

FLORIDA HOUSING FINANCE CORPORATION
Telephonic Board Meeting
March 17, 2010
Action Items



AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Action

I. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

A. Request Approval of Credit Underwriting Report for Palafox Landing (2009-065CTX)

Development Name: Palafox Landing (“Development”)	Location: Escambia County
Developer/Principal: Community Enterprise Investments, Inc. and Palafox Landing Development, LLC (“Developer”)	Set-Aside: 15% @ 35% AMI & 85% @ 60% AMI
Number of Units: 96	Tax Credit Assistance Program: \$2,880,000
Type: Garden Style	Tax Credit Exchange Amount: \$8,455,940
Demographics: Family	MMRB: N/A

1. Background/Present Situation

- a) On August 20, 2009, the Board approved the award list of the Request for Proposals (RFP) 2009-04 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Exchange Program funds and Tax Credit Assistance Program funds.
- c) On March 8, 2010, staff received a credit underwriting report with a positive recommendation for a 2009 Tax Credit Assistance Program loan in the amount of \$2,880,000 and a 2009 Tax Credit Exchange Program award in the amount of \$8,455,940, which is equivalent to an annual housing credit allocation of \$994,816 ([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. and RFP 2009-04.

2. Recommendation

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

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

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B. Request Approval of Credit Underwriting Report for Northwest Gardens (2009-057X)

Development Name: Northwest Gardens I f/k/a Alan Apartments (“Development”)	Location: Broward County
Developer/Principal: Northwest Properties I Development, L.L.C & Northwest Properties GP, Inc. (“Co-Developer”)	Set-Aside: 20% @ 28% AMI & 80% @ 60% AMI
Number of Units: 143	Tax Credit Exchange Amount: \$18,232,500
Type: Garden Style	MMRB: N/A
Demographics: Elderly	

1. Background/Present Situation

- a) On August 20, 2009, the Board approved the award list of the Request for Proposals (RFP) 2009-04 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Exchange Program funds.
- c) On March 8, 2010, staff received a credit underwriting report with a positive recommendation for a 2009 Tax Credit Exchange Program award in the amount of \$18,232,500, which is equivalent to an annual housing credit allocation of \$2,145,000 ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2009-04.

2. Recommendation

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

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

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C. Request Approval of Credit Underwriting Report for Everett Stewart Sr. Village (2009-040X)

Development Name: Everett Stewart Sr. Village (“Development”)	Location: Miami-Dade County
Developer/Principal: Carlisle Group IV Development, LLC (“Developer”)	Set-Aside: 20% @ 33% AMI and 80% @ 60% AMI
Number of Units: 96	Supplemental: \$765,000
Type: High Rise	Tax Credit Exchange Amount: \$21,768,500
Demographics: Family	MMRB: N/A

1. Background/Present Situation

- a) On August 20, 2009, the Board approved the award list of the Request for Proposals (RFP) 2009-04 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Exchange Program funds. Additionally, this development has a Supplemental loan.
- c) On March 10, 2010, staff received a credit underwriting report with a positive recommendation for a Supplemental loan in the amount of \$765,000 and a 2009 Tax Credit Exchange Program award in the amount of \$21,768,500, which is equivalent to an annual housing credit allocation of \$2,561,000 ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-04.

2. Recommendation

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

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

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D. Request Approval of Credit Underwriting Report for Brownsville Transit Village II (2009-056X)

Development Name: Brownsville Transit Village II (“Development”)	Location: Miami-Dade County
Developer/Principal: Brownsville Village II Development, LLC (“Developer”)	Set-Aside: 10% @ 33% AMI & 90% @ 60% AMI
Number of Units: 100	Tax Credit Exchange Amount: \$21,768,500
Type: High Rise	MMRB: N/A
Demographics: Elderly	

1. Background/Present Situation

- a) On August 20, 2009, the Board approved the award list of the Request for Proposals (RFP) 2009-04 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Exchange Program funds.
- c) On March 10, 2010, staff received a credit underwriting report with a positive recommendation for a 2009 Tax Credit Exchange Program award in the amount of \$21,768,500, which is equivalent to an annual housing credit allocation of \$2,561,000 ([Exhibit D](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2009-04.

2. Recommendation

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

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

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E. Request Approval of Credit Underwriting Report for Metro Apartments (2009-058X)

Development Name: Metro Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Carlisle Group I Development, LLC (“Developer”)	Set-Aside: 10% @ 33% AMI & 90% @ 60% AMI
Number of Units: 90	Tax Credit Exchange Amount: \$20,655,000
Type: High-Rise	MMRB: N/A
Demographics: Family	

1. Background/Present Situation

- a) On August 20, 2009, the Board approved the award list of the Request for Proposals (RFP) 2009-04 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Exchange Program funds.
- c) On March 10, 2010, staff received a credit underwriting report with a positive recommendation for a 2009 Tax Credit Exchange Program award in the amount of \$20,655,000, which is equivalent to an annual housing credit allocation of \$2,430,000 ([Exhibit E](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2009-04.

2. Recommendation

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

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Action

F. Request Approval of Recommendation Letter for Renaissance Preserve (2009-059CXT/2008-215C)

Development Name: Renaissance Preserve (“Development”)	Location: Lee County
Developer/Principal: Norstar Development USA, LP and Renaissance Preserve Developers, LLC (“Developer”)	Set-Aside: 20% @ 33% AMI & 80% @ 60%
Number of Units: 96	Supplemental Loan: \$850,000
Type: Townhomes	Tax Credit Exchange Amount: \$12,296,371
Demographics: Family	Tax Credit Assistance Program: 1,071,882

1. Background/Present Situation

- a) On August 20, 2009, the Board approved the award list of the Request for Proposals (RFP) 2009-04 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Exchange Program funds and Tax Credit Assistance Program funds. Additionally, this development has a Supplemental loan.
- c) On December 4, 2009, the Board approved a credit underwriting report with a positive recommendation for a Supplemental loan in the amount of \$850,000, a 2009 Tax Credit Assistance Program loan (“TCAP”) in the amount of \$221,882 and a 2009 Tax Credit Exchange Program award in the amount of \$12,296,371, which is equivalent to an annual housing credit allocation of \$1,446,632. Staff has since determined that the Supplemental loan will be funded with TCAP funds which equates to an aggregate TCAP loan of \$1,071,882.
- d) On March 10, 2010, staff received a positive recommendation from the credit underwriter to fund the Supplemental loan with TCAP funds ([Exhibit F](#)). The terms of the TCAP Supplemental loan will remain the same as the previously approved Supplemental loan. Staff has reviewed this recommendation and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2009-04.

2. Recommendation

Approve the recommendation to fund the Supplemental loan with TCAP funds and direct staff to proceed with loan closing activities.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Action

G. Request Approval of Recommendation Letter for Charlotte Crossing (2009-023CT)

Development Name: Charlotte Crossing (“Development”)	Location: Charlotte County
Developer/Principal: Charlotte Crossing Development, L.L.C. (“Developer”)	Set-Aside: 11% @ 40% AMI & 89% @ 60% AMI
Number of Units: 82	Tax Credit Assistance Program: \$3,025,443
Type: Garden Style	Housing Credit Allocation: \$1,275,000
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On August 20, 2009 the Board approved the award list of the Request for Proposals (RFP) 2009-03 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Assistance Program funds and a Housing Credit Allocation.
- c) On January 22, 2010, the Board approved a credit underwriting report with a positive recommendation for a 2009 Tax Credit Assistance Program loan (“TCAP”) in the amount of \$3,025,443 and an annual Housing Credit Allocation of \$1,275,000. The Developer has since requested a substitution of Syndicators for the Housing Credit Equity from Raymond James Tax Credit Funds, Inc. to The Richman Group Affordable Housing Corporation.
- d) On March 10, 2010, staff received a positive recommendation from the credit underwriter for the substitution of Syndicators for the Housing Credit Equity ([Exhibit G](#)). The syndication rate and total Housing Credit equity amount remain unchanged. Staff has reviewed this recommendation and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2009-03.

2. Recommendation

Approve the recommendation for the substitution of Syndicators for the Housing Credit Equity and direct staff to proceed with loan closing activities.

LEGAL

Action

II. LEGAL

A. In Re: Summit Housing Partners, LLC. – FHFC Case No. 2010-004 VW

Development Name: (“Development”):	Oak Pointe Apartments
Developer/Principal: (“Developer”):	Summit Oak Pointe Apartments, Ltd., Summit Housing Partners Management, LLC
Number of Units: 184	Location: Leon County
Type: Garden	Set Aside: 85% @ 60% AMI
Demographics: Family	7,600,000.00 Tax-Exempt Bonds

1. Background/Present Situation

- a) During the 2009 Multifamily Mortgage Revenue Bond (“MMRB”) Supplemental Bond Cycle, Summit Housing Partners, LLC (“Petitioner”) applied for an award of \$7,600,000.00 in Tax-Exempt, Private Activity bonds to construct Oak Pointe Apartments (the “Development”) in Leon County, Florida. Petitioner’s Application was #2009A-215B.
- b) On December 4, 2009, the Board approved \$7,600,000.00 of Tax-Exempt, Private Activity bond allocation to Petitioner subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff. In credit underwriting, it was discovered that the Development is located within the Set-Aside Location A area of Leon County, Florida.
- c) On February 15, 2010, Florida Housing received a “Petition for Emergency Waiver of Certain Set-Aside Requirements Contained in Application Instructions Adopted by Rule 67-21.003.” (“Petition”) A copy of the Petition is attached as [Exhibit A](#).
- d) On February 26, 2010, the Board considered the Petition, determined that the situation was not an emergency and entered a Final Order denying the Petition. Staff was directed to review the merits of the Petition on a non-emergency basis.
- e) Petitioner requests a waiver of the Rule requiring that Developments within a Set-Aside Location A area commit to Set-Aside at least 85% of the Development’s residential units at 50% AMI or less and a waiver of the Rule requiring it must meet the minimum ELI Set-Aside threshold set in the Instructions.¹ Petitioner states that it will not be able to offer the rental units as affordable housing if it is required to comply with these requirements.

¹ Part III E.1.b.(1)(b) of the Application Instructions state: Applicants with a Set-Aside Location A Development must meet the following set-aside requirements: Applicants requesting MMRB must commit to set aside at least 85% of the Development’s residential units at 50 percent AMI or less. Part III E.1.b.(1)(c) of the Application Instructions state: Applicants with a Set-Aside Location A Development must meet the following set-aside requirements: All Applicants must meet the minimum ELI Set-Aside Threshold set out at Part III.E.1.b(2)(a)(iii) of these instructions.

LEGAL

Action

- f) On February 26, 2010, the Notice of Petition was published in the Florida Administrative Weekly in Volume 36, Number 08. To date, Florida Housing has received no comments concerning 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 and violate the principles of fairness. Florida Housing has allocation available for this transaction. Further, there are no guarantee program developments in Leon County that would be impacted by this Development. This Development was originally constructed in 1993 and is in need of funding for rehabilitation, without which, the Development might be lost as affordable housing. Moreover, no other Florida Housing funds will be utilized for this Development and the bonds are anticipated to be credit enhanced by HUD. Petitioner has further demonstrated that permitting this change in Development would also serve the underlying purpose of the statute of providing safe and sanitary affordable housing.

2. Recommendation

Staff recommends the Board **GRANT** the ‘Petition for Emergency Waiver of Certain Set-Aside Requirements Contained in Application Instructions Adopted by Rule 67-21.003.’ Staff further recommends that the Set-Aside for the Development be 100% of the units at 60% AMI and that the Development does not have to meet the minimum ELI Set-Aside Threshold requirement as set out at Part III.E.1.b(2)(a)(iii) of the Application Instructions.

MULTIFAMILY BONDS

Action

III. MULTIFAMILY BONDS

A. Request Approval of the Final Credit Underwriting Report for Oak Pointe Apartments

DEVELOPMENT NAME (“Development”):	Oak Pointe Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Summit Oak Pointe Apartments, Ltd./Summit Housing Partners Management, LLC/Summit America Properties, Inc./ W. Daniel Hughes, Jr., individually
NUMBER OF UNITS:	184
LOCATION (“County”):	Leon
TYPE (Rental, Homeownership):	Rental/Family (MMRB and HC)
SET ASIDE:	85% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$7,800,000 of Tax Exempt Bonds
ADDITIONAL COMMENTS: Acquisition/Rehabilitation	

1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development during the 2009 MMRB Supplemental Cycle

2. Present Situation

- a) Applicant applied for tax-exempt bonds in the amount of \$7,800,000 in order to acquire and rehabilitate the Development.
- b) A Final Credit Underwriting Report dated March 9, 2010 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 March 9, 2010, recommending that \$7,800,000 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.

MULTIFAMILY BONDS

Action

B. 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 recommendations 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 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.

3. Recommendation

That the Board approves 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
Oak Pointe Apartments	Leon	184	Negotiated	Merchant Capital, LLC

MULTIFAMILY BONDS

Action

C. **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 B](#).

Development Name	Location of Development	Number of Units	Method of Bond Sale
Oak Pointe Apartments	Leon	184	Negotiated

2. **Recommendation**

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

MISCELLANEOUS

Action

I. MISCELLANEOUS

A. Tax Credit Exchange Program (Exchange) Funding for Applicants that Submitted an Original Application that has an Active Award of Nine Percent Housing Credits

1. Background

- a) On February 26, 2010, Florida Housing staff issued RFP 2010-04 to award Tax Credit Exchange Program (Exchange) Funding for Applicants that Submitted an Original Application that has an Active Award of Nine Percent Housing Credits. The deadline for receipt of Responses was 2:00 p.m., Eastern Time, Friday, March 12, 2010.
- b) This RFP was open to Applicants that were awarded nine percent Housing Credits by the Board on February 26, 2010, for which the invitation to enter credit underwriting had been accepted as of March 5, 2010.

2. Present Situation

- a) 30 Responses were received from the following:

Original Application No.	Development Name
2009-076CH	MCR Apts I
2009-077CH	Bonita Cove
2009-092C	Mildred & Claude Pepper Towers
2009-097C	The Lodges at Pinellas Park
2009-103C	Blue Water Workforce Housing
2009-121CH	Mayfair Village Apartments
2009-123C	Progresso Point
2009-132C	Arbours at Fort King
2009-141C	Live Oak Homes
2009-143C	Pine Terrace
2009-144C	Dr. Kennedy Homes
2009-147C	Wahneta Palms

MISCELLANEOUS

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Original Application No.	Development Name
2009-149C	Brownsville Transit Village IV
2009-151C	Renaissance Preserve Phase II
2009-153C	Sunrise Park Apartments
2009-162C	Magnolia Gardens
2009-163C	Heritage Place
2009-167C	Highlands Cove Phase I
2009-180C	Woodside Oaks
2009-199C	Esmeralda Bay
2009-207C	Marcis Pointe Apartments
2009-216C	Flagler Village
2009-223C	Crestwood Apartments
2009-228C	Laurel Villas
2009-231C	Edgewood Apartments
2009-233C	Johnson-Kenneth Court
2009-240C	The Fountains at Pershing Park
2009-244C	Town Parke Apartments - Phase I
2009-246C	The Fountains at San Remo Court - Phase I
2009-247C	Howell Branch Cove

- b) The Review Committee members, designated by the Executive Director, were Candice Allbaugh, Housing Credits Administrator (Chair), Jody Bedgood, Multifamily Loans Manager, and Jean Salmonsens, Housing Development Manager. Each member of the Review Committee individually reviewed the responses prior to convening for the Review Committee meeting on March 16, 2010.
- c) The Review Committee considered the following two motions:
- d) The first motion dealt with the eligibility of Bonita Cove to receive funding through the Request for Proposals. Through the evaluation process, Bonita Cove was deemed nonresponsive because it failed to meet the eligibility requirements of Section Four C.1. of the RFP. The motion to reject the Proposal passed unanimously.

MISCELLANEOUS

Action

- e) The Committee determined the remaining Proposals met the threshold requirements of the RFP and recommended that the Board approve said Proposals, in the following ranked order, to be awarded Exchange funding and invite them into credit underwriting. The motion was passed unanimously.

Original Application No.	Development Name	Leveraging (Exchange Funding Requested Per Set-Aside Unit)	Lottery No.
2009-092C	Mildred & Claude Pepper Towers	\$15,333.33	27
2009-233C	Johnson-Kenneth Court	\$24,750.00	16
2009-144C	Dr. Kennedy Homes	\$37,878.79	21
2009-163C	Heritage Place	\$41,666.67	14
2009-228C	Laurel Villas	\$41,667.00	13
2009-207C	Marcis Point Apts.	\$41,667.00	25
2009-121CH	Mayfair Village Apts.	\$42,168.67	11
2009-223C	Crestwood Apartments	\$43,859.65	19
2009-151C	Renaissance Preserve Phase II	\$47,727.27	18
2009-180C	Woodside Oaks	\$48,544.00	10
2009-167C	Highlands Cove Phase I	\$50,000.00	1
2009-076CH	MCR Apts I	\$50,000.00	2
2009-123C	Progresso Point	\$50,000.00	3
2009-103C	Blue Water Workforce Housing	\$50,000.00	4
2009-216C	Flagler Village	\$50,000.00	7
2009-247C	Howell Branch Cove	\$50,000.00	9
2009-143C	Pine Terrace	\$50,000.00	12
2009-231C	Edgewood Apartments	\$50,000.00	15
2009-097C	The Lodges at Pinellas Park	\$50,000.00	20
2009-141C	Live Oak Homes	\$50,000.00	22
2009-149C	Brownsville Transit Village IV	\$50,000.00	23
2009-147C	Wahneta Palms	\$50,000.00	24
2009-162C	Magnolia Gardens	\$50,000.00	26
2009-132C	Arbors at Fort King	\$50,000.00	29
2009-246C	The Fountains at San Remo Court Phase I	\$55,555.56	8
2009-244C	Town Park Apts Phase I	\$55,952.00	28
2009-240C	The Fountains at Pershing Park	\$56,097.56	5
2009-199C	Esmeralda Bay	\$57,292.00	17
2009-153C	Sunrise Park Apts.	\$59,027.78	30

3. Recommendation

Approve the Committee's recommendation for the RFP 2010-04 funding awards and authorize staff to proceed to issue the invitations to enter credit underwriting with award amounts as provided in Section Five C.1.e.(2) of the RFP.