonstrated that these changes in the legal description and conveyances in favor of Polk County have not adversely affected the Development or impacted the Tie Breaker Measurement Point. Thus, Petitioner's request would have no impact on the application's scoring and would give Petitioner no advantage over other applicants.
- c) Petitioner has demonstrated that strict application of the above Rule, where minor changes to the legal description of the site resulted from circumstances beyond its control, would cause substantial hardship to Petitioner and violate the principles of fairness in that unless the petition is granted, Petitioner will not be able to complete construction of the Development. Petitioner has further demonstrated that permitting this change in Development would also serve the underlying purpose of the statute.

3. Recommendation

Staff recommends the Board **GRANT** the Petitioner's request for a waiver of Rule 67-48.004(14)(e), Florida Administrative Code (2007) to allow Petitioner to change the legal description of the Site for the Development from that submitted in its Application and carryover documents to the legal description reflected on the survey and legal description attached to the Petition.

LEGAL

Consent

C. In Re: Liberty Center II, Ltd. - FHFC Case No. 2008-011VW

Development Name: (“Development”):	Liberty Center II
Developer/Principal: (“Developer”):	The Harris Group, Inc.
Number of Units: 134	Location: Duval County
Type: Single Room Occupancy (SRO)	Set Aside: 100% @ 40% AMI
Demographics: Family (we did not recognize a homeless designation at the time of Application)	SAIL: \$ 1,429,329

1. Background

- a) During the 1992-1993 SAIL V Cycle, Liberty Center II, Ltd., (“Petitioner”) applied for and was awarded a State Apartment Incentive Loan (“SAIL”) to finance the construction of Liberty Center II, a homeless housing development located in Duval County, Florida (the “Development”).
- b) On March 28, 2008, Florida Housing received a Petition for Waiver/Variance of Rule 9I-35.006(6), Florida Administrative Code, (“Petition”) from Liberty Center II, Ltd. (“Petitioner”). A copy of the Petition is attached as [Exhibit C](#).
- c) Rule 9I – 35.006(6), F.A.C., states:
 - (6) If, in its application, the Applicant agrees to a very low-income set-aside for a term longer than that required by law, the deferred SAIL interest due pursuant to Rule 9I – 35.006, F.A.C., shall be forgiven in an amount equal to the amount of interest due pursuant to Rule 9I – 35.006, F.A.C., multiplied by .05 multiplied by the number of years, not to exceed 15, that the very low-income set aside was extended beyond that required by law.
 - (a) The amount of interest to be forgiven shall be completed upon maturity of the note.
 - (b) Only interest which is in excess of the base interest rates specified in Rule Chapter 9I-35.006, F.A.C. shall be eligible for forgiveness.
- d) Petitioner and Florida Housing have been in negotiations regarding the Petitioner’s request to renegotiate and extend the loan, which matures on May 20, 2008, and have reached a tentative agreement to extend the loan.¹
- e) Petitioner and Florida Housing have been in negotiations regarding the Petitioner’s request to renegotiate and extend the loan, which matures on May 20, 2008, and have reached a tentative agreement to extend the loan.²

¹Rule 9I-35.006(14) provides that Florida Housing “may renegotiate and extend the loan in order to extend the availability of housing for the target population.”

²Rule 9I-35.006(14) provides that Florida Housing “may renegotiate and extend the loan in order to extend the availability of housing for the target population.”

LEGAL

Consent

- f) Petitioner requests a variance of the rule in order to obtain forgiveness of the entire \$1,863,678 deferred SAIL interest on the maturing loan and to re-amortize the outstanding principal balance on the loan over a thirty year term at a rate of 0% interest.
- g) The Development is a homeless housing development operating in Jacksonville, serving all formerly homeless single adult men. Under the Rules applicable when the Development was approved, there was no homeless set-aside category, thus no preferential loan terms such as a reduced interest rate available to accommodate homeless housing developments. The Development has operated successfully for fifteen years, but does not generate significant cash flow because the rental revenue barely covers the expenses of operation.
- h) The SAIL statutes now include a homeless set-aside and authorize SAIL loans for homeless developments to be made at an interest rate of zero to three percent. *See*, Sections 420.507(22)(a)(1) and (2), 420.5087(3)(c) and 420.5087(6)(a), Florida Statutes. The 2008 SAIL rule establishes a 0% interest rate on loans to developments that set aside at least 80% of the units for Homeless residents. Rule 67-48.010(3)(a), F.A.C. (2008).
- i) While the Development has always operated as one committed to serving the homeless, Petitioner has agreed to formalize this commitment in exchange for the loan extension, and to commit to set aside 100% of the units in the Development for the Homeless. This commitment would have qualified the Development for a 0% interest rate loan at its inception had the SAIL statute and rule in effect at that time recognized Homeless developments.
- j) On April 11, 2008, the Notice of Petition was published in Volume 34, Number 08 of the *Florida Administrative Weekly*. To date, Florida Housing has received no 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) Granting this request for a waiver forgiving all deferred interest will serve the purpose of the underlying statute in that it will enhance the financial viability of the Development and thus ensure the continued availability of affordable housing to the homeless in this Development. Granting Petitioner's request will also facilitate a new loan structure with Petitioner's SAIL loan interest at 0%, and with the principal balance amortized over a new thirty year term. Denial of the Petition would result in substantial hardship to the Petitioner in that the Development could not continue to operate as a homeless development without relief from the terms of the existing SAIL loan and the limitation on interest forgiveness as set forth in Rule 9I-35.006(6), F.A.C.

LEGAL

Consent

3. Recommendation

Staff recommends the Board GRANT the Petitioner's request for variance from Rule 9I-35.006(6), F.A.C., to forgive all deferred SAIL interest due on the maturing loan with the variance conditioned upon and subject to the closing of the loan modification and extension in accordance with the proposal as approved by the Board.

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Consent

D. In Re: La Estancia

Development Name (“Development”)	La Estancia, App No. 95S-036 (SAIL) 96L-009 (HC)
Developer/Principal (“Developer”)	WNC Florida, LLC
Number of Units: 84	Location: Hillsborough County
Type: Apartments	Set Aside: 80% units to Farmworkers 9 units at 35%AMI 8 units at 40% AMI 67 units at 50% AMI
Demographics: Family/Farmworker	SAIL \$ 817,107.00 Housing Credits: \$ 460,666

1. Background

- a) Florida Housing Finance Corporation (“Florida Housing”) issued a loan under the State Apartment Incentive Loan (“SAIL”) program in the amount of \$817,107.00 to and awarded an annual allocation of Low Income Housing Tax Credits in the amount of \$460,666 Wimauma Community, Ltd. to construct an 84 unit multi-family rental apartment complex to be located in Hillsborough County, Florida (“Development”). A Land Use Restriction Agreement (“LURA”) and an Extended Low-Income Housing Agreement (“EUA”) was duly recorded in the Official Records of Hillsborough County, Florida reflecting the set-aside restrictions.
- b) On or about June 21, 2002, the Board of Directors of Florida Housing approved a transfer of the general partnership interest from Wimauma Group, Inc. and Heritage Partners Group XV, Inc. to WNC Florida, LLC, and further approved a LURA amendment to modify the set-aside restrictions agreed to by the Applicant and set forth in the original LURA. However, the EUA was not amended.
- c) The set-aside restrictions in the original LURA provided that eighty percent (80%) of the total units in the Development be set aside for Farmworkers. Also, one hundred percent (100%) of the total units in the Development were to be set aside for households whose income did not exceed forty percent (40%) of the Area Median Income.
- d) The Project experienced some financial difficulty; specifically, it incurred a sizable past due water bill, which led Developer to seek relief from the Board of Directors of Florida Housing.
- e) On or about June 21, 2002, the Board of Directors of Florida Housing agreed to modify the set aside restrictions as follows: Developer agreed that (i) not less than eighty percent (80%) of the units in the Project be provided for rental to Farmworkers; (ii) nine (9) units in the Project be set aside for households with incomes not exceeding thirty-five percent (35%) of AMI; (iii) eight (8) units in the project be set aside for households with incomes not exceeding forty percent (40%) of AMI; and (iv) sixty-seven (67) units in the Project be set aside for households with incomes not exceeding fifty percent (50%) of AMI.

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- f) The Developer further agreed that on the earlier of payment of the past due water bill or the passage of two (2) years to again appear before the Board to reassess the set-aside restrictions on the Development with the goal that no less than twenty-seven (27) of the sixty-seven (67) dwelling units in the Project, which are currently set aside for households with incomes not exceeding fifty percent (50%) AMI, be set aside for households with incomes not exceeding forty percent (40%) AMI.
- g) The LURA Amendment modifying the set-aside restrictions was duly recorded on October 27, 2003 as Instrument No. 2003456804 at Official Records Book 13246, Page 1398, Hillsborough County, Florida records, a copy of which is attached hereto as [Exhibit D](#). However, the EUA was not amended.

2. Present Situation

- a) More than two years elapsed since the Board agreed to provide relief in the form of less restrictive set-aside provisions, and the management of the Developer appeared before the Board at the December 2007 meeting to reassess the set-aside restrictions for the Development. As of February 15, 2008, the Development was otherwise compliant with its Use Restriction Agreements and its financial obligations to Florida Housing.
- b) In December 2007, Staff recommended that the Board authorize both a LURA amendment and a EUA amendment codifying the goal set-aside as outlined in the first LURA amendment following the request for relief. That goal provides that (i) not less than eighty percent (80%) of the total units in the Project be set aside for Farmworkers; (ii) nine (9) units in the Project be set aside for households with incomes not exceeding thirty-five percent (35%) AMI; (iii) thirty-five (35) units in the Project be set aside for households with incomes not exceeding forty percent (40%) AMI; and (v) the remaining forty (40) units in the Project be set aside for households with incomes not exceeding fifty percent (50%) AMI.
- c) At the December 2007 Board meeting, Mr. Shafer objected to Staff's above recommendation. Mr. Shafer offered to reappear at a later date to provide more information.
- d) Further information from Florida Housing's Servicer, First Housing Development Corporation, reveals that the past due water bill continues to burden the cash flow and economic security of the Development. The water bill is currently scheduled to be paid in full in February 2009.
- e) **NOTE: this item appeared on the March 14, 2008 agenda. It is being presented again to update the staff recommendation per the information immediately above. This item replaces and supersedes the previous Consent Agenda item.**

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Consent

3. Recommendation

Staff recommends that the Development continue the current set-aside arrangement through February 2009, when the water bill is scheduled to be satisfied. Further Staff recommends that the management for the Developer reappear before this Board in January 2009 to review the status of the Development with the aim of implementing the goal set-aside amendment as outlined in the first LURA amendment following the request for relief.

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Consent

E. Request for Amended Order Granting Petition for Waiver of Rule 67-48.004(14)(e), F.A.C.

Development Name (“Development”):	Pebble Hill Estates (2005-123C)
Developer/Principal (“Developer”):	RLI Beneficial Development 5 LLC
Number of Units: 80	Location: Jackson County/ Marianna
Type: Single Family Rental	Set Aside: 50% @ 50% AMI 50% @ 60% AMI
Demographic: Family	Housing Credits: \$ 941,011

1. Background

- a) In the 2005 Universal Cycle, Petitioner applied for and was awarded an allocation of Low Income Housing Tax Credits (“Credits”). Subsequently, the City of Marianna conditioned its approval of the Development on the dedication of a 7.25 acre easement in favor of the City.
- b) In an August 20, 2007 Petition, Petitioner requested a waiver of Rule 67-48.004(14)(e) in order to change the development site to reflect this easement. The Board granted Petitioner’s request and issued an Order pursuant thereto on September 21, 2007. The Petition is attached as [Exhibit “E.”](#) The Order Granting the Petition is attached as [Exhibit “F.”](#) The proposed Amended Order is attached hereto as [Exhibit G.](#)

2. Present Situation

Since the Order was issued, staff has become aware of ambiguities in the Order which necessitate clarification in an Amended Order. The letter from Petitioner’s legal counsel is attached as [Exhibit “H.”](#)

3. Recommendation

Staff recommends that the Board issue an Amended Order to resolve these ambiguities.

MULTIFAMILY BONDS

Consent

VI. MULTIFAMILY BONDS

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

DEVELOPMENT NAME (“Development”):	Cutler Riverside Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Cutler Riverside Developer, L.P./Cutler Riverside Preservation GP, LLC/RAP FL, LLC/Cutler Riverside Preservation GP II, LLC/RAP FL 6, LLC/Related Companies, L.P.
NUMBER OF UNITS:	200
LOCATION (“County”):	Miami-Dade
TYPE (Rental, Homeownership):	Rental/Family (MMRB, SAIL and HC)
SET ASIDE:	85% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$11,000,000 of Tax Exempt Bonds
ADDITIONAL COMMENTS: Acquisition/Rehabilitation	

1. Background

Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2007 MMRB Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$10,815,000 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 notify it of any such changes.
- b) Sources and uses have been changed to reflect the assumption of an existing Miami-Dade County Housing Development Grant (“HODAG”) Loan of \$3,514,740 and an increase of \$185,000 in the Tax Exempt Bond amount from \$10,815,000 to \$11,000,000.
- c) Total Development costs have increased from \$16,866,169 to \$22,559,497. The primary reasons for the increased costs are an increase in acquisition costs, the increase in allowable developer fee, the inclusion of a debt service reserve for the HODAG Loan and an increase in anticipated legal fees.
- d) The credit underwriter has determined that these changes have no material impact on their loan recommendation for this development.
- e) A Final Credit Underwriting Report dated April 14, 2008 is attached as [Exhibit A](#).

MULTIFAMILY BONDS

Consent

3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated April 10, 2008, recommending that \$11,000,000 in tax exempt bonds be issued for the acquiring and rehabilitating of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

B.

MULTIFAMILY BONDS

Consent

Request Approval To Restructure The Financing For Reserve At Ashley Lake And Ocean Walk Apartments

DEVELOPMENT NAME (“Developments”):	Reserve at Ashley Lake Ocean Walk Apartments
DEVELOPER/PRINCIPAL (“Developer” or “Owner”):	EQR-Vinings at Ashley Lake, LLC/QRS-Vinings at Ashley Lake, Inc./CRICO of Ocean Walk L.P./ERP-QRS CPRT II, Inc./ERP Operating L.P./Equity Residential
NUMBER OF UNITS:	440 – respectively 296 - respectively
LOCATION (“County”):	Palm Beach - respectively Monroe – respectively
TYPE (“Rental, Homeownership”):	Rental
SET ASIDE:	20% @ 50% - respectively 20% @ 50% - respectively
ALLOCATED AMOUNT:	\$24,150,000 in tax-exempt bonds – respectively \$19,826,000 in tax-exempt bonds – respectively
ADDITIONAL COMMENTS: Restructure Financing	

1. Background

- a) In 1989, Florida Housing financed the construction of Reserve at Ashley Lake with \$24,150,000 in tax-exempt bonds, designated as 1989 Series J.
- b) In 1989, Florida Housing financed the construction of Ocean Walk Apartments with \$19,826,000 in tax-exempt bonds, designated as 1989 Series A.

2. Present Situation

- a) Equity Residential (“EQR”), in a letter dated April 17, 2008 attached as [Exhibit B](#), requested the restructuring of the financing for the Developments. Reserve at Ashley Lake is currently financed with Freddie Mac credit enhanced variable rate Bonds with a stated maturity of December 1, 2011. EQR is requesting Florida Housing’s consent to amend the Reserve at Ashley Lake Trust Indenture and Loan Agreement, which will convert the Bonds to privately placed unrated Bonds with a fixed interest rate set at market on the effective date of the amendments and insert a no call period of up to one year. All amendments are to be completed with the consent of Goldman Sachs as the sole Bond holder.
- b) Ocean Walk Apartments is currently financed with callable, privately placed, unrated Bonds with a high fixed rate of interest and a stated maturity date of January 1, 2009 EQR is requesting that Florida Housing consent to amendments to the Trust Indenture and Loan Agreement which will reset the interest rate to a lower market rate on the effective date of the amendments, extend the maturity of the Bonds until December 1, 2013 and insert a no call period of approximately one year. All amendments are to be completed with the consent of Goldman Sachs as the sole Bond holder.

MULTIFAMILY BONDS

Consent

- c) The Credit Underwriter has reviewed the request and by letter dated April 18, 2008, attached as [Exhibit C](#) recommends that Florida Housing approve the request.

3. **Recommendation**

That the Board approve the restructuring of the financing for 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

C. Request Approval To Change Remarketing Agents For Monterey Lake Apartments And South Pointe Apartments

DEVELOPMENT NAME (“Developments”):	Monterey Lake Apartments South Pointe Apartments
DEVELOPER/PRINCIPAL (“Developer” or “Owner”):	Monterey Lake, LP/McKinley Properties, Inc./Ronald N. Weiser, individually - respectively WRBD, LP/Walden Residential Properties, Inc./Walden Bond GP, LLC/Oly Hightop Parent GP, LLC – respectively
NUMBER OF UNITS:	504 – respectively 112 - respectively
LOCATION (“County”):	Orange – respectively Hillsborough – respectively
TYPE (“Rental, Homeownership”):	Rental
SET ASIDE:	20% @ 80%; 80% @ 150% - respectively 25% @ 80%; 75% @ 150% - respectively
ALLOCATED AMOUNT:	\$21,965,000 in tax-exempt bonds – respectively \$5,500,000 in tax-exempt bonds – respectively
ADDITIONAL COMMENTS: Change in Remarketing Agent	

1. Background

- a) In 1985, Florida Housing financed the construction of Monterey Lake with \$23,750,000 in tax-exempt bonds, designated as 1985 Series GGG. The bonds were subsequently refunded in 1991 with \$21,965,000 in tax-exempt bonds, designated as 1991 Series E and refunded again in 2005 with \$21,965,000 in tax-exempt bonds, designated at 2005 Series C.
- b) In 1985, Florida Housing financed the construction of South Pointe with \$5,750,000 in tax-exempt bonds, designated as 1985 Series NN. The bonds were subsequently refunded in 1998 with \$5,500,000 in tax-exempt bonds, designated as 1998 Series J.

2. Present Situation

Citigroup Global Markets, Inc., (“Citigroup”), in a letter dated November 14, 2007 attached as [Exhibit D](#), requested a change in the remarketing agent for the Developments from Capmark Securities, Inc. (“Capmark”) to Citigroup. Capmark and certain affiliates have entered into a transaction pursuant to a Purchase Agreement dated December 20, 2006 to sell, assign or otherwise convey to Citigroup and Citibank, N.A. certain assets, including the rights in and to the remarketing agreements relating to bonds previously issued in connection with the affordable housing debt financing business of Capmark. Citigroup is an approved bond underwriter for Florida Housing.

3. Recommendation

That the Board approve the Change of Remarketing Agents for 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

D. 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 assignments.
- 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 professionals as shown in the chart for the proposed Development.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional
Cutler Riverside	Miami-Dade	200	Negotiated	RBC Capital Markets

MULTIFAMILY BONDS

Consent

E. 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) TIBOR PARTNERS, Inc. has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as [Exhibit E](#).

Development Name	Location of Development	Number of Units	Method of Bond Sale
Cutler Riverside	Miami-Dade	200	Negotiated

2. Recommendation

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

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VII. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan Extension for Quiet Waters (formerly known as McCurdy Place) (PLP 00-036)

DEVELOPMENT NAME (“Development”):	Quiet Waters (fka McCurdy Place)
APPLICANT/DEVELOPER (“Developer”):	McCurdy Senior Housing Corporation, a not-for-profit entity
CO-DEVELOPER:	Landmark Development Corporation
NUMBER OF UNITS:	80
LOCATION (“County”):	Palm Beach County
TYPE:	Rental, Elderly
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$500,000

1. Background

- a) On February 18, 2005, the Developer closed on a PLP Loan in the amount of \$500,000.
- b) To date, the Developer has drawn \$499,997 for eligible predevelopment expenses.
- c) On August 25, 2005, the Applicant was awarded State Apartment Incentive Loan Program (SAIL) funds and an allocation of Low Income Housing Tax Credits (LIHTC).
- d) On May 29 and October 25, 2007, and January 28, 2008, Florida Housing’s Special Assets Department sent the Developer letters informing of the approaching maturity date of February 18, 2008, of its PLP Loan.
- e) On March 14, 2008, the Board approved the Developer’s request to extend the term of the PLP Loan until May 30, 2008.

2. Present Situation

- a) On April 11, 2008, staff received correspondence from the Developer requesting an additional extension to the term of the PLP Loan until November 30, 2008, due to the revised SAIL and LIHTC scheduled closing date of June 30, 2008 ([Exhibit A](#)).
- b) The TAP has recommended the extension approval ([Exhibit B](#)).
- c) Staff has reviewed the request and believes that the extension is necessary in order to allow the Developer to close on the SAIL funding in order to repay the PLP Loan.

3. Recommendation

Approve the Developer’s request for an extension for the PLP Loan to November 30, 2008 for Quiet Waters fka McCurdy Place.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan Extension for Red Hibiscus (PLP 03-052)

DEVELOPMENT NAME (“Development”):	Red Hibiscus
APPLICANT/DEVELOPER (“Developer”):	Bonita Springs Area Housing Development Corporation, a not-for-profit entity
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	18
LOCATION (“County”):	Lee County
TYPE:	Homeownership
SET ASIDE:	100% @ 80% AMI
PLP LOAN AMOUNT:	\$317,420

1. Background

- a) On June 28, 2005, the Developer closed on a PLP Loan in the amount of \$317,420.
- b) To date, the Developer has drawn \$99,901.12 for eligible predevelopment expenses.

2. Present Situation

- a) This loan is scheduled to mature on June 28, 2008.
- b) On October 19, 2007 and March 7, 2008, Florida Housing’s Special Assets Department sent the Developer letters informing of the approaching maturity of its PLP Loan and requesting a written response containing the Developer’s anticipated method of repayment.
- c) On January 2, 2008, staff received correspondence from the Developer requesting a one-year extension on the PLP Loan ([Exhibit C](#)). As provided in Exhibit A, the Developer indicated that there were unforeseen conditions that contributed to delays in construction of the Development.
- d) The Technical Assistance Provider has recommended the approval for a one-year extension and believes that granting the extension will result in the success of the Development ([Exhibit D](#)). The Development’s timeline ([Exhibit E](#)) has been adjusted to reflect the delays, but all other factors outlined in the original Development Plan will remain unchanged.
- e) Staff has reviewed the request and believes that this request is reasonable and necessary in order to allow for the completion and sale of the units to eligible home buyers.

3. Recommendation

Approve the Developer’s request for a one-year extension to the PLP Loan term from June 28, 2008, to June 28, 2009.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. **Request Approval of PLP Loan for Apopka Taylor Apartments, Inc., a not-for-profit entity, for Taylor Apartments (PLP 07-136)**

DEVELOPMENT NAME (“Development”):	Taylor Apartments
APPLICANT/DEVELOPER (“Developer”):	Apopka Taylor Apartments, Inc., a not-for-profit entity
CO-DEVELOPER (“Co-Developer”)	N/A
NUMBER OF UNITS:	100
LOCATION (“County”):	Orange County
TYPE:	Rental, Family
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$750,000

1. **Background**

- a) On January 22, 2008, Florida Housing received a PLP application from the Applicant.
- b) On February 4, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization. The Development will be located in Orange County.

2. **Present Situation**

- a) The Technical Assistance Provider (TAP) has approved the Development Plan and recommended a loan amount of \$750,000 for PLP eligible activities and site acquisition ([Exhibit F](#)), as well as assisted the Developer in preparing the Development Plan and budget ([Exhibit G](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.
- b) Of the \$750,000, the Applicant has requested to utilize \$500,000 for site acquisition. The Development will be required to enter credit underwriting for approval of the site acquisition portion of the loan. Upon receipt of a positive recommendation, the Credit Underwriting Report will be presented to the Board for approval. In the interim, the Applicant has accrued PLP eligible expenses related to the Development. Should the Board approve the recommendation below; staff will close immediately on the non-site acquisition portion loan amount of \$250,000.

3. **Recommendation**

Approve the PLP Loan in the amount of \$750,000 to Apopka Taylor Apartments, Inc. for predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence with loan closing proceedings on the non-site portion of the PLP Loan in the amount of \$250,000.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VIII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Affordable Housing Catalyst Program Services

1. Background

- a) At its March 16, 2007 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the Florida Housing Coalition, Inc. to provide affordable housing catalyst program services which consists of delivering affordable housing training and technical assistance to staff of state and local governments, and community-based organizations.
- b) The initial term of the contract began July 1, 2007 and expires June 30, 2008. The contract can be renewed twice. Each renewal is for an additional one-year period. Renewals are contingent upon satisfactory performance evaluations by Florida Housing.

2. Present Situation

Florida Housing staff supports a renewal to extend the term of the contract for the initial one-year period.

3. Recommendation

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

RENTAL RECOVERY LOAN PROGRAM (RRLP)

Consent

IX. RENTAL RECOVERY LOAN PROGRAM (RRLP)

A. Request Approval of RRLP Credit Underwriting Report for Eclipse (2006-362CHR, 2007-015C)

Development Name: Eclipse (“Development”)	Location: Broward County
Developer/Principal: Reliance Housing Services, LLC and Ellis Diversified, Inc. (“Developer”)	Set-Aside: 24% @ 30% AMI and 71% @ 60% AMI
Number of Units: 101	Allocated Amount: \$6,031,235
Type: High-Rise	Total Housing Credit Equity: \$20,113,661
Demographics: Family	MMRB: N/A

1. Background/Present Situation

- a) On October 20, 2006, the Board approved the final scores and ranking for the 2006 RRLP Application cycle.
- b) On March 21, 2007, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for an RRLP Loan in an amount up to \$6,995,000 for this 101-unit family Development located in Broward County.
- c) During credit underwriting the RRLP loan amount was reduced to \$6,031,235.
- d) On April 4, 2008, staff received a credit underwriting report with a positive recommendation for an RRLP loan in the amount of \$6,031,235 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of RRLP Rule 67-ER06-25, 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.

RENTAL RECOVERY LOAN PROGRAM (RRLP)

Consent

B. Request Approval to Exchange Amenities for Bell Ridge II (2005-309HR/2005A-206B/2006-515C)

Development Name: Bell Ridge II (“Development”)	Location: Santa Rosa County
Developer/Principal: Bell Ridge II Development, LLC (“Developer”)	Set-Aside: 25% @ 35% AMI and 75% @ 60% AMI
Number of Units: 48	Allocated Amount: \$4,700,000
Type: Garden Apartments	Housing Credit Equity: \$3,009,000
Demographics: Family	MMRB: \$4,750,000

1. Background/Present Situation

- a) On September 21, 2006, an RRLP loan in the amount of \$4,700,000 closed for this 48-unit family Development in Santa Rosa County.
- b) On March 18, 2008, staff received a letter from the Developer requesting the exchange of outside recreation facility (volleyball court) for two or more parking spaces per total number of units and picnic area with hard cover permanent roof of a design compatible with the Development, open on all sides, containing at least three permanent picnic tables with benches and an adjoining permanent outdoor grill ([Exhibit B](#)). The proposed changes are of equal point value to the amenities originally chosen in the application.
- c) On April 10, 2008, staff received a review from the credit underwriter with a positive recommendation for the exchange of amenities ([Exhibit C](#)).

2. Recommendation

Approve the request to exchange the amenities and direct staff to proceed with amending the Land Use Restriction Agreement.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

X. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of SAIL Loan Closing Extension for Quiet Waters, Cycle XVII (2005-106CS)

Development Name: Quiet Waters f/k/a McCurdy Center (“Development”)	Location: Palm Beach County
Developer/Principal: McCurdy Senior Housing Corporation & Landmark Development Corporation (“Developer”)	Set-Aside: 24% @ 30% AMI and 76 @ 60% AMI
Number of Units: 93	Allocated Amount: \$1,750,000
Type: Garden Style	Housing Credit Equity \$12,375,000
Demographics: Homeless	MMRB: N/A

1. Background/Present Situation

- a) On December 7, 2007, the Board approved a waiver request to allow a change to the ownership and developer structure by allowing Greater Miami Neighborhoods, Inc. to withdraw as co-Developer and GMN McCurdy, Inc. to withdraw as co-General Partner. Further, the Board approved a request to add Landmark Development Corporation as co-Developer.
- b) On January 25, 2008, the Board approved the final credit underwriting report and directed staff to proceed with re-issuance of a firm loan commitment and loan closing activities.
- c) On January 30, 2008, staff re-issued a firm commitment letter with a closing deadline of March 31, 2008.
- d) On April 11, 2008, staff received a letter from the Developer requesting an extension of the SAIL loan closing deadline until June 30, 2008 ([Exhibit A](#)).

2. Recommendation

Approve the request for an extension of the closing deadline until June 30, 2008, subject to the payment of the extension fee pursuant to Rule Chapter 67-48, F.A.C.

SPECIAL ASSETS

Consent

XI. SPECIAL ASSETS

A. Request Approval of Workout Proposal for Liberty Center II (SAIL 93S-054)

Development Name: Liberty Center II (“Development”)	Location: Duval
Developer/Principal: The Harris Group, Inc. (“Developer”)	Set-Aside: SAIL 100% @ 40% AMI, 50 Years; HC 20% @ 40% & 80% @ 60% AMI, 30 Years
Number of Units: 134	Allocated Amount: SAIL \$1,429,329 Housing Credit \$269,428
Demographics: Family* (SRO-Homeless)	

1. Background

- a) During the 1992 Cycle, Florida Housing awarded a \$1,429,329 SAIL loan to Liberty Center II, Ltd., a Florida limited partnership, (Borrower) for the development of a 134-unit SRO apartment complex in Jacksonville, Duval County, Florida. The SAIL loan closed on May 28, 1993. The Development also received a Housing Credit allocation of \$269,428. The Developer is also the general partner for a \$719,899 SAIL loan and an allocation of \$232,959 in Housing Credits for Liberty Center I, a 109-unit SRO development for the Homeless; a \$1,800,000 SAIL loan for Liberty Center III, a 100 unit SRO development for the Homeless; and a \$2,000,000 SAIL loan and Housing Credit allocation of \$401,534 for Liberty Center IV, a 100 unit SRO development for the Homeless also in Jacksonville.
- b) In its original application, the Borrower committed to extend the low income set-aside for the Development to 50 years. Pursuant to Fla. Admin. Code R. 9I-35.006(6) (1992), \$963,496.13 of the total deferred interest of \$1,863,543.02, is eligible for forgiveness. During the term of the loan the Borrower paid \$63,449.26 in SAIL interest.

2. Present Situation

- a) In a letter dated March 28, 2008 the Borrower requested that the terms of the loan be renegotiated and extended and Staff subsequently entered into negotiations. The Borrower submitted their workout proposal requesting Florida Housing forgive all deferred interest on the maturing loan (Legal is presenting its recommendation for a Petition for Rule Waiver/Variance contemporaneously herewith); and renew the principal at 0% interest for thirty years, with monthly amortization of principal beginning on July 1, 2008. The Borrower has also agreed to modification of the LURA to homeless designation since there was no homeless designation at inception of the loan and agreed to extend the LURA’s affordability period for 15 additional years beyond the current 50 years.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit A](#)).

SPECIAL ASSETS

Consent

3. **Recommendation**

Staff recommends that the Board approve the workout proposal to renew the principal at 0% interest for thirty years, with monthly amortization of principal beginning on July 1, 2008 and modification of the LURA to homeless designation and extension of the LURA for an additional 15 years, subject to review and approval of a petition for rule waiver to forgive all deferred SAIL interest on the maturing loan and direct staff to proceed with loan closing activities.

XII.