

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
September 20, 2013
Consent Items



COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

Consent

I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

A. Request Approval for an Extension of the Credit Underwriting Period for The Village at Portofino Meadows / 2007-047W

Applicant Name (“Applicant”):	Prime Homebuilders
Development Name (“Development”):	The Village at Portofino Meadows
Developer/Principal (“Developer”):	Jim Dupre
Number of Units: 25 - Homeownership	Location: Orange County, Florida
Type: CWHIP Loan	Allocated Amount: \$2,500,000 CWHIP

1. Background

- a) On May 2, 2008, the Board approved the final rankings for the 2007 Community Workforce Housing Innovation Pilot (CWHIP). Florida Housing issued the Applicant an invitation into credit underwriting on November 13, 2008.
- b) On April 24, 2009, the Developer was advised that their preliminary commitment of CWHIP funds was being de-obligated, pursuant to the implementation of 67ER09-4, FAC.
- c) Due to the withdrawal of another project, \$2,500,000 in CWHIP funds was offered to the Developer on August 17, 2012 as the project was the next highest ranking unfunded eligible 2007 CWHIP Development.

2. Present Situation

- a) The Applicant is requesting a 10-month extension of the credit underwriting period. The request from the Applicant is attached as [Exhibit A](#).
- b) Pursuant to rule chapter 67-58.070(6), FAC:

The Applicant has 14 months from the date of the acceptance of the letter of invitation to complete credit underwriting and receive Board approval unless an extension of up to 10 months is approved by the Board. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and detail the timeframe to close the loan. The written request will then be submitted to the Corporation’s Board for consideration. The Corporation shall charge an extension fee of 1 percent of the CWHIP loan amount if the Board approves the extension request.

3. Recommendation

Staff recommends that the Board grant an extension of the credit underwriting period until August 17, 2014 contingent upon the receipt of the 1% extension fee.

HOUSING CREDITS

Consent

II. HOUSING CREDITS

A. Request Approval to Change Applicant Name for Village Park Senior Housing f/k/a Kensington Place / 2011-225C/2013-009C

DEVELOPMENT NAME (“Development”):	Village Park Senior Housing f/k/a Kensington Place
DEVELOPER/PRINCIPAL (“Developer”):	Eastwind Development, LLC
APPLICANT: (“Owner”)	Kensington Place Partners, LP
NUMBER OF UNITS:	105
LOCATION (“County”):	Orange County
TYPE:	New Construction
SET ASIDE:	10% @ 33% AMI & 84% @ 60% AMI
ALLOCATED AMOUNT:	\$1,862,655.00
DEMOGRAPHIC COMMITMENT:	Elderly

1. Background/Present Situation

- a) Village Park Senior Housing f/k/a Kensington Place is a Competitive Housing Credit, New Construction Development providing 99 set-aside units in Orange County, Florida with an Elderly demographic. This Development was invited to enter credit underwriting on September 11, 2012. Florida Housing issued an allocation of \$1,862,655 in Housing Credits in January of 2013.
- b) Florida Housing received a request from the Owner on July 26, 2013 to change the Applicant name from Kensington Place Partners, LP to Village Park Senior Housing Partners, Ltd. ([Exhibit A](#)). This request is not a change to a newly formed entity, but a change to the name of the ownership entity.
- c) Florida Housing was notified of a non-material change of less than 33.3% in the general partner interest of the owner as shown on [Exhibit A](#).

2. Recommendation

Approve the requested change reflected above subject to a positive credit underwriting report.

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III. LEGAL

A. In Re: Cape Morris Cove Partners, L.L.L.P. – FHFC Case No. 2013-019VW

Development Name: (“Development”):	Cape Morris Cove Phase I 2007-142S
Developer/Principal: (“Developer”):	Atlantic Housing Partners, L.L.L.P.
Number of Units: 128	Location: Volusia County
Type: Garden Apartments	Set Asides: SAIL: 10% @ 35 % AMI 60% @ 60% AMI
Demographics: Family	SAIL: \$5,000,000.00

1. Background

- a) During the 2007 Universal Cycle, Cape Morris Cove Partners, L.L.L.P. (“Petitioner”) applied for and was awarded State Apartment Incentive Loan (SAIL) funding to finance the construction of Cape Morris Cove Phase I (the “Development”), located in Volusia County, Florida, to provide family housing.
- b) On July 24, 2013, Florida Housing received a Petition for Waiver or Variance from Rule 67-48.010(8)(a), F.A.C. (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-48.010(8)(a), Fla. Admin. Code (2007) provides, in pertinent part:
 - (a) By May 31 of each year of the SAIL loan term, the Applicant shall provide the Corporation with audited financial statements and a certification detailing the information needed to determine the annual payment to be made...The audited financial statements are to be prepared in accordance with generally accepted accounting principles for the 12 months ended December 31.
- b) Petitioner has requested a waiver of the above Rule which requires it use a calendar fiscal year ending December 31. Petitioner requests that it be allowed to have the reporting flexibility permissible under current Rule 67-48.010(8)(a), Fla.Admin.Code (2011), which allows Petitioner to select its fiscal year end and requires that audited financial statements be provided 151 days after that fiscal year end date.
- c) The requested change would neither affect the scoring of Petitioner’s application nor allowed Petitioner to gain an unfair advantage over other applications submitted by other developers in the 2007 Universal Cycle.
- d) On August 1, 2013, the Notice of Petition was published in the Florida Administrative Register. To date, Florida Housing has received no comments concerning the Petition.

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- e) 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.

- f) 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. In May of 2012, the Development's limited Partner, who has majority ownership interest transferred its interest to an entity whose fiscal year ends October 31st. Petitioner must change its fiscal year to comport with the new limited partner's fiscal year. Denying the waiver will force Petitioner to conduct two audits, with significant accounting expense. Granting the waiver will provide Petitioner more flexibility in reporting and allow it to continue to provide much needed housing.

3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Rule 67-48.010(8)(a), Fla. Admin. Code (2007), and require Petitioner to comply instead with Rule 67-48.010 (8)(a), Fla. Admin. Code (2011).

LEGAL

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B. In Re: Cape Morris Cove II Partners, L.L.L.P. - FHFC Case No. 2013-020VW

Development Name: (“Development”):	Cape Morris Cove Phase II 2008-238S
Developer/Principal: (“Developer”):	Atlantic Housing Partners, L.L.L.P.
Number of Units: 47	Location: Volusia County
Type: Garden Apartments	Set Asides: SAIL: 10% @ 35 % AMI 60% @ 60% AMI 10% @ 120% AMI
Demographics: Family	SAIL: \$1,500,000.00

1. Background

- a) During the 2008 Universal Cycle, Cape Morris Cove II Partners, L.L.L.P. (“Petitioner”) applied for and was awarded State Apartment Incentive Loan (SAIL) funding to finance the construction of Cape Morris Cove Phase II (the “Development”), located in Volusia County, Florida, to provide family housing.
- b) On July 24, 2013, Florida Housing received a Petition for Waiver or Variance from Rule 67-48.010(8)(a), F.A.C. (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.010(8)(a), Fla. Admin. Code (2008) provides, in pertinent part:
 - (a) By May 31 of each year of the SAIL loan term, the Applicant shall provide the Corporation with audited financial statements and a certification detailing the information needed to determine the annual payment to be made...The audited financial statements are to be prepared in accordance with generally accepted accounting principles for the 12 months ended December 31.
- b) Petitioner has requested a waiver of the above Rule which requires it use a calendar fiscal year ending December 31. Petitioner requests that it be allowed to have the reporting flexibility permissible under current Rule 67-48.010(8)(a), Fla.Admin.Code (2011), which allows Petitioner to select its fiscal year end and requires that audited financial statements be provided 151 days after that fiscal year end date.
- c) The requested change would neither affect the scoring of Petitioner’s application nor allowed Petitioner to gain an unfair advantage over other applications submitted by other developers in the 2008 Universal Cycle.
- d) On August 1, 2013, the Notice of Petition was published in the Florida Administrative Register. To date, Florida Housing has received no comments concerning the Petition.

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- e) 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.

- f) 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. In May of 2012, the Development's limited Partner, who has majority ownership interest transferred its interest to an entity whose fiscal year ends October 31st. Petitioner must change its fiscal year to comport with the new limited partner's fiscal year. Denying the waiver will force Petitioner to conduct two audits, with significant accounting expense. Granting the waiver will provide Petitioner more flexibility in reporting and allow it to continue to provide much needed housing.

3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Rule 67-48.010(8)(a), Fla. Admin. Code (2008), and require Petitioner to comply instead with Rule 67-48.010 (8)(a), Fla. Admin. Code (2011).

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C. In Re: Metro South Senior Apartments Limited Partnership - FHFC Case No. 2013-021VW

Development Name: (“Development”):	Metro South Senior Apartments Application No. 2011-128C
Developer/Principal: (“Developer”):	RLI Beneficial 11 LLC
Number of Units: 91	Location: Miami-Dade
Type: High-Rise	Set Asides: 89% @ 60% AMI 11% @ 28% AMI
Demographics: Elderly	HC: \$2,526,990

1. Background

- a) During the 2011 Universal Cycle, Metro South Senior Apartments Limited Partnership (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the construction of an elderly development known as Metro South Senior Apartments (the “Development”) located in the City of South Miami, Florida.
- b) On August 14, 2013, Florida Housing received a “Petition for Waiver or Variance from the 2012 Qualified Allocation Plan Regarding the Return of a Housing Credit Allocation” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-48.002(94) Fla. Admin. Code (2012) defines and incorporates by reference the 2012 Qualified Allocation Plan (the “QAP”). Section 9 of the QAP provides in pertinent part:

[W]here a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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- b) Petitioner requests a variance from the above provisions of the QAP to permit the immediate return of its Carryover Allocation of 2012 Housing Credits and to receive a reservation and Carryover Allocation of 2013 Housing Credits, with a corresponding extension of all deadlines relative to those credits.
- c) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- d) On August 16, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 160. To date, Florida Housing has received no comments concerning the Petition.
- e) 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.
- f) Petitioner has demonstrated that strict application of the above provision of the QAP under these circumstances would constitute a substantial hardship and violate the principles of fairness, in that the completion of the Development has been delayed by circumstances beyond Petitioner's control. Development processes and related real estate closings have been delayed by protracted litigation with the local government, causing Petitioner to be at risk of not meeting its 2014 "placed-in-service" deadline. Petitioner anticipates that the parties to the litigation should enter into a settlement agreement permitting the Development to proceed on or about September 20, 2013.

3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a variance from Section 9 of the 2012 QAP to permit the immediate return of its Carryover Allocation of 2012 Housing Credits and to receive a reservation and Carryover Allocation of 2013 Housing Credits, with a corresponding extension of all deadlines relative to those credits. Staff further recommends that the granting of this waiver be conditioned upon the settlement of all claims pending between Petitioner and its related entities and the City of South Miami regarding the Metro South Development no later than November 1, 2013.

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D. In Re: Village Square Family, Ltd. - FHFC Case No. 2013-022VW

Development Name: (“Development”):	Village Square Application No. 2011-061C
Developer/Principal: (“Developer”):	Roundstone Development LLC
Number of Units: 144	Location: Palm Beach
Type: Garden	Set Asides: 10% @ 28% AMI 90% @ 60% AMI
Demographics: Family	HC: \$2,110,000.00

1. Background

- a) During the 2011 Universal Cycle, Village Square Family, Ltd. (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the construction of a family development known as Village Square (the “Development”) located in Palm Beach County, Florida.
- b) On August 20, 2013, Florida Housing received a “Petition for Waiver of 2011 Universal Application Instructions, Housing Credit Program, Part III, Section (B)(4)(a)” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-48.004(1)(a) Fla. Admin. Code (2011) provides, in pertinent part:
 - (a) The Universal Application Package or UA1016 (Rev. 2-11) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s Website under the 2011 Universal Application link labeled Instructions and Application, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00703>, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the HOME and HC Program(s).
- b) Part III.B.4.a. of the Instructions provides in pertinent part:
 - a. For all construction units:

If the proposed Development includes any new construction units (regardless of the Development Category selected at Part III.A.3.a. of the Application), the eligible new construction units must (i) meet the requirements of Energy Star New Homes per the Energy Star Qualified Homes Florida Builder Option Package, Rev. 01/05/2010, which is incorporated by reference and available on the 2011 Universal Application link labeled Related References and Links, and (ii) achieve a Home Energy Rating System (HERS) Index of 77 or lower...

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- c) Petitioner requested a waiver of the above Rule to allow it to utilize 16 SEER electric heat strips in lieu of heat pumps in all units in the Development, as required by the Energy Star Qualified Homes Florida Builder Option Package. As justification, Petitioner states that the use of 16 SEER electric strips is a more cost-effective method of providing air conditioning and does not compromise energy conservation measures. Petitioner also states that the heat pumps are less efficient than the heat strips.
- d) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- e) On August 23, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 165. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) Petitioner demonstrated that strict application of the above Rule under these circumstances would violate the principles of fairness. Petitioner established that permitting this change in Development would promote construction of energy-efficient systems, achieve a more favorable Home Energy Rating System Index Score, and provide a cost benefit to the low income residents. A denial of the requested waiver would result in a substantial hardship due to increased costs of installation and maintenance as the heat pumps are less durable than the heat strips.

3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Part III.B.4.a. of the 2011 Universal Cycle Application Instructions, to allow Petitioner to install 16 SEER electric heat strips in lieu of heat pumps in all units in the Development.

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E. In Re: Brickell View Terrace Apartments, Ltd. - FHFC Case No. 2013-023VW

Development Name: (“Development”):	Brickell View Terrace Application No. 2011-067C
Developer/Principal: (“Developer”):	Pinnacle Housing Group, LLC and East Little Havana CDC
Number of Units: 100	Location: Miami-Dade
Type: High Rise	Set Asides: 100% @60% AMI
Demographics: Family	HC: \$2,561,000

1. Background

- a) During the 2011 Universal Cycle, Brickell View Terrace Apartments, Ltd. (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the construction of a development intended to serve low-income individuals and families known as Brickell View Terrace (the “Development”) located in the West Brickell area of downtown Miami, Florida.
- b) On August 28, 2013, Florida Housing received a “Petition for Waiver of Rule 67-48.004(14)(j) for a Change in Total Set-Aside Percentage and Variance From Universal Application Instructions Part III.E.b.1.(2)(c)”¹ (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-48.004(14) Fla. Admin. Code (2011) provides in relevant 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:

(i) Total number of units; notwithstanding the foregoing, for the SAIL and HC Programs the total number of units may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation;

(j) With regard to the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application...”.

¹ The Petition contains a transposition error on page 1: Instead of Part III.E.b.1.(2)(c), the correct cite to the relevant Instructions is Part III.E.1.b.(2)(c) as stated elsewhere in the Petition.

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- b) The 2011 Universal Application Instructions, at Part III.E.1.b.(2)(c), provide in relevant part:

“(c) Total Set-Aside Commitment (3 Points)

Applicants, except those requesting funding for ALF Developments, will receive 3 points for a commitment to set aside at least 70 percent of the Development’s units at 60 percent AMI or less...”

- c) In its application, Petitioner committed to set aside 100% of the Development’s 100 units at 60% AMI or less.
- d) Petitioner requests waivers of the above rule and instructions. Specifically, Petitioner seeks to increase the total number of units in the Development from 100 to up to 154, and to decrease the Total Set-Aside Percentage from 100% to approximately 65%. Petitioner intends that the additional (up to 54) units will be available for non-income restricted work-force housing.
- e) On August 29, 2013, Notice of the Petition was published in the Florida Administrative Register in Volume 39, Number 169. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.

- g) Petitioner has demonstrated that strict application of the above rule and instruction provisions under these circumstances would constitute a substantial economic hardship for Petitioner as a consequence of lower rental revenues and lower economies of scale that would otherwise flow from the 54 additional units, and more significantly up to 54 families would be deprived of the opportunity to obtain work force housing. Granting the requested waivers would not only serve the purpose of the underlying statute and the Act as a whole by facilitating the availability of affordable housing to low-income persons and households, but provide the additional benefit of meeting the need for mixed-income developments with work force housing.

3. **Recommendation**

Staff recommends the Board grant Petitioner’s request for waivers of Rule 67-48.004(14)(j) and the 2011 Application Instructions, Part III.E.1.b.(2)(c), to permit Petitioner to increase the total number of units from 100 to up to 154 and to decrease the Total Set-Aside Percentage from 100% to approximately 65%, subject to the condition that not less than 100 units remain Set-Aside Units.

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F. In Re: The Lofts at Tarpon River, LLC - FHFC Case No. 2013-024VW

Development Name: (“Development”):	Pinnacle at Tarpon River f/k/a The Lofts at Tarpon River Application No. 2011-119C
Developer/Principal: (“Developer”):	Pinnacle Housing Group, LLC
Number of Units: 100	Location: Fort Lauderdale, Broward County
Type: High Rise	Set Asides: 100% @ 60% AMI
Demographics: Family	HC: \$2,561,000

1. Background

- a) During the 2011 Universal Cycle, The Lofts at Tarpon River, LLC (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the construction of a development intended to serve low-income individuals and families known as Pinnacle at Tarpon River f/k/a The Lofts at Tarpon River (the “Development”) located in Fort Lauderdale, Florida.
- b) On August 28, 2013, Florida Housing received a “Petition for Waiver of Rule 67-48.004(14)(j) for a Change in Total Set-Aside Percentage” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-48.004(14) Fla. Admin. Code (2011) provides in relevant 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:

(i) Total number of units; notwithstanding the foregoing, for the SAIL and HC Programs the total number of units may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation;

(j) With regard to the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application...”.

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- b) In its application, Petitioner committed to set aside 100% of the Development's 100 units at 60% AMI or less.
- c) Petitioner requests a waiver of the above rule. Specifically, Petitioner seeks to increase the total number of units in the Development from 100 to 112, and to decrease the Total Set-Aside Percentage from 100% to approximately 89.3%. Petitioner intends that the additional 12 units will be available for non-income restricted work-force housing.
- d) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- e) On August 29, 2013, Notice of the Petition was published in the Florida Administrative Register in Volume 39, Number 169. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) Petitioner has demonstrated that strict application of the above rule under these circumstances would constitute a substantial economic hardship for Petitioner as a consequence of lower rental revenues and lower economies of scale that would otherwise flow from the 12 additional units, and more significantly 12 families would be deprived of the opportunity to obtain work force housing. Granting the requested waiver would not only serve the purpose of the underlying statute and the Act as a whole by facilitating the availability of affordable housing to low-income persons and households, but provide the additional benefit of meeting the need for mixed-income developments with needed work force housing.

3. Recommendation

Staff recommends the Board grant Petitioner's request for a waiver of Rule 67-48.004(14)(j) to permit Petitioner to increase the total number of units from 100 to 112 and to decrease the Total Set-Aside Percentage from 100% to approximately 89.3%, subject to a minimum of not less than 100 Set-Aside Units.

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G. In Re: Lulav Square Apartments Limited Partnership - FHFC Case No. 2013-025VW

Development Name: (“Development”):	Lulav Square Application No. 2011-126C
Developer/Principal: (“Developer”):	RLI Beneficial Development 11, LLC
Number of Units: 140	Location: Miami-Dade
Type: Garden	Set Asides: 20% @ 28% AMI 80% @ 60% AMI
Demographics: Elderly	HC: \$1,806,287.00

1. Background

- a) During the 2011 Universal Cycle, Lulav Square Apartments Limited Partnership (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the acquisition and rehabilitation of an elderly development known as Lulav Square (the “Development”) located in Miami-Dade County, Florida.
- b) On August 28, 2013, Florida Housing received a “Petition for Waiver of Section III(B)(1)(a) and Section III(B)(1)(b) of Instructions and Chapter 67-48” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation

- a) Rule 67-48.004(1)(a) Fla. Admin. Code (2011) provides, in pertinent part:
 - (a) The Universal Application Package or UA1016 (Rev. 2-11) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s Website under the 2011 Universal Application link labeled Instructions and Application, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00703>, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the HOME and HC Program(s).
- b) Part III.B.1.a. of the Instructions provides in pertinent part:
 - a. All Units in All Developments:
 - Air conditioning with a minimum SEER rating of 14 (excluding buildings with central chiller system). Window air conditioning units are not allowed; however, through-wall air conditioning units with a minimum EER rating of 10 are permissible for rehabilitation units);
- c) Part III.B.1.b. of the Instructions provides in pertinent part:
 - b. All Units in All Developments Except SRO:
 - Full-size range, oven and Energy Star qualified refrigerator in all units;

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- d) Petitioner requested a waiver of the above Rules to allow it to utilize EER 12.9 split air conditioning systems in lieu of air conditioning systems with a SEER rating of 14 in the redevelopment units of the Development and allow for the use of a smaller 20-inch wide range in lieu of a full size range in the redevelopment units of the Development. As justification, Petitioner states that the use of EER 12.9 split air conditioning system, significantly exceeds the requirement to use an air conditioner with a SEER rating of 14, alleviates the need for substantial revision to the rehabilitation plans and is a more efficient method of providing air conditioning. Petitioner also states that the use of a 20-inch stove would provide more countertop space in an existing kitchen that was not designed for a full size range and that use of a full size range would require unnecessary electrical upgrades to accommodate the increased electrical load.
- 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) On August 29, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 169. 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 demonstrated that strict application of the above Rule under these circumstances would violate the principles of fairness. Petitioner established that permitting these changes in Development would promote the use of energy-efficient air conditioning systems; provide more usable kitchen countertop space and provide a cost benefit to the low income residents. A denial of the requested waiver would result in a substantial hardship due to increased costs of installation and maintenance of less efficient air conditioners, and cause significant delay in rehabilitation to accommodate larger full size ranges.

3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Part III.B.1.a. and Part III.B.1.b. of the 2011 Universal Cycle Application Instructions, to allow Petitioner to install split air conditioning systems with an EER rating of 12.9 in lieu of air conditioning systems with a SEER rating 14, in all units in the Development; and to allow Petitioner to install 20-inch ranges in lieu of full size ranges in all units in the Development.

LEGAL

Consent

H. In Re: St. Martin PL, LTD. - FHFC Case No. 2013-026VW

Development Name: (“Development”):	St. Martin’s Place Application No. 2011-069CH
Developer/Principal: (“Developer”):	St. Martin’s Place Developers, LLC
Number of Units: 94	Location: Miami-Dade County
Type: High Rise	Set Asides: 10% @ 28% AMI 90% @ 60% AMI
Demographics: Homeless	HC: \$2,561,000.00 HOME: \$4,700,000

1. Background

- a) During the 2011 Universal Cycle, St. Martin’s PL, Ltd. (“Petitioner”) applied for and was awarded an allocation of tax credits and HOME funds to finance the construction of a Homeless development known as St. Martin’s Place (the “Development”) located in Miami-Dade County, Florida.
- b) On August 28, 2013, Florida Housing received a “Petition for Waiver of Part II.A.2.c.(2) of the 2011 Universal Application Instructions, UA1016 (Rev. 2-11) and Rule 67-48.004, F.A.C., to Allow Material Change In Applicant Entity Prior to Home Loan Closing” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit H](#). Petitioner previously requested a similar waiver of the above provisions, which was granted by the Board in June 2013.

2. Present Situation

- a) Rule 67-48.004(1)(a) Fla. Admin. Code (2011) provides, in pertinent part:
 - (a) The Universal Application Package or UA1016 (Rev. 2-11) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s Website under the 2011 Universal Application link labeled Instructions and Application, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00703>, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the HOME and HC Program(s).
- b) Part II.A.2.c. (2). of the Instructions provides in pertinent part:

If applying for MMRB or HOME, the Applicant entity shall be the borrowing entity and cannot be changed until after loan closing. Replacement of the Applicant or a material change (33.3 percent or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.

LEGAL

Consent

- c) Petitioner requested a waiver of the above Rules to allow it to make certain changes in its ownership structure prior to the closing of the HOME loan, per the Petition:
- (a) The Applicant entity will remain BHG St. Martins PL, Ltd. The new Managing General Partner of the Applicant, with a .0051% ownership interest, will be St. Martins Place MBS GO, Inc., a Missouri corporation, which in turn will be wholly owned by MBA Properties, a Missouri corporation. The officers and directors of St. Martins Place MBS GP, Inc., are shown on Petitioner's "Second Revised Exhibit 9" (Attachment A to the Petition).
 - (b) The current General Partner of the Applicant entity, MM BHG St. Martins Place, LLC, will continue as Co-General Partner, with a .0049% ownership interest. BHG Development Group, LLC, will remain a managing member of that Co-General Partner, with a 1% ownership interest. BHG St. Martins Place, Inc., currently a 1% owner of the General Partner, will no longer have any ownership interest or management role in the Applicant or its general or limited partners. The other Member of the Co-General Partner, with a 99% ownership interest, will be the MDES Trust, an irrevocable family trust, with Jose Luis DeRamon serving as Trustee. The Limited Partner of the Applicant entity, with a 99.99% ownership interest, will remain Gonzalo DeRamon and/or assigns.
- d) In addition to the above, simultaneous changes will also be made to the ownership and management structure of the Developer entity, but per the 2011 Universal Cycle Instructions these changes may approved by Corporation staff and do not require a waiver or variance.
- e) On August 30, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 170. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) Petitioner has demonstrated that strict application of the above Rule (incorporated Instructions) under these circumstances would result in a substantial economic hardship to the Development, and that the granting of the relief requested in the Petition will serve the statutory purposes of the Corporation. Petitioner asserts that the changes are necessary to meet the equity investor's request for an additional experienced Developer, and failure to permit this change may result in loss of the equity investment in the Development. Petitioner requests that these changes be permitted now, rather than introduce further delay by waiting until after the closing of the HOME loan, after which the changes could be made by Board approval and without the necessity of a petition for waiver.

LEGAL

Consent

- h) Petitioner also asserts that the above changes to the ownership and management structure of the Applicant, where the Principal thereof remains the same natural person, preserves the substantial development experience relied upon by the Corporation when evaluating the original Application. The requested changes would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- i) Staff has reviewed the changes requested by Petitioner and supports the Petition, but notes that a positive review and recommendation of the changes by the Credit Underwriter assigned to this Development has not yet been received.

3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Part II.A.2.c.(2) of the Instructions, to allow Petitioner to make the changes to the Applicant entity as requested and prior to the closing of the HOME loan, conditioned upon a positive review and recommendation of the changes by the Development's assigned Credit Underwriter.

MULTIFAMILY BONDS

Consent

IV. MULTIFAMILY BONDS

A. Request Approval to Modify Insurance Deductibles in Loan Documents for Preserve at Oslo f/k/a Woods at Vero Beach

Development Name: Preserve at Oslo	Location: Indian River County
Developer/Owner: Creative Choice Homes XVI, Ltd.	Set-Asides: 50% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Funding Source: Multi-Family Mortgage Revenue Bonds (MMRB)/Guaranty Program (GP)/ State Apartment Incentive Loan (SAIL) ELI/ Low Income Housing Credits (HC)	Amount: \$7,665,000 Tax Exempt Bonds; \$125,000 Taxable Bonds; \$602,633 HC; \$675,000 SAIL ELI (RFP 2010-16)
Number of Units: 176	Type: Rental

1. Background

Florida Housing issued bonds for Preserve at Oslo in 1999 in the amount of \$7,790,000 designated as 1999 Series N-1 and N-2. In addition, \$602,633 in tax credits was issued for this Development along with \$675,000 SAIL ELI from RFP 2010-16.

2. Present Situation

- a) In a letter dated August 12, 2013, attached at [Exhibit A](#), the Borrower is requesting that certain loan documents be modified to reflect an increase in the maximum windstorm deductible to 5% and the hazard insurance deductible raised to \$25,000.
- b) The Credit Underwriter's letter dated August 30, 2013, and attached as [Exhibit B](#) determines that this increase is consistent with the Fannie Mae Delegated Underwriting Guidelines and recommends approval of this request.

3. Recommendation

That the Board approves modification of the necessary loan documents, 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 to Modify Insurance Deductibles in Loan Documents for Peacock Run

Development Name: Peacock Run	Location: St. Lucie County
Developer/Owner: Creative Choice Homes XX, Ltd.	Set-Asides: 40% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Funding Source: Multi-Family Mortgage Revenue Bonds (MMRB)/Guaranty Program-HUD Risk Share (GP)/ Low Income Housing Credits (HC)/ Subordinated Mortgage Initiative (SMI)/ State Apartment Incentive Loan (SAIL) ELI	Amount: \$9,690,000 Tax Exempt Bonds; \$3,090,000 Taxable Bonds; \$674,643 HC; \$605,345 SMI; \$1,050,000 SAIL ELI (RFP 2010-16)
Number of Units: 264	Type: Rental

1. Background

Florida Housing issued bonds for Peacock Run in 2002 in the amount of \$12,780,000 designated as 2002 Series H-1 and H-2. In addition, \$674,643 in tax credits was issued for this Development along with \$1,050,000 SAIL ELI from RFP 2010-16.

2. Present Situation

- a) In a letter dated August 12, 2013, attached at [Exhibit C](#), the Borrower is requesting that certain loan documents be modified to reflect an increase in the maximum windstorm deductible to 5% and the hazard insurance deductible raised to \$25,000.
- b) The Credit Underwriter's letter dated August 30, 2013, and attached as [Exhibit D](#) determines that this increase is consistent with the Fannie Mae Delegated Underwriting Guidelines and recommends approval of this request.

3. Recommendation

That the Board approves modification of the necessary loan documents, 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 for the Consent to Transfer the General and Limited Partnership Interest for River Trace Apartments (f/k/a River Trace Senior Apartments)**

Development Name: River Trace Apartments	Location: Manatee County
Developer/Owner: River Oaks Housing Partners, Ltd.	Set-Asides: 80% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Funding Source: Multifamily Housing Revenue Bonds (MMRB), Guaranty Program-HUD Risk Share (GP), Subordinated Mortgage Initiative (SMI), Low Income Housing Credits (HC)	Amount: \$6,900,000 Tax Exempt Bonds; \$1,200,000 Taxable Bonds; \$398,409 SMI; \$558,596 HC
Number of Units: 178	Type: Rental

1. **Background**

Florida Housing issued bonds for River Trace Apartments in 2000 in the amount of \$8,100,000 designated as 2000 Series V-1 and V-2. In addition, \$558,596 in tax credits and \$398,409 subordinated mortgage initiative loan were issued for this Development.

2. **Present Situation**

- a) The current owner, River Oaks Housing Partners, Ltd., in their letter dated July 30, 2013, attached as [Exhibit E](#), requested consent to transfer the General and Limited Partnership interest from SAH River Oaks, LLC and SAH River Oaks Investor, LLC to Bradenton Leased Housing Associates I, LLC and Polaris Holdings I, LLC.
- b) The existing FHFC issued Bonds and the Subordinate Mortgage Initiative (“SMI”) loan will be simultaneously paid off in full upon transfer and the Bonds will no longer be enhanced by FHFC’s Guarantee Program (“GF”).
- c) Staff has received a credit underwriting report, attached as [Exhibit F](#), providing a positive recommendation for the transfer of the General and Limited Partnership Interest, along with the payoff of the Bonds and SMI loan.

3. **Recommendation**

That the Board approve the transfer of ownership subject to approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

V. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request Approval of Renewal of Contract for Guaranteed Investment Contract Broker Services

1. Background

- a) At its October, 2010, meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with BLX, LLC, to provide Guaranteed Investment Contract Broker Services.
- b) The initial three (3) year term of the contract began on December 16, 2010. Contingent upon Guaranteed Investment Contract Broker satisfactorily performing its obligations under the contract as determined by Florida Housing, the contract may be renewed twice. Each renewal shall be for an additional one (1) year period.

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 BLX, LLC, as a Guaranteed Investment Contract Broker pursuant to the existing contract, and recommends the Board direct staff to proceed with the initial contract renewal.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

B. Request Approval of Renewal of Contracts for Management Company Services

1. Background

- a) At its September 16, 2010, meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Services Taylor-Made, Inc., Stephenson & Moore, Inc., and Royal American Management, Inc., to provide management company services.
- b) The initial term of contract 2010-06-02-001 (Services Taylor-Made, Inc.) began October 15, 2010, and expires October 15, 2013, and contract 2010-06-02-002 (Stephenson & Moore, Inc.) began October 15, 2010, and expires October 19, 2013, and contract 2010-13-02-004 (Royal American Management, Inc.) began December 23, 2010, and expires December 23, 2013.

2. Present Situation

Florida Housing staff supports a renewal to extend the term of the contracts 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 services of Services Taylor-Made, Inc., Stephenson & Moore, Inc., and Royal American Management, Inc., as management companies pursuant to the existing contracts, and recommends the Board direct staff to proceed with the initial contract renewal.

SPECIAL ASSETS

Consent

VI. SPECIAL ASSETS

- A. Request Approval of the Extension of the First Mortgage and Subordination of the HOME Loan for Madison Cove of Gainesville, Ltd., a Florida Limited Partnership for Madison Cove Apartments (96HR-013/96L-053)

Development Name: Madison Cove (“Development”)	Location: Alachua County
Developer/Principal: Davis Heritage, Ltd. (“Developer”);	Set-Aside: HOME 16% @ 35%, 5% @ 50% & 79% @ 60% AMI, HC 16% @ 35%, 5% @ 50% & 79% @ 60% AMI; LURA: 50 years; EUA: 50 years
Number of Units: 97	Allocated Amount: HOME \$1,242,400; HC \$483,924
Demographics: Family	Servicer: First Housing Development Corporation

1. **Background**

During the 1996 HOME Cycle, Florida Housing awarded a \$1,242,000 construction/permanent loan to Madison Cove of Gainesville, Ltd., a Florida limited partnership (“Borrower”), for the development of a 97-unit development in Alachua County. The HOME loan closed on June 16, 1997, and will mature on June 16, 2017. The Development also received a 1996 allocation of low-income housing tax credits of \$483,924.

2. **Present Situation**

The Borrower has requested approval to extend the first mortgage, at its current terms, to January 1, 2014 and to subordinate the HOME loan documents to the extended first, to allow time to complete refinancing of the first mortgage.

3. **Recommendation**

Approve the extension of the first mortgage, at its current terms, to January 1, 2014, subordination of the HOME loan documents, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

B. Request Approval of SAIL Loan Modification for Thirteen Developments for CED

Development Name: Brandon Crossing (“Development”)	Location: Hillsborough
Developer/Principal: CED (“Developer”); Brandon Crossing Partners, Ltd., (“Borrower”)	Set-Aside: SAIL & HC 100% @ 60% AMI, LURA: 50 Years; EUA: 30 Years
Number of Units: 200	Allocated Amount: SAIL \$1,248,200; HC \$488,104
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Cambridge Cove (“Development”)	Location: Polk
Developer/Principal: CED (“Developer”); Cambridge Club Partners, Ltd., (“Borrower”)	Set-Aside: SAIL & HC 80% @ 60% AMI, LURA & EUA 50 Years
Number of Units: 200	Allocated Amount: SAIL \$1,160,000; HC \$402,124
Demographics: Family	Servicer: First Housing
Development Name: Falcon Trace (“Development”)	Location: Orange
Developer/Principal: CED (“Developer”) Falcon Trace Partners, Ltd., (“Borrower”)	Set-Aside: SAIL & HC 100% @ 60% AMI, LURA 50 Years; EUA 30 Years
Number of Units: 252	Allocated Amount: SAIL \$2,000,000; HC \$756,948
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Hatteras Sound (“Development”)	Location: Seminole
Developer/Principal: CED (“Developer”) Windsor Pines Apartments, Ltd., (“Borrower”)	Set-Aside: SAIL & HC 75% @ 60% AMI, LURA 51 Years; EUA 30 Years
Number of Units: 182	Allocated Amount: SAIL \$1,346,305; HC \$458,238
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Hunters Creek (“Development”)	Location: Volusia
Developer/Principal: CED (“Developer”) Spring Arbor Partners, Ltd., (“Borrower”)	Set-Aside: SAIL & HC 100% @ 60% AMI, LURA 50 Years; EUA 30 Years
Number of Units: 192	Allocated Amount: SAIL \$1,800,000; HC \$574,945
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Lakewood Shores (“Development”)	Location: Hillsborough
Developer/Principal: CED (“Developer”) Lakewood Shores Partners, Ltd., (“Borrower”)	Set-Aside: SAIL & HC 100% @ 60% AMI, LURA 50 Years; EUA 30 Years
Number of Units: 184	Allocated Amount: SAIL \$1,900,000; HC \$500,041
Demographics: Family	Servicer: Seltzer Management Group

SPECIAL ASSETS

Consent

Development Name: Murdock Circle (“Development”)	Location: Charlotte
Developer/Principal: CED (“Developer”) Murdock Circle Partners, Ltd., (“Borrower”)	Set-Aside: SAIL 85% @ 60% AMI, HC 100% @ 60% AMI, LURA 50 Years; EUA 30 Years
Number of Units: 264	Allocated Amount: SAIL \$2,000,000; HC \$944,440
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Riverside (“Development”)	Location: Pinellas
Developer/Principal: CED (“Developer”) Riverside Partners, Ltd., (“Borrower”)	Set-Aside: SAIL & HC 85% @ 60% AMI, LURA 50 Years; EUA 30 Years
Number of Units: 304	Allocated Amount: SAIL \$2,500,000; HC \$659,168
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Sabal Cove (“Development”)	Location: Manatee
Developer/Principal: CED (“Developer”) Sabal Palm Harbor Partners, Ltd., Co. & Royal Palm Harbor Partners, Ltd., Co. (“Borrower”)	Set-Aside: SAIL 80.68% @ 60% AMI, HC 100% @ 60% AMI, LURA 51 Years; EUA 30 Years
Number of Units: 264	Allocated Amount: SAIL \$2,000,000; HC \$1,016,428
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Seminole Pointe (“Development”)	Location: Seminole
Developer/Principal: CED (“Developer”) Seminole Co. State Road 46, Ltd., (“Borrower”)	Set-Aside: SAIL 2.97% @ 50% & 96.73% @ 60% AMI, HC 100% @ 60% AMI, LURA & EUA 50 Years
Number of Units: 336	Allocated Amount: SAIL \$2,000,000; HC \$1,167,342
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Sunrise Pointe (“Development”)	Location: Volusia
Developer/Principal: CED (“Developer”) Sunrise Pointe Partners, Ltd., (“Borrower”)	Set-Aside: SAIL 99.33% @ 60% AMI, HC 100% @ 60% AMI, LURA 50 Years; EUA 30 Years
Number of Units: 208	Allocated Amount: SAIL \$2,000,000; HC \$720,218
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Glenn on Millenia Blvd., (“Development”)	Location: Orange
Developer/Principal: CED (“Developer”) Millenia Club Partners, Ltd., (“Borrower”)	Set-Aside: SAIL 90.16% @ 60% AMI, HC 90% @ 60%, LURA 50 Years; EUA 30 Years
Number of Units: 192	Allocated Amount: SAIL \$1,798,000; HC \$403,334
Demographics: Family	Servicer: Seltzer Management Group

SPECIAL ASSETS

Consent

Development Name: Water View Club ("Development")	Location: Orange
Developer/Principal: CED ("Developer") Water View Partners, Ltd., ("Borrower")	Set-Aside: SAIL & HC 100% @ 60% AMI, LURA 50 Years; HC 30 Years
Number of Units: 172	Allocated Amount: SAIL \$1,000,000; HC \$487,549
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) CED Capital Holdings ("CED") received funding from FHFC for development of the following thirteen (13) affordable housing properties from 1998 to 2001. Funding sources from FHFC have included State Apartment Incentive Loans ("SAIL") and Housing Credits ("HC"). The developments are as follows:
- (1) Brandon Crossing Partners, Ltd., a Florida limited partnership ("Borrower") (Brandon Crossing Apartments);
 - (2) Cambridge Club Partners, Ltd., a Florida limited partnership ("Borrower") (Cambridge Cove Apartments);
 - (3) Falcon Trace Partners, Ltd., a Florida limited partnership ("Borrower") (Falcon Trace Apartments);
 - (4) Windsor Pines Apartments, Ltd., a Florida limited partnership ("Borrower") (Hatteras Sound Apartments);
 - (5) Spring Arbor Partners, Ltd., a Florida limited partnership ("Borrower") (Hunters Creek Apartments);
 - (6) Lakewood Shores Partners, Ltd., a Florida limited partnership ("Borrower") (Lakewood Shores Apartments);
 - (7) Murdock Circle Partners, Ltd., a Florida limited partnership ("Borrower") (Murdock Circle Apartments);
 - (8) Riverside Partners, Ltd., a Florida limited partnership ("Borrower") (Riverside Apartments);
 - (9) Sabal Palm Harbor Partners, Ltd., Co. & Royal Palm Harbor Partners, Ltd., Co. Ltd., Florida limited partnerships ("Borrower") (Sabal Cove Apartments);
 - (10) Seminole Co. State Road 46, Ltd., a Florida limited partnership ("Borrower") (Seminole Pointe Apartments);
 - (11) Sunrise Pointe Partners, Ltd., a Florida limited partnership ("Borrower") (Sunrise Pointe Apartments);
 - (12) Millenia Club Partners, Ltd., a Florida limited partnership ("Borrower") (Glenn on Millenia Boulevard Apartments);
 - (13) Water View Partners, Ltd., a Florida limited partnership ("Borrower") (Water View Club Apartments).

SPECIAL ASSETS

Consent

2. Present Situation

- a) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and stated in the proposed Rule 67-48 as follows:

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (5)- (10), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6) (b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

- b) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note in order for the loan to be modified to the 3% interest rate.

3. Recommendation

Approve the modification of the loan terms for the thirteen loans stated above from a 9% cash flow note to a 3% cash flow note for the remaining term of the loan with conditions as stated above and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

C. Request Approval of Transfer of General Partner Interest in McCurdy Center, Ltd. for Quiet Waters fka McCurdy Center Apartments (2005-106CS/2008-010CS)

Development Name: Quiet Waters fka McCurdy Center Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Joseph Glucksman (“Developer”)/McCurdy Center, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 24% @ 30%, 76% @ 60% AMI LURA 50 years; EUA 50 years
Number of Units: 93	Allocated Amount: SAIL \$1,750,000; HC \$1,363,350
Demographics: Homeless	Servicer: Seltzer Management Group

1. **Background**

During the 2005 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$1,750,000 to McCurdy Center, Ltd., a Florida limited partnership (“Borrower”), for the development of a 93-unit property in Palm Beach County, Florida. The loan was closed on June 11, 2008, and will mature on June 11, 2038. The Development also received a 2005 allocation of low-income housing tax credits of \$1,363,350.

2. **Present Situation**

- a) The Borrower requests approval to transfer the general partner (“GP”) interest from McCurdy Center GP, Inc., the current GP and for-profit Florida corporation that is wholly owned by McCurdy Senior Housing Corporation (“MSHC”), a Florida non-profit corporation, to McCurdy Senior Housing, LLC, a newly formed, wholly owned limited liability company subsidiary of MSHC. The sole owner of the new GP entity will be MSHC.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit A](#)).

3. **Recommendation**

Staff recommends that the Board approve the transfer of the general partner interest in the borrower entity subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

D. Request Approval to Refinance the First Mortgage and Extension and Subordination of the DEMO Loan and LURA for Wesley Haven Villa, Inc., a Florida Corporation, for Wesley Haven Villas Apartments (2002|01-002ALF)

Development Name: Wesley Haven Villa (“Development”)	Location: Escambia County
Developer/Principal: Methodist Homes for the Aging Corporation (“Developer”); Wesley Haven Villa, Inc. (“Borrower”)	Set-Aside: DEMO 40% @ 60% AMI LURA: 50 years;
Number of Units: 55	Allocated Amount: DEMO - \$3,000,000
Demographics: Elderly (ALF)	Servicer – First Housing Development Corporation

1. Background

In June 2002, through RFP 2002/01 Florida Housing Finance Corporation (“Florida Housing”) awarded a \$3,000,000 construction/permanent loan to Wesley Haven Villa, Inc., a Florida Limited Corporation (“Borrower”), for the development of a 55-unit Assisted Living Facility (“ALF”) development in Escambia County. The Demonstration (“DEMO”) loan closed on March 1, 2004 and will mature on May 1, 2045.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage with a U.S. Department of Housing and Urban Development (“HUD”) 223(a) (7) loan and the extension and subordination of the DEMO loan. The affordability period in the Land Use Extension Agreement (“LURA”) will be extended for an additional amount of time equal to the additional term of the DEMO loan. The intended refinancing through Grandbridge Real Estate Capital, LLC is expected to result in a savings of approximately \$80,000 per year due to a lowering of the interest rate from 5.93% to 3.83%.
- b) First Housing Development Corporation, the credit underwriter, is waiting on an updated appraisal and other information from the first mortgage lender. Florida Housing’s recommendation is conditioned upon receipt of a positive recommendation from the credit underwriter.

3. Recommendation

Approve the refinancing of the first mortgage and extension and subordination of the Demonstration loan and LURA subject to a positive recommendation from the credit underwriter and the conditions provided therein and 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 as needed.

SPECIAL ASSETS

Consent

E. Request Approval to Refinance the First Mortgage and Extension and Modification of the SAIL loan for Emerald Palms Apartments Limited Partnership, a Florida Limited Partnership, for Emerald Palms Apartments (2001-074S/2001-520C)

Development Name: Emerald Palms Apartments (“Development”)	Location: Broward County
Developer/Principal: Housing Trust Group of Florida LLC (“Developer”); Emerald Palms Apartments Limited Partnership (“Borrower”)	Set-Aside: SAIL & HC: 100% @ 60% AMI LURA: 50 years; EUA: 30 years
Number of Units: 318	Allocated Amount: SAIL \$2,500,000; HC \$705,917
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2001 funding cycle, Florida Housing awarded a \$2,500,000 State Incentive Apartment Loan (“SAIL”) loan to Emerald Palms Apartments Limited Partnership, a Florida limited partnership (“Borrower”), for the development of a 318-unit apartment complex in Broward County, Florida. The SAIL loan closed on August 16, 2002, and will mature on December 1, 2033. The Development also received a 2001 allocation of low-income housing tax credits of \$705,917.
- b) The Borrower requested and was approved for refinancing of the existing first mortgage at the June 2012 Board meeting. However, the Borrower was unable to complete the refinancing.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage using a new source of financing from the previously approved refinancing. Borrower intends to obtain financing from a HUD 223(f) loan. The Borrower also requests that the terms of the SAIL loan be extended and modified to meet the requirements of the new first mortgage. The SAIL loan, SAIL Land Use Restriction Agreement (“LURA”), and the Housing Credit (“HC”) Extended Low-Income Housing Agreement (“ELIHA”) also need to be subordinated to the new first mortgage. The Borrower has agreed to an extension of the Land Use Restriction Agreement (“LURA”) term for additional years equal to the loan extension.
- b) The Borrower has also requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and stated in the proposed Rule 67-48 as follows:

SPECIAL ASSETS

Consent

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (5)- (10), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6) (b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

- c) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note in order for the loan to be modified to the 3% interest rate.
- d) Staff has received a credit underwriting report ([Exhibit B](#)) providing a positive recommendation for approval for the new financing, extension of the SAIL loan and SAIL LURA, subordination of the SAIL loan, SAIL LURA, and HC ELIHA to the new first mortgage, and modification of the SAIL loan documents as necessary.

3. **Recommendation**

Approve the refinancing of the first mortgage, extension of the SAIL loan and SAIL LURA, subordination of the SAIL loan, SAIL LURA, and HC ELIHA to the new first mortgage, and modification of the SAIL loan documents as necessary subject to the conditions outlined in the credit underwriter's report and 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

F. Request Approval to Refinance the First Mortgage for TWC Seventy-Four, Ltd., for Waverly Apartments (MR2000C1&2/GUAR #54/RISK/2000-526C/RFP 2012-04-19)

Development Name: Waverly Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: The Wilson Group (“Developer”); TWC Seventy-Four, Ltd. (“Borrower”)	Set-Aside: MMRB 50%@60%; SAIL ELI 12.7%@28%; HC 100%@60% AMI LURA 50 years; SAIL ELI 15 years; EUA 30 years
Number of Units: 260	Allocated Amount: MMRB \$16,360,000; SAIL ELI \$2,475,000; HC \$776,066
Demographics: Family	Servicer: AmeriNational Community Services

1. Background

- a) During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$11,570,000, and FHFC issued taxable bonds in the original amount of \$4,790,000 to TWC Seventy-Four, Ltd., a Florida limited partnership (“Borrower”), for the development of a 260-unit apartment complex in Palm Beach County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on May 31, 2000, and is scheduled to mature on June 1, 2040. The Development is guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”) with HUD Risk Sharing. The Development also received a 2002 allocation of low-income housing tax credits of \$776,066.
- b) The Borrower also received a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$2,475,000. The SAIL ELI loan closed on April 17, 2013, and will mature on April 17, 2028.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage loan. The Borrower intends to obtain a HUD insured 223(f) program first mortgage loan originated by First Housing Development Corporation, the proceeds of which will be used to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC.
- b) The Borrower also requests that the SAIL ELI loan, the SAIL ELI loan documents, and the MMRB Land Use Restriction Agreement (“LURA”) and the Low Income Housing Tax Credits Extended Use Agreement (“EUA”) be subordinated to the new first mortgage, and the term of the SAIL ELI loan be extended. As necessary to facilitate the refinance, MMRB loan documents may need to be modified.

SPECIAL ASSETS

Consent

- c) Staff received a credit underwriting report ([Exhibit C](#)) from AmeriNational Community Services recommending approval for the new financing, subordination of the SAIL ELI loan, the SAIL ELI loan documents, the MMRB LURA, and the HC EUA to the new first mortgage, extension of the SAIL ELI loan term, and modification of MMRB loan documents as necessary.

3. **Recommendation**

Approve the refinancing of the first mortgage, extension of the SAIL ELI loan, subordination of the SAIL ELI loan, SAIL ELI loan documents, the MMRB LURA, and the HC EUA to the new first mortgage, and modification of MMRB loan documents as necessary, subject to the conditions outlined in the credit underwriter's report, 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

G. Request Approval to Refinance the First Mortgage for TWC Sixty-Four, Ltd., for Walden Park Apartments (MR2001F 1&2/GUAR #52/RISK/2001-524C/RFP 2012-04-22)

Development Name: Walden Park Apartments (“Development”)	Location: Osceola County
Developer/Principal: The Wilson Group (“Developer”); TWC Sixty-Four, Ltd. (“Borrower”)	Set-Aside: MMRB 40% @ 60%; SAIL ELI 2.6% @ 33%; HC 100% @ 60% AMI LURA 50 years; SAIL ELI 15 years; EUA 30 years
Number of Units: 300	Allocated Amount: MMRB \$18,695,000; SAIL ELI \$535,000; HC \$773,275
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2001 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$15,520,000, and FHFC issued taxable bonds in the original amount of \$3,175,000 to TWC Sixty-Four, Ltd., a Florida limited partnership (“Borrower”), for the development of a 300-unit apartment complex in Osceola County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on November 15, 2001, and is scheduled to mature on November 15, 2041. The Development is guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”) with HUD Risk Sharing. The Development also received a 2001 allocation of low-income housing tax credits of \$773,275.
- b) The Borrower also received a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$535,000. The SAIL ELI loan closed on August 21, 2013, and will mature on August 21, 2028.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage loan. The Borrower intends to obtain a HUD insured 223(f) program first mortgage loan originated by First Housing Development Corporation, the proceeds of which will be used to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC.
- b) The Borrower also requests that the SAIL ELI loan, the SAIL ELI loan documents, and the MMRB Land Use Restriction Agreement (“LURA”) and the Low Income Housing Tax Credits Extended Use Agreement (“EUA”) be subordinated to the new first mortgage, and the term of the SAIL ELI loan be extended. As necessary to facilitate the refinance, MMRB loan documents may need to be modified.
- c) Staff received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group recommending approval for the new financing, subordination of the SAIL ELI loan, the SAIL ELI loan documents, the MMRB LURA, and the HC EUA to the new first mortgage, extension of the SAIL ELI loan term, and modification of MMRB loan documents as necessary.

SPECIAL ASSETS

Consent

3. **Recommendation**

Approve the refinancing of the first mortgage, extension of the SAIL ELI loan, subordination of the SAIL ELI loan, SAIL ELI loan documents, the MMRB LURA, and the HC EUA to the new first mortgage, and modification of MMRB loan documents as necessary, subject to the conditions outlined in the credit underwriter's report, 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

H. Request Approval to Refinance the First Mortgage and Approval of the Subordinate CDBG Loan for Tuscany Place Associates, Ltd., a Florida Limited Partnership for Tuscany Place Apartments (GUAR #45/HUD Risk/2002-108S/2003-521C)

Development Name: Tuscany Place Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone (“Developer”)/Tuscany Place Associates, Ltd. (“Borrower”)	Set-Aside: SAIL 11%@50, 89%@60%; HC 100%@60% AMI LURA: 50 years; EUA: 50 years
Number of Units: 340	Allocated Amount: SAIL \$2,000,000; HC \$1,146,784
Demographics: Large Family	Servicer: Seltzer Management Group

1. Background

During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,000,000 to Tuscany Place Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 340-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on June 13, 2003, and will mature on December 1, 2044. The Development also received a 2003 allocation of low-income housing tax credits of \$1,146,784. The Development is HUD risk sharing with Florida Housing’s Guarantee Program (“Guarantee Program”).

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The Borrower intends to obtain a conventional first mortgage loan through Fannie Mae, the proceeds of which will be utilized to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC.
- b) The Borrower also requests that the term of the SAIL loan be extended and the SAIL Land Use Restriction Agreement (“LURA”) would be extended by an equal amount of time. The SAIL loan, the SAIL LURA, and the Low Income Housing Tax Credit Extended Use Agreement (“EUA”) will be subordinated to the new first mortgage. The Development also received a \$1,000,000 Miami-Dade County CDBG loan that requires Board approval.
- c) Staff has received a credit underwriting report ([Exhibit E](#)) providing a positive recommendation for approval for the new financing including the CDBG loan, subordination of the SAIL loan, LURA, and EUA to the new first mortgage, and extension of the SAIL loan term and LURA.

SPECIAL ASSETS

Consent

3. **Recommendation**

Approve the refinancing of the first mortgage loan, Miami-Dade County CDBG subordinate loan, the extension of the SAIL loan and extension of the SAIL LURA by an equal amount of time, subordination of the SAIL loan, LURA, and HC EUA subject to the conditions outlined in the credit underwriter's report and 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

I. Request Approval to Refinance the First Mortgage for Golden Associates, Ltd., a Florida Limited Partnership for Golden Lakes Apartments (GUAR #26/97S-038/97L-520)

Development Name: Golden Lakes Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone; Golden Associates, Ltd. (“Borrower”)	Set-Aside: SAIL 100% @ 60%; HC .71% @ 50%; 99.29% @ 60% AMI LURA 50 years; EUA 50 years
Number of Units: 280	Allocated Amount: SAIL \$2,590,000; HC \$871,209
Demographics: Family	Servicer: AmeriNational Community Services, Inc.

1. Background

During the 1997 funding cycle, Florida Housing awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,590,000 to Golden Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 280-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on September 16, 1997, and will mature on January 1, 2039. The Development also received a 1997 allocation of low-income housing tax credits of \$871,209.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage loan of Miami-Dade county bonds. The Borrower intends to obtain a Fannie Mae Multifamily DUS Loan Program first mortgage loan through Berkeley Point Capital, LLC, the proceeds of which will be used to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC.
- b) The Borrower also requests that the SAIL loan, SAIL Land Use Restriction Agreement (“LURA”), and Low Income Housing Tax Credits Extended Use Agreement (“EUA”) be subordinated to the new first mortgage. Fannie Mae conditions require that repayment of the SAIL loan be limited to 75% of available cash flow.
- c) Staff received a credit underwriting report ([Exhibit F](#)) from AmeriNational Community Services recommending approval for the new financing and subordination of the SAIL loan, SAIL LURA, and HC EUA to the new first mortgage.

3. Recommendation

Approve the refinancing of the first mortgage, and subordination of the SAIL loan, SAIL LURA, and HC EUA to the new first mortgage subject to the conditions outlined in the credit underwriter’s report and verification of the required SAIL pay down amount per Rule 67-48 subject to the conditions outlined in the credit underwriter’s report, 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

J. Request Affirmation of SAIL Short-pay for Crossings at Cape Coral, Ltd., a Florida Limited Partnership, for Crossings at Cape Coral Apartments (99S-060/2000-525C)

Development Name: Crossings at Cape Coral (“Development”)	Location: Lee County
Developer/Principal: Transom Development, Inc. (current principal) White Oak Development (original developer) (“Developer”); Crossings at Cape Coral, Ltd. (“Borrower”)	Set-Aside: SAIL 50% @ 50% & 40% @ 60% AMI; HC 100% @ 60% AMI LURA & EUA: 50 Years
Number of Units: 168	Allocated Amount: SAIL \$1,578,824 Housing Credits \$561,624
Demographics: Family	Servicer: Seltzer Management Group

1. Background

During 1998-99 State Apartment Incentive Loan (“SAIL”) Cycle XI, Florida Housing awarded a \$1,578,824 SAIL loan to Crossings at Cape Coral, Ltd., a Florida limited partnership (“Borrower”), for the development of a 168 unit apartment complex in Lee County, Florida. The SAIL loan closed on August 18, 2000, and will mature on June 1, 2033. The Development also received a 2000 allocation of low-income housing tax credits of \$561,624.

2. Present Situation

- a) The Borrower states that the development has been underwater for some time and has made attempts to sell the property and now has a potential purchaser to buy the Development for less than the total debt outstanding. The Borrower has been unable to secure any better offers for the property. The current purchaser is Related Affordable and the proposed purchase price provides sufficient funds to pay off a negotiated reduced first mortgage amount. Although the purchase price is not enough to make any payment on the SAIL loan, the purchaser has agreed to make a partial payment on the SAIL loan of \$750,000 in return for a satisfaction of the mortgage.
- b) Fla. Admin. Code R. 67-48.0105(2)(j) allows that upon sale of the development if there is insufficient funds from the sale, “the SAIL loan shall not be satisfied until the Agency has received: An appraisal ... indicating that the purchase price ... is reasonable and consistent with existing market conditions; A certification from the borrower that the purchase price reported is the actual price paid for the project and that no other consideration passed between the parties and that the income reported to the Agency during the life of the loan was true and accurate; and A certification that there are no other funds available to repay the loan and that the borrower knows of no other source of funds that could or would be forthcoming so as to pay off the loan.”
- c) The Borrower will be required to meet the outlined requirements to the satisfaction of Florida Housing before closing. An appraisal has been received confirming that the sale price is reasonable and consistent with market conditions. The Borrower requests that Florida Housing approve the sale and provide a satisfaction of the mortgage upon payment of \$750,000 to be applied to the balance of the SAIL loan at the time of the closing.

SPECIAL ASSETS

Consent

3. **Recommendation**

Affirm the conditions pursuant to Fla. Admin. Code R. 67-48.0105(2)(j) and direct staff to release the mortgage upon payment of \$750,000, subject to a review and approval of all proceeds and costs by the credit underwriter and staff review of same and other closing documents indicating that the sale proceeds are sufficient only to pay off the first mortgage and a portion of the SAIL loan balance outstanding and assumption of all use restrictions by the purchaser all subject to further approvals and verifications by legal counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

K. Request Affirmation of SAIL Short-pay for Summerset Village, LLC, a Florida Limited Liability Corporation for Summerset Village (2004-094S/2006-511C)

Development Name: Summerset Village (“Development”)	Location: St. Johns County
Developer/Principal: Transom Development, Inc. (“Developer”); Summerset Village, LLC (“Borrower”)	Set-Aside: SAIL & HC 100% @ 60% AMI LURA & EUA: 50 Years
Number of Units: 132	Allocated Amount: SAIL \$1,500,000 Housing Credits \$615,268
Demographics: Elderly	Servicer: Seltzer Management Group

1. Background

During 2004 State Apartment Incentive Loan (“SAIL”) Cycle XVI, Florida Housing awarded a \$1,500,000 SAIL loan to Summerset Village, LLC, a Florida limited liability corporation (“Borrower”), for the development of a 132 unit apartment complex in St. Johns County, Florida. The SAIL loan closed on January 16, 2007 and will mature on October 1, 2037. The Development also received a 2006 allocation of low-income housing tax credits of \$615,268.

2. Present Situation

- a) The Borrower states that the development has been underwater for some time and has made attempts to sell the property and now has a potential purchaser to buy the Development for less than the total debt outstanding. The Borrower has been unable to secure any better offers for the property. The current purchaser is Related Affordable and the proposed purchase price provides sufficient funds to pay off a negotiated reduced first mortgage amount. Although the purchase price is not enough to make any payment on the SAIL loan, the purchaser has agreed to make a partial payment on the SAIL loan of \$750,000 in return for a satisfaction of the mortgage.
- b) Fla. Admin. Code R. 67-48.0105(2)(g) allows that upon sale of the development if there is insufficient funds from the sale, “the SAIL loan shall not be satisfied until the Agency has received: An appraisal ... indicating that the purchase price ... is reasonable and consistent with existing market conditions; A certification from the borrower that the purchase price reported is the actual price paid for the project and that no other consideration passed between the parties and that the income reported to the Agency during the life of the loan was true and accurate; and A certification that there are no other funds available to repay the loan and that the borrower knows of no other source of funds that could or would be forthcoming so as to pay off the loan.”
- c) The Borrower will be required to meet the outlined requirements to the satisfaction of Florida Housing before closing. An appraisal has been received confirming that the sale price is reasonable and consistent with market conditions. The Borrower requests that Florida Housing approve the sale and provide a satisfaction of the mortgage upon payment of \$750,000 to be applied to the balance of the SAIL loan at the time of the closing.

SPECIAL ASSETS

Consent

3. **Recommendation**

Affirm the conditions pursuant to Fla. Admin. Code R. 67-48.0105(2)(g) and direct staff to release the mortgage upon payment of \$750,000, subject to a review and approval of all proceeds and costs by the credit underwriter and staff review of same and other closing documents indicating that the sale proceeds are sufficient only to pay off the first mortgage and a portion of the SAIL loan balance outstanding and assumption of all use restrictions by the purchaser all subject to further approvals and verifications by legal counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities as needed.