

## FHFC II, INC.

### *Action*

#### I. FHFC II, INC.

##### A. Ratification of the Execution of the Purchase and Sale Agreement for Walker Avenue Club Apartments

###### 1. Background

- a) Walker Avenue Club Ltd. d/b/a Walker Avenue Club apartments (“Walker Avenue”) is a 172-unit multifamily development located in Indian River County, on the North side of Walker Avenue, on the west side of 66th Avenue, approximately 3 miles east of I-95 and 4 miles west of downtown Vero Beach. The property was financed with FHFC bonds, 2000 Series L1 & L2, and an allocation of 4% housing credits.
- b) On Monday, March 16, 2009, the Guarantee Program filed an Application for Initial Claim Payment with HUD on Walker Avenue, and on April 29, 2009, filed for foreclosure in the 19<sup>th</sup> Circuit Court in Indian River County, case number 31-2009-CA-010925.
- c) Final summary judgment was granted on August 21, 2009. A foreclosure sale date was set for November 12, 2009. FHFC was the winning bidder at the foreclosure sale and a certificate of title was issued to FHFC II, Inc. on December 1, 2009.
- d) Following established protocol, Walker Avenue was listed for sale via competitive bid process with Marcus & Millichap. A total of 14 bids were received. On February 5, 2010, after Marcus & Millichap vetted the offerors, Marcus & Millichap submitted the best and final offers from the following offerors:
  - (1) Capreit Inc.,
  - (2) Eastwind Development,
  - (3) JTL Properties,
  - (4) R.J. Finlay & Co.,
  - (5) Richelson Enterprises,
  - (6) Strategic Realty Capital,
  - (7) Styles Holdings
- e) Staff met February 8, 2010 to select top bidders and formulate a recommendation to for approval of the sale.

## **FHFC II, INC.**

### ***Action***

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

- a) Pursuant to Board Resolution 2010-002 dated January 22, 2010, the Board delegated authority to the Chair or Vice Chair, with the advice of Florida Housing's financial advisor, to select and approve an offeror for the sale of any property held by FHFC II. Based upon R.J. Finlay & Co's \$5.3 million offer including a total of \$5.3 million (100% of the offer) upfront in an earnest money deposit, 10 day deadline for due diligence and projected closing five (5) days thereafter, cash on hand to close the transaction without financing, Marcus & Millichap's and Florida Housing's financial advisor's favorable recommendation, staff recommended and requested approval from the Chair to negotiate a purchase and sale agreement for the sale of Walker Avenue Club Apartments to R.J. Finlay & Co.
- b) On February 11, 2010, the Board Chair authorized to staff to proceed with the purchase and sale agreement for the sale of Walker Avenue Club to R.J. Finlay & Co.
- c) FHFC II, Inc., Resolution No. 2010003 ([Exhibit A](#))

#### **3. Recommendation**

Ratify the purchase and sale agreement for the sale of Walker Avenue Club Apartments to R.J. Finlay & Co and direct staff to proceed with the closing on the sale.