

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
February 3, 2017  
Consent Items



**ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)**

*Consent*

**I. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)**

**A. Request Approval of Loan Closing Extension for Oak Park (2016-341E)**

<b>Development Name: Oak Park (“Development”)</b>	<b>Location: Alachua County</b>
<b>Applicant/Borrower: Gainesville Housing Development and Management Corporation</b>	<b>Set-Aside: 20% @ 50% AMI</b>
<b>Demographic/Number of Units: Elderly/101</b>	<b>Development Category/Type: Rehabilitation/High Rise</b>
<b>Requested Amounts: EHCL \$630,000</b>	

**1. Background/Present Situation**

- a) On December 18, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-114 for Elderly Housing Community Loan (EHCL) funding to be used to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older.
- b) On March 18, 2016, the Board approved the final scores and recommendations for RFA 2015-114, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 24, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Gainesville Housing Development and Management Corporation, which states that the loan must close within 12 months of the date of the invitation to enter credit underwriting, giving them a loan closing deadline of March 24, 2017. Applicants may request one (1) extension of up to 12 months related to the loan closing.
- d) On January 12, 2017, staff received a request from the Applicant to extend the March 24, 2017 closing deadline to March 24, 2018 ([Exhibit A](#)), which will allow additional time for the architectural drawings and specifications to be produced and to complete the credit underwriting process. Staff has reviewed this request and finds that the development meets all of the requirements of RFA 2015-114.

**2. Recommendation**

- a) Approve the request to extend the loan closing deadline from March 24, 2017 to March 24, 2018, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

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**II. LEGAL**

**A. In Re: Sunset Pointe Associates, Ltd. - FHFC Case No. 2017-002VW (RFA 2015-110/2016-107H)**

<b>Development Name: (“Development”):</b>	<b>Sunset Pointe</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Cornerstone Group Partners, LLC</b>
<b>Number of Units: 82</b>	<b>Location: Miami-Dade County</b>
<b>Type: Garden Apartments</b>	<b>Set Asides: HOME: 40% @ 60% AMI 60% @ MR 4%: 100% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>Funding: HOME \$4,346,000 MMRB \$9,200,000 4% \$670,172</b>

**1. Background**

- a) Sunset Pointe Associates, Ltd., (“Petitioner”) successfully applied for an award of HOME funding to be used in conjunction with Florida Housing-Issued MMRB and Non-Competitive Housing Credits under Request for Applications 2015-110 (the “RFA”) to assist in the construction of Sunset Pointe.
- b) On January 11, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.0072(26), Fla. Admin. Code, from Petitioner. A copy of the Petition is attached as [Exhibit A](#).

**2. Present Situation**

- a) The relevant portion of Rule 67-48.0072(26), Fla. Admin. Code provides as follows:

For SAIL, EHCL, and HOME, that is not in conjunction with Competitive HC, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar Days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days.... In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

- b) Petitioner requests a waiver of the above Rule to allow a further extension of the HOME closing deadline. Petitioner asserts that it was previously granted a ninety-day extension of the HOME loan closing deadline from December 24, 2016 to March 24, 2017. Petitioner is requesting the further extension of the HOME loan closing date from March 24, 2017 to January 14, 2018, in order to coincide with the closing deadline for the Development established pursuant to

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the invitation to credit underwriting extended to Petitioner by the Corporation. Petitioner asserts that the extension is necessary due to delays in the process for obtaining building and development permits and to account for any further unforeseen delay.

- c) On January 17, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 10. To date, Florida Housing has received no comments concerning the Petition.
- d) 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.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted. Petitioner has not, however, demonstrated that an extension to January 14, 2018 is necessary or serves the underlying purpose of Chapter 420, Part V.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule to allow an extension of the HOME loan closing date of ninety days from March 24, 2017 to June 22, 2017.

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**B. In Re: Centerra Associates, Ltd. - FHFC Case No. 2017-003VW (RFA 2015-110/2016-104H)**

<b>Development Name: (“Development”):</b>	<b>Centerra</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Centerra Associates, Ltd. Mara Mades</b>
<b>Number of Units: 104</b>	<b>Location: Miami-Dade County</b>
<b>Type: Townhouse units</b>	<b>Set Asides: HOME: 11% @ 50% AMI 41% @ 60% AMI 48% @ MR MMRB: 40% @ 60% AMI 60% @ MR 4%: 94% @ 60% 6% @ MR</b>
<b>Demographics: Family</b>	<b>Funding: HOME \$5,304,000 MMRB \$14,500,000 4% \$1,004,859</b>

**1. Background**

- a) Centerra Associates, Ltd., (“Petitioner”) successfully applied for an award of HOME funding to be used in conjunction with Florida Housing-Issued MMRB and Non-Competitive Housing Credits under Request for Applications 2015-110 (the “RFA”) to assist in the construction of Centerra.
- b) On January 11, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.0072(26), Fla. Admin. Code, from Petitioner. A copy of the Petition is attached as [Exhibit B](#).

**2. Present Situation**

- a) The relevant portion of Rule 67-48.0072(26), Fla. Admin. Code provides as follows:

For SAIL, EHCL, and HOME, that is not in conjunction with Competitive HC, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar Days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days.... In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

- b) Petitioner requests a waiver of the above Rule to allow a further extension of the HOME closing deadline. Petitioner asserts that it was previously granted a ninety-day extension of the HOME loan closing deadline from December 24, 2016 to March 24, 2017. Petitioner is requesting the further extension of the HOME loan closing date from March 24, 2017 to January 14, 2018, in order to

## LEGAL

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coincide with the closing deadline for the Development established pursuant to the invitation to credit underwriting extended to Petitioner by the Corporation. Petitioner asserts that the extension is necessary due to delays in the process for obtaining building and development permits and to account for any further unforeseen delay.

- c) On January 17, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 10. To date, Florida Housing has received no comments concerning the Petition.
- d) 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.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted. Petitioner has not, however, demonstrated that an extension to January 14, 2018 is necessary or serves the underlying purpose of Chapter 420, Part V.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule to allow an extension of the HOME loan closing date of ninety days from March 24, 2017 to June 22, 2017.

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C. **In Re: Heritage at Pompano Station Housing Partners, LP - FHFC Case No. 2017-004VW (RFA 2014-115/2015-111C)**

<b>Development Name: (“Development”):</b>	<b>Heritage at Pompano Station</b>
<b>Developer/Principal: (“Developer”):</b>	<b>NuRock Development Partners, Inc./ Robert G. Hoskins</b>
<b>Number of Units: 116</b>	<b>Location: Broward County</b>
<b>Type: High Rise</b>	<b>Set Asides: 10% @ 30% AMI 90% @ 60% AMI</b>
<b>Demographics: Elderly non-ALF</b>	<b>Funding: HC \$2,561,000</b>

1. **Background**

- a) Heritage at Pompano Station Housing Partners, LP (“Petitioner”) successfully applied for an award of competitive Housing Credits under Request for Applications 2014-115 (the “RFA”) to assist in the construction of Heritage at Pompano Station.
- b) On January 12, 2017, Florida Housing received a Petition for Waiver of Provision of Rule 67-48.002(95), Fla. Admin. Code, and incorporated timing provisions of the 2015 Qualified Allocation Plan (QAP) from Petitioner. A copy of the Petition is attached as [Exhibit C](#).

2. **Present Situation**

- a) Rule 67-48.002(95), Fla. Admin. Code defines and incorporates by reference the following provision of the 2015 QAP:

K. Notwithstanding any other provision of this QAP, where 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, and 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 Application 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 waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2017. Petitioner asserts that unforeseen events will cause the Development to not be placed in service by December 31, 2017. Due to administrative litigation involving RFA 2014-115 not being finally resolved until December of 2015, Petitioner entered credit underwriting “at risk” in early November 2015 in order to accommodate the lengthy development approval schedule in Broward County. The Development suffered further delays as a result of Hurricane Matthew affecting the permitting process. Given these circumstances, Petitioner asserts that achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner therefore requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2017.
- c) On January 17, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 10. To date, Florida Housing has received no comments concerning the Petition.
- d) 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.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2015 QAP provision to permit Petitioner to exchange its 2015 credits for a subsequent year’s allocation now rather than in the last calendar quarter of 2017.



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**D. In Re: Frenchtown Square Partners, LLC - FHFC Case No. 2017-005VW (RFA 2015-103/2015-231CS)**

<b>Development Name: (“Development”):</b>	<b>Casanas Village at Frenchtown Square</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Pinnacle Housing Group, LLC/ David O. Deutch</b>
<b>Number of Units: 88</b>	<b>Location: Leon County</b>
<b>Type: Mid-Rise, 5 or 6-stories</b>	<b>Set Asides: 10% @ 33% AMI 80% @ 60% AMI 10% @ MR</b>
<b>Demographics: Family</b>	<b>Funding: HC \$1,510,000 SAIL \$2,000,000</b>

**1. Background**

- a) Frenchtown Square Partners, LLC (“Petitioner”) successfully applied for an award of competitive Housing Credits and State Apartment Incentive Loan (“SAIL”) funds under Request for Applications 2015-103 (the “RFA”) to assist in the construction of Casanas Village at Frenchtown Square. Petitioner applied for 2015 credits in the RFA. However, Petitioner received a Binding Commitment of 2016 credits, which, pursuant to Section I.I.O. of the 2016 QAP, will have the same place-in-service deadline requirement as the applications awarded through the same competitive solicitation process. Therefore, even though Petitioner received 2016 credits, Petitioner must comply with the place-in-service date of December 31, 2017.
- b) On January 13, 2017, Florida Housing received a Petition for Waiver of the Qualified Allocation Plan’s (“QAP”) Requirement for Returning Housing Credit Allocations from Petitioner. A copy of the Petition is attached as [Exhibit D](#).

**2. Present Situation**

- a) Petitioner requests a waiver of Rule 67-48.002(95), Fla. Admin. Code which defines and incorporates by reference the following provision of the 2016 QAP:
  - K. Notwithstanding any other provision of this QAP, where 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, and 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 Application 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

## LEGAL

### *Consent*

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.

- b) Petitioner requests a waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2017. Petitioner asserts that its good faith negotiations with a general contractor failed after six months and Petitioner had to restart negotiations with a new general contractor. Petitioner further asserts that administrative delays in the permitting process through the City delayed the commencement of the Development. Given these circumstances, Petitioner asserts that achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner therefore requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2017. Petitioner is requesting an extended place-in-service date of July 1, 2018.
- c) On January 18, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 11. To date, Florida Housing has received no comments concerning the Petition.
- d) 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.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness, by increasing the risk that the syndicator will withdraw equity financing from the Development. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2016 QAP provision to permit Petitioner to exchange its 2016 credits for a subsequent year’s allocation now rather than in the last calendar quarter of 2017 and obtain a place-in-service date of July 1, 2018.

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### E. In Re: West Lakes Phase I, LP - FHFC Case No. 2017-007VW (RFA 2015-103/2015-232CS)

Development Name: (“Development”):	Pendana at West Lakes f/k/a Villages at West Lakes
Developer/Principal: (“Developer”):	New Affordable Housing Partners, LLC/Clara Trejos
Number of Units: 200	Location: Orange County
Type: Garden Apartments	Set Asides: 10% @ 40% AMI 70% @ 60% AMI 20% @ MR
Demographics: Family	Funding: HC \$2,110,000 SAIL \$2,000,000

#### 1. Background

- a) West Lakes Phase I, LP (“Petitioner”) successfully applied for an award of competitive Housing Credits and State Apartment Incentive Loan (“SAIL”) funds under Request for Applications 2015-103 (the “RFA”) to assist in the construction of Pendana at West Lakes f/k/a Villages at West Lakes.
- b) On January 17, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.002(95) from Petitioner. A copy of the Petition is attached as [Exhibit E](#).

#### 2. Present Situation

- a) Petitioner requests a waiver of Rule 67-48.002(95), Fla. Admin. Code which defines and incorporates by reference the following provision of the 2015 QAP:

K. Notwithstanding any other provision of this QAP, where 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, and 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 Application 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 waiver of the above Rule and bolded selection of the 2015 QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2017. Petitioner asserts that due to an increase in construction costs, the Development had to be redesigned resulting in a delay of closing with the first mortgage lender and in the permitting process. Petitioner further asserts that due to the economic instability in the equity markets after the November 2016 presidential election, the tax credit investor substantially reduced its capital contribution, negatively affecting the viability of the transaction. Petitioner was forced to secure a replacement syndicator. Given these circumstances, Petitioner asserts that it is clear that the Development will not be placed in service by December 31, 2017. Petitioner therefore requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2017.
- c) On January 18, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 11. To date, Florida Housing has received no comments concerning the Petition.
- d) 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.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness, by increasing the risk that the syndicator will withdraw equity financing from the Development. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2015 QAP provision to permit Petitioner to exchange its 2015 credits for a subsequent year’s allocation now rather than in the last calendar quarter of 2017 and obtain a place-in-service date of December 31, 2018.

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**F. In Re: Landings Port Richey Senior Housing Limited Partnership - FHFC Case No. 2017-008VW (RFA 2015-104/2015-245CS)**

<b>Development Name: (“Development”):</b>	<b>Landings of St. Andrew</b>
<b>Developer/Principal: (“Developer”):</b>	<b>National Church Residences</b>
<b>Number of Units: 196</b>	<b>Location: Pasco County</b>
<b>Type: Mid-Rise, 5 to 6-stories</b>	<b>Set Asides: 15% @ 40% AMI 80% @ 60% AMI 5% @ MR</b>
<b>Demographics: Elderly (Transformative Preservation)</b>	<b>Funding: HC \$1,510,000 SAIL \$2,000,000</b>

**1. Background**

- a) Landings Port Richey Senior Housing Limited Partnership (“Petitioner”) successfully applied for an award of competitive Housing Credits and State Apartment Incentive Loan (“SAIL”) funding under Request for Applications 2015-104 (the “RFA”) to assist in the construction of the Landings at St. Andrew.
- b) On January 19, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.002(95) from Petitioner. A copy of the Petition is attached as [Exhibit F](#).

**2. Present Situation**

- a) Rule 67-48.002(95), Fla. Admin. Code defines and incorporates by reference the following provision of the 2015 QAP:

K. Notwithstanding any other provision of this QAP, where 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, and 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 Application 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 waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2017. Petitioner asserts that unforeseen events will cause the Development to not be placed in service by December 31, 2017. Petitioner asserts that due to the economic instability in the equity markets after the November 2016 presidential election, the tax credit investor substantially reduced its capital contribution, which caused Petitioner to restructure the transaction and go through underwriting again. The replacement tax credit investor is concerned about the uncertainty of the credit exchange if delayed until the last quarter of 2017 and is unwilling to close on the Development without assurance that the tax credits will be available. Given these circumstances, Petitioner asserts that achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner therefore requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2017.
- c) On January 19, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 13. To date, Florida Housing has received no comments concerning the Petition.
- d) 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.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness, by increasing the risk that the syndicator will withdraw equity financing from the Development. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2015 QAP provision to permit Petitioner to exchange its 2015 credits for a subsequent year’s allocation now rather than in the last calendar quarter of 2017.

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#### **G. In re: Resolution 2017-01 and 2017-02; Signature Authority**

##### **1. Background**

- a) During the ordinary course of business, situations arise wherein an authorized signature is needed by the Corporation on routine financial documents and to affect bond transactions. By a series of resolutions, the Board has previously delegated signature authority to the Executive Director, Chief Financial Officer, and Comptroller to execute corporation bonds and related documents, and has designated certain additional Corporation staff as Assistant Secretaries of the Corporation for purposes of attesting signatures on bond documents.

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

- a) Draft Resolutions 2017-01 ([Exhibit G](#)) and 2017-02 ([Exhibit H](#)) reflect changes in corporate structure, specifically, adding Ken Reecy to the previous designation and delegations as Interim Executive Director for purposes of overseeing the Corporation's programs, executing documents in connection with the issuance of the Bonds and closing of the related transactions.

##### **3. Recommendation**

- a) Staff recommends that the Board adopt Resolution 2017-01 and 2017-02 delegating signature authority and designating staff as described in the respective Resolutions.

## MULTIFAMILY BONDS

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### III. MULTIFAMILY BONDS

#### A. Request Approval of Credit Underwriting Report for Clear Pond Estates (2015-183BS)

<b>Development Name: Clear Pond Estates</b>	<b>Location: Brevard County</b>
<b>Applicant/Borrower: Hot Cacao Limited Partnership</b>	<b>Set Aside(s): 10% @ 35% AMI (MMRB, SAIL, ELI &amp; Housing Credits) 90% @ 60% AMI (MMRB, SAIL &amp; Housing Credits)</b>
<b>Developer/Principal: Cacao Developer, LLC</b>	<b>Demographic/Number of units: Family / 100</b>
<b>Requested Amounts: \$6,925,000 Multifamily Mortgage Revenue Bond (MMRB) \$3,329,900 State Apartment Incentive Loan (SAIL) \$652,000 ELI Gap Funding (ELI) \$491,558 Housing Credits</b>	<b>Development Category/Type: Acquisition and Rehabilitation / Garden Apartments</b>

#### 1. Background/Present Situation

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for the SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 18, 2016, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- c) On May 17, 2016, staff issued an invitation to enter credit underwriting to the Applicant.
- d) Staff reviewed the credit underwriting report, giving a positive recommendation for a SAIL loan in the amount of \$3,329,900, ELI Gap funding in the amount of \$652,000, and \$6,925,000 in Tax Exempt MMRB ([Exhibit A](#)). Staff finds that the development meets all of the requirements of RFA 2015-112.

#### 2. Recommendation

- a) Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report recommending and allocating \$6,925,000 in Tax Exempt MMRB, \$3,329,900 in SAIL funding, and \$652,000 in ELI Gap funding for the acquisition and rehabilitation 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

## *Consent*

### **B. Request Approval of the Method of Bond Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of a Bond Underwriter**

#### **1. Background**

- a) Pursuant to staff's request for approval to issue bonds to finance the construction/rehabilitation of the proposed Development referenced below, the final credit underwriting report is being presented to the Board for approval simultaneously with this request to assign the appropriate professional for the transaction and approval of the recommended method of sale. A brief description of the Development is detailed below, along with staff's recommendations.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as [Exhibit B](#).

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

- a) Florida Housing staff, the Credit Underwriter, and the IRMA have reviewed the financial structure for the proposed Development.

#### **3. Recommendation**

- a) Approve the assignment of the recommended professional and the Independent Registered Municipal Advisor's recommendation for the method of bond sale, as shown in the chart below, for the proposed Development.

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>	<b>Exhibit</b>
Clear Pond Estates	Brevard County	100	Public Offering	RBC Capital Markets, LLC	Exhibit B

## MULTIFAMILY BONDS

### *Consent*

**C. Request Approval of the Transfer of Ownership for River Trace Apartments fka River Trace Senior Apartments (2000 Series V / 2000-547C)**

<b>Development Name: River Trace Apartments fka River Trace Senior Apartments</b>	<b>Location: Manatee County</b>
<b>Applicant/Borrower: River Oaks Housing Partners, Ltd.</b>	<b>Set Aside(s): 5% @ 30% AMI (MMRB &amp; Housing Credits) 80% @ 60% AMI (MMRB) 95% @ 60% AMI (Housing Credits)</b>
<b>Developer/Principal: Dominion LLC</b>	<b>Demographic/Number of units: Family / 178 units</b>
<b>Requested Amounts: \$8,100,000 MMRB \$558,596 Housing Credits</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing financed the above referenced Development in 2000 with \$6,900,000 in tax exempt MMRB designated as 2000 Series V-1 and \$1,200,000 in taxable bonds designated as 2000 Series V-2. In addition, \$465,267 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in October 2013.
- b) River Oaks Housing Partners, Ltd. has requested Florida Housing's consent to the transfer of ownership of the Development to Bradenton Leased Housing Associates III, LLLP. First Housing Development Corporation has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption, and subordination of the Land Use Restriction Agreement "LURA" and Extended Low-Income Housing Agreement "ELIHA" ([Exhibit C](#)).

**2. Recommendation**

- a) Approve the transfer of ownership and the assignment, assumption, and subordination of the LURA and ELIHA, subject to the conditions in the credit underwriting report with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

**D. Request Approval of the Transfer of Ownership for Beacon Hill Apartments (1998 Series C / 1998-522C)**

<b>Development Name: Beacon Hill Apartments</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: RP Beacon Hill, LLC</b>	<b>Set Aside(s): 50% @ 60% AMI (MMRB) 100% @ 60% AMI (Housing Credits)</b>
<b>Developer/Principal: Riverfront Capital LLC</b>	<b>Demographic/Number of units: Family / 192 units</b>
<b>Requested Amounts: \$8,800,000 MMRB \$667,586 Housing Credits</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing financed the above referenced Development in 1998 with \$8,800,000 in tax exempt MMRB designated as 1998 Series C. In addition, \$667,586 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in August, 2014. Also, a transfer in Ownership was approved and completed in August 2014 transferring ownership from Beacon Hill, Ltd. to RP Beacon Hill, LLC.
- b) RP Beacon Hill, LLC. has requested Florida Housing's consent to the transfer of ownership of the Development to Beacon Hill Orlando Partners, LLC. First Housing Development Corporation has reviewed this request and provided a positive recommendation for the transfer and the assignment and assumption of the Land Use Restriction Agreement "LURA" and Extended Low-Income Housing Agreement "ELIHA" ([Exhibit D](#)).

**2. Recommendation**

- a) Approve the transfer of ownership and the assignment and assumption of the LURA and ELIHA, subject to the conditions in the credit underwriting report with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

**E. Request Approval of the Transfer of Ownership for Landon Pointe fka Grand Pointe Apartments (2000 Series Q-1 & Q-2 / 2000-535C)**

<b>Development Name: Landon Pointe fka Grande Pointe Apartments</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Grande Pointe Associates, Ltd</b>	<b>Set Aside(s): 50% @ 60% AMI (MMRB) 100% @ 60% AMI (Housing Credits)</b>
<b>Developer/Principal: Dominion LLC</b>	<b>Demographic/Number of units: Family / 276 units</b>
<b>Requested Amounts: \$12,985,000 MMRB \$777,803 Housing Credits</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing financed the above referenced Development in 2000 with \$8,815,000 in tax exempt MMRB designated as 2000 Series Q-1 and \$4,170,000 in taxable bonds designated as 2000 Series Q-2. In addition, \$777,803 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in December 2013.
- b) Grande Pointe Associates, Ltd. has requested Florida Housing's consent to the transfer of ownership of the Development to Orlando Leased Housing Associates VII, LLLP. First Housing Development Corporation has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption, and subordination of the Land Use Restriction Agreement "LURA" and Extended Low-Income Housing Agreement "ELIHA" ([Exhibit E](#)).
- c) The Borrower has requested and staff has approved the following changes to the Construction Features and Amenities in their Application. Staff will amend the LURA and ELIHA as follows:
  - (1) Washer and dryer in each unit will be swapped for laundry facilities;
  - (2) Amend requirement for the maintenance office to be located in the clubhouse to allow a separate on-site location for the maintenance office;
  - (3) The flooring requirement will be removed since no points were awarded.

**2. Recommendation**

- a) Approve the transfer of ownership and the assignment, assumption, and subordination of the LURA and ELIHA, subject to the conditions in the credit underwriting report with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

**F. Request Approval of the Transfer of General Partnership and Limited Partnership Interests for Lexington Club at Vero fka Club at Vero Apartments (1998 Series E / 1998-523C)**

<b>Development Name: Lexington Club at Vero fka Club at Vero Apartments</b>	<b>Location: Indian River</b>
<b>Applicant/Borrower: Vero Club Partners, Ltd.</b>	<b>Set Aside(s): 5% @ 55% AMI (MMRB) 50% @ 60% AMI (MMRB)</b>
<b>Developer/Principal: Associated Housing Development Partners V, Ltd.</b>	<b>Demographic/Number of units: Elderly / 184 units</b>
<b>Requested Amounts: \$6,900,000 MMRB</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing financed the above referenced Development in 1998 with \$6,900,000 in tax exempt MMRB designated as 1998 Series E. In addition, \$721,508 in Housing Credits was allocated to this Development. However, the Extended Low Income Housing Agreement was terminated February 2016. The bonds were redeemed in November 2004.
- b) Vero Club Partners, Ltd. has requested Florida Housing's consent to the transfer of the general partnership interest from CED Capital Holdings IX, Ltd. to Lakeside Capital GP, LLC and the transfer of limited partnership interest from Vero Club Investment Partners, LLC to Lakeside Workforce Housing, LP. Amerinat® has reviewed this request and provided a positive recommendation for the transfer and the assignment and assumption of the Land Use Restriction Agreement "LURA" ([Exhibit F](#)).

**2. Recommendation**

- a) Approve the transfer of partnership interest and the assignment, assumption, and subordination of the LURA, subject to the conditions in the credit underwriting report with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

## MULTIFAMILY PROGRAMS

### *Consent*

#### IV. MULTIFAMILY PROGRAMS

##### A. Request Approval to Remove Guarantors for Quest Village (2015-004CSG)

<b>Development Name: Quest Village</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Quest Village, Ltd.</b>	<b>Set Aside(s): 25% @ 40% AMI &amp; 75% @ 60% (ELI, SAIL, Grant) 100% @ 60% AMI (Housing Credits)</b>
<b>Developers/Principals: TVC Development, Inc. Quest Village Developer, LLC</b>	<b>Demographic/Number of units: Family / 48</b>
<b>Requested Amounts: \$1,000,000 (SAIL), \$1,000,000 (Grant) \$957,253 (Housing Credits)</b>	<b>Development Category/Type: New Construction / Quadraplex</b>

##### 1. Background/Present Situation

- a) On October 17, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-113 for Financing to Build Larger Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-113, and directed staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to Quest Village, Ltd. on December 23, 2014.
- c) On December 11, 2015, the Board approved a loan closing deadline extension from December 23, 2015 to December 23, 2016.
- d) On October 28, 2016, the Board approved the Applicant's request to waive Rule 67-48.0072(17)(f), F.A.C., to minimally exceed subcontractor cost limit.
- e) On December 9, 2016, the Board approved a credit underwriting report with a positive recommendation for funding and directed staff to proceed with issuance of a firm commitment and closing activities. The firm commitment was issued on December 12, 2016, and loan closing occurred on December 21, 2016.
- f) On December 16, 2016, staff received a request from the Borrower to remove John D. Rood and TVC Development, Inc. as Guarantors from the Environmental Indemnity Agreement and Guaranty of Recourse Obligation. However, they will remain Guarantors on the Construction Completion and Operating Deficit Guaranty. These Guarantors provide the needed experience to ensure the Development is completed and stabilized, but they do not have an ownership interest in the Development. The credit underwriter provided a positive recommendation on January 12, 2017, to remove the Guarantors as requested ([Exhibit A](#)). Staff has reviewed this recommendation and finds that the Development meets all of the requirements of RFA 2014-113.

## MULTIFAMILY PROGRAMS

### *Consent*

#### 2. **Recommendation**

- a) Approve the recommendation of the credit underwriter to remove the Guarantors from the Environmental Indemnity Agreement and Guaranty of Recourse Obligation subject to further approvals and verifications by the credit underwriter, legal counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document amendment activities.

## MULTIFAMILY PROGRAMS

### *Consent*

#### B. Request Approval of Credit Underwriting Report Update for Greenwood Court Group Home (2015-007G)

<b>Development Name: Greenwood Court Group Home</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.</b>	<b>Set-Asides: 33% @ 40% AMI &amp; 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$101,000 Grant funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

#### 1. Background/Present Situation

- a) On October 24, 2014, Florida Housing Finance Corporation issued Request for Applications (RFA) 2014-112 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On January 30, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 6, 2015, staff issued a Letter of Preliminary Award to Life Concepts, Inc. dba Quest Inc., and on February 27, 2015, staff issued an invitation to enter credit underwriting.
- d) On October 9, 2015, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$101,000. Staff reviewed this report and found that the development met all of the requirements of RFA 2014-112. On October 30, 2015, the Board approved the credit underwriting report, and the Applicant executed their firm commitment on November 3, 2015.
- e) Subsequent to executing the firm commitment, the Applicant had challenges working with their general contractor, and had to hire a new general contractor. The Board approved two closing extensions on June 24, 2016 and October 28, 2016, making the closing deadline March 31, 2017.
- f) On January 9, 2017, staff received an update to the final credit underwriting report which includes a review of the new general contractor with a positive recommendation for a grant in the amount of \$101,000 ([Exhibit B](#)). Staff reviewed this report and finds that the development meets all requirements of RFA 2014-112.

#### 2. Recommendation

- a) Approve the update to the final credit underwriting report and direct staff to proceed with closing activities.



## MULTIFAMILY PROGRAMS

### *Consent*

#### C. Request Approval of Credit Underwriting Report Update for Overhill Group Home (2015-020G)

<b>Development Name: Overhill Group Home</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.</b>	<b>Set-Asides: 33% @ 40% AMI &amp; 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$95,856 Grant funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

#### 1. Background/Present Situation

- a) On October 24, 2014, Florida Housing Finance Corporation issued Request for Applications (RFA) 2014-112 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On January 30, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 6, 2015, staff issued a Letter of Preliminary Award to Life Concepts, Inc. dba Quest Inc., and on February 27, 2015, staff issued an invitation to enter credit underwriting.
- d) On October 9, 2015, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$101,000. Staff reviewed this report and found that the development met all of the requirements of RFA 2014-112. On October 30, 2015, the Board approved the credit underwriting report, and the Applicant executed their firm commitment on November 3, 2015.
- e) Subsequent to executing the firm commitment, the Applicant had challenges working with their general contractor, and had to hire a new general contractor. The Board approved two closing extensions on June 24, 2016 and October 28, 2016, making the closing deadline March 31, 2017.
- f) On January 9, 2017, staff received an update to the final credit underwriting report which includes a review of the new general contractor with a positive recommendation for a grant in the amount of \$95,856 ([Exhibit C](#)). Staff reviewed this report and finds that the development meets all requirements of RFA 2014-112.

#### 2. Recommendation

- a) Approve the update to the final credit underwriting report and direct staff to proceed with issuance of an updated firm commitment and closing activities.

## MULTIFAMILY PROGRAMS

### *Consent*

**D. Request Approval of Credit Underwriting Report Update for Coulter Group Home (2015-021G)**

<b>Development Name: Coulter Group Home</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.</b>	<b>Set-Asides: 33% @ 40% AMI &amp; 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$101,000 Grant funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

**1. Background/Present Situation**

- a) On October 24, 2014, Florida Housing Finance Corporation issued Request for Applications (RFA) 2014-112 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On January 30, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 6, 2015, staff issued a Letter of Preliminary Award to Life Concepts, Inc. dba Quest Inc., and on February 27, 2015, staff issued an invitation to enter credit underwriting.
- d) On October 9, 2015, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$101,000. Staff reviewed this report and found that the development met all of the requirements of RFA 2014-112. On October 30, 2015, the Board approved the credit underwriting report, and the Applicant executed their firm commitment on November 3, 2015.
- e) Subsequent to executing the firm commitment, the Applicant had challenges working with their general contractor, and had to hire a new general contractor. The Board approved two closing extensions on June 24, 2016 and October 28, 2016, making the closing deadline March 31, 2017.
- f) On January 9, 2017, staff received an update to the final credit underwriting report which includes a review of the new general contractor with a positive recommendation for a grant in the amount of \$101,000 ([Exhibit D](#)). Staff reviewed this report and finds that the development meets all requirements of RFA 2014-112.

**2. Recommendation**

- a) Approve the update to the final credit underwriting report and direct staff to proceed with closing activities.

## MULTIFAMILY PROGRAMS

### *Consent*

#### E. Request Approval of Credit Underwriting Report for Marvin Gutter's House (2015-267G)

<b>Development Name: Marvin Gutter's House</b>	<b>Location: Broward County</b>
<b>Applicant/Borrower: Ann Storck Center, Inc.</b>	<b>Set-Asides: 33% @ 33% AMI &amp; 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$392,000 Grant funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

#### 1. Background/Present Situation

- a) On August 14, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 11, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 17, 2015, staff issued a Letter of Preliminary Award to Ann Storck Center, Inc., and on March 18, 2016, staff issued an invitation to enter credit underwriting.
- d) On November 29, 2016, staff approved an extension to submit the credit underwriting report and to close, with a deadline of February 28, 2017.
- e) On January 12, 2017, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$392,000 ([Exhibit E](#)). Staff reviewed this report and finds the development meets all requirements of RFA 2015-105.

#### 2. Recommendation

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

## MULTIFAMILY PROGRAMS

### *Consent*

#### F. Request Approval of Grant Closing Extension for Silver Place (2016-336G)

<b>Development Name: Silver Place</b>	<b>Location: Putnam County</b>
<b>Applicant/Borrower: The Arc of Putnam County, Inc.</b>	<b>Set-Aside: 33% @ 45% AMI and 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$417,000 Grant funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

#### 1. Background/Present Situation

- a) On March 11, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 24, 2016, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 1, 2016, staff issued a Letter of Preliminary Award to The Arc of Putnam County, Inc., and on July 22, 2016, staff issued an invitation to enter credit underwriting.
- d) On October 28, 2016, the Board approved an additional award amount of \$25,000 to cover additional costs related to new fire safety standards, bringing the grant award total to \$417,000.
- e) On January 11, 2017, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$417,000 ([Exhibit F](#)). Staff reviewed this report and finds that the development meets all requirements of RFA 2016-105.
- f) On January 11, 2017, staff received a request of waiver ([Exhibit G](#)) from the requirement to provide a fully accessible kitchen in accordance with the 2010 ADA Standards for Accessible Design per RFA 2016-105, specifically the height of a portion of the countertops, including those next to the oven and stovetop. Staff has determined that the residents served by Kaden's Place will not be utilizing the kitchen ovens and stove tops due to safety issues associated with their condition. Therefore, a waiver of this requirement should be granted on the grounds of the health and safety of the staff and residents of Kaden Place.

#### 2. Recommendation

- a) Staff recommends that the Board grant the Applicant's request for a waiver of the terms of the RFA regarding ADA countertop height requirements and approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

#### V. PREDEVELOPMENT LOAN PROGRAM (PLP)

##### A. Request Approval of PLP Loan Maturity Extension for New Beginnings, a not-for-profit entity, for New Beginnings Village (2013-005P-09)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>New Beginnings Village (Woodwinds)</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>New Beginnings</b>
<b>CO-DEVELOPER:</b>	<b>Blue Sky Communities, LLC</b>
<b>NUMBER OF UNITS:</b>	<b>108</b>
<b>LOCATION (“County”):</b>	<b>Lake County</b>
<b>TYPE:</b>	<b>Homeless</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$750,000</b>
<b>ADDITIONAL COMMENTS:</b>	

#### 1. Background

- a) On January 31, 2014, the Board approved a PLP loan to the Developer in the amount of \$750,000 for New Beginnings Village.
- b) On June 24, 2016, the Board approved \$4,000,000 in SAIL funds and 1,510,000 in tax credits through RFA 2016-102 to the developer. The RFA application was submitted under the development name Woodwinds and the number of units was 96.

#### 2. Present Situation

- a) According to program rule, PLP Loans have a three-year term. This loan matures on March 26, 2017. All extensions to PLP loan maturity dates must be approved by the Board.
- b) On January 10, 2017, the developer submitted a letter ([Exhibit A](#)) requesting a one-year extension to the maturity date in order to complete the loan closing process on the SAIL and tax credit funding. In addition, the letter details the change in name from New Beginnings Village to Woodwinds and the reduction in units from 108 to 96 due to a local zoning issue.
- c) The technical assistance provider has reviewed the request for the maturity extension and the reduction in the number of units and supports the request ([Exhibit B](#)).
- d) The credit underwriting report for the SAIL and tax credit funding is being submitted separately for approval as part of this Board package.
- e) Staff believes that the request for the one-year maturity extension will provide time for the developer to close on the SAIL funding and repay the PLP loan in full.

## **PREDEVELOPMENT LOAN PROGRAM (PLP)**

### *Consent*

#### **3. Recommendation**

- a) Approve the developer's request for a one-year loan maturity extension and allow PLP loan documents to be amended to reflect the change in development name from New Beginnings Village to Woodwinds and the total units to be reduced from 108 to 96.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

**B. Request Approval of PLP Loan for Youth and Family Alternatives, Inc., a not-for-profit entity, for The Commons at Speer Village (2016-013P-09)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>The Commons at Speer Village</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Youth and Family Alternatives</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>50</b>
<b>LOCATION (“County”):</b>	<b>Pasco County</b>
<b>TYPE:</b>	<b>Homeless, Youth Aging out of Foster Care</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$399,082</b>
<b>ADDITIONAL COMMENTS: If permitted, the development will also provide housing to youths aging out of the foster care system.</b>	

**1. Background**

- a) On November 15, 2016, the Developer submitted a PLP application for The Commons at Speer Village.
- b) On November 22, 2016, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

**2. Present Situation**

- a) On January 13, 2017, staff received a development plan and a letter ([Exhibit C](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$399,082.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

**3. Recommendation**

- a) Approve the PLP Loan in the amount of \$399,082 to Youth and Family Alternatives for The Commons at Speer Village and allow staff to commence with the loan closing process.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### VI. PROFESSIONAL SERVICES SELECTION (PSS)

##### A. Contract Renewal for Arbitrage Rebate Services

###### 1. Background

a) At the April 2014 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the following firms for Arbitrage Rebate Services:

(1) BLX Group, LLC

(2) Hawkins, Delafield & Wood, LLP

b) The initial three-year term for both contracts began in June 2014. Contingent upon these firms satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed three times. Each renewal shall be for an additional one year period. All three optional renewal terms remain.

###### 2. Present Situation

a) Florida Housing staff supports a renewal to extend the term of the contracts for the first one-year period.

###### 3. Recommendation

a) Staff believes that it is in the best interest of Florida Housing to continue to retain BLX Group, LLC and Hawkins, Delafield & Wood, LLP, pursuant to existing contracts and recommends the Board direct staff to proceed with the first one-year renewal option.



**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

**A. Request Approval of Credit Underwriting Report and Approval of Co-Developer Structure Change for Woodwinds (2016-326CS)**

<b>Development Name: Woodwinds</b>	<b>Location: Lake County</b>
<b>Applicant/Borrower: Woodwinds Clermont, LLC</b>	<b>Set-Aside(s): 15% @ 40% AMI &amp; 85% @ 60% AMI</b>
<b>Developers/Principals: NB Woodwinds Developer, LLC and Blue Sky Clermont Developer, LLC</b>	<b>Demographic/Number of Units: Homeless/96</b>
<b>Requested Amounts: SAIL \$4,000,000, 9% HC \$1,510,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On January 22, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-102 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties.
- b) On June 24, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 1, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Woodwinds Clermont, LLC.
- d) On December 14, 2016, staff received a request from the Applicant for a structure change in the Co-Developer, Blue Sky Clermont Developer, LLC ([Exhibit A](#)). Per the RFA, the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-102.
- e) On January 19, 2017, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-102.

**2. Recommendation**

- a) Approve the final credit underwriting report and Co-Developer structure change, and direct staff to proceed with issuance of a firm commitment and closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Credit Underwriting Update Letter and Loan Closing Extension for Landings of St. Andrew (2015-245CS)

<b>Development Name: Landings of St. Andrew</b>	<b>Location: Pasco County</b>
<b>Applicant/Borrower: Landings Port Richey Senior Housing Limited Partnership</b>	<b>Set-Aside(s): 15% @ 40% AMI &amp; 80% @ 60% AMI</b>
<b>Developer/Principal: National Church Residences</b>	<b>Demographic/Number of Units: Elderly Transformative Preservation/196</b>
<b>Requested Amounts: SAIL \$2,000,000, Annual HC \$ 1,510,000</b>	<b>Development Category/Type: Preservation/Mid-Rise</b>

1. Background/Present Situation

- a) On May 12, 2015, Florida Housing Finance Corporation (FHFC) issued a Request for Applications (RFA) 2015-104 for Housing Credit and SAIL Financing for the Preservation of Existing Affordable Multifamily Housing Developments.
- b) On August 7, 2015, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On September 8, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Landings Port Richey Senior Housing Limited Partnership with a closing deadline of September 8, 2016.
- d) On August 5, 2016, the Board approved an extension of the loan closing deadline of the preliminary commitment letter and an invitation to enter credit underwriting from September 8, 2016 to September 8, 2017.
- e) On October 28, 2016, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment letter and closing activities.
- f) On October 31, 2016, staff issued a firm commitment letter to Landings Port Richey Senior Housing Limited Partnership, which states that the loan must close within 120 calendar days of the date of the issuance of the firm commitment, giving them a closing deadline of February 28, 2017. Applicants may request a closing extension of up to 90 calendar days.
- g) On December 9, 2016, the Board approved a waiver request to provide packaged terminal air conditioning (PTAC) units in all units of the development.
- h) Subsequent to the approval of the final credit underwriting report and acceptance of the firm commitment letter, FHFC was notified that the tax credit investor would no longer be able to close on the agreed upon terms due to possible future tax rate changes. The tax credit investor has been changed from NHT Equity, LLC to National Equity Fund, Inc. Due to the change in credit pricing and interest rates, the amount of the first mortgage loan has also changed and an additional source of funds has been added in order to balance the sources and uses. On January 20, 2017, staff received a credit underwriting update letter ([Exhibit C](#)) summarizing these changes. Considering the changes noted above,

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

staff received correspondence from the Applicant requesting a 90-day extension of the firm commitment loan closing deadline ([Exhibit D](#)). Staff has reviewed the credit underwriting update letter and extension request and finds that the development meets all of the requirements of RFA 2015-104.

### 2. Recommendation

- a) Approve the credit underwriting update letter and the request to extend the firm commitment loan closing deadline from February 28, 2017 to May 29, 2017, subject to payment of the required non-refundable extension fee of one-half of one percent of the loan amount, pursuant to the requirements of the RFA.

# STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM

## *Consent*

### VIII. STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM

#### A. Request Approval of SHIP Rule (67-37, F.A.C.) Changes and Submission of Notice of Proposed Rule

##### 1. Background

- a) The SHIP Program was created in 1992 to provide funds to local governments to finance affordable home ownership and rental housing for lower income families. Funds are allocated on a statutory population-based formula with a minimum annual allocation of \$350,000 per county. Funds are distributed to all 67 counties and 52 of Florida's larger cities. SHIP is governed by Sections 420.907-420.9079, Florida Statutes, and Rule 67-37, Florida Administrative Code. The current version of the rule became effective on November 23, 2009.
- b) Over the past few years, the Legislature has made a number of changes to the SHIP program through statutory revision. The changes include requirements to expend at least 20% of funds on Households with Special Needs, expanded use of funds for rental assistance, changes to compliance requirements for rental developments and changes in the requirements related to the composition of the local affordable housing advisory committee. These changes, along with revisions to clarify program requirements and to rectify incorrect statutory cross references created by the Legislative changes, must be incorporated into the program rule.

##### 2. Present Situation

- a) On May 6, 2016, the Board authorized staff to proceed with rulemaking.
- b) On December 9, 2016, the Board approved the changes to the SHIP rule as presented by staff.
- c) Subsequent to that approval, the changes were submitted to the Joint Administrative Procedures Committee (JAPC) for review as required in rulemaking. As a result of the review, JAPC staff recommended a few clarifying changes. The comments from JAPC and changes made by FHFC staff are summarized as [Exhibit A](#) and the complete text of all changes is attached as [Exhibit B](#).
- d) Staff agrees with the changes and find that they have no significant effect on the SHIP program.

##### 3. Recommendation

- a) Approve rule changes and authorize staff to proceed with filing proposed rule notice for the SHIP program rule 67-37, Florida Administrative Code.

## SPECIAL ASSETS

### *Consent*

#### IX. SPECIAL ASSETS

##### A. Request Approval of SAIL Loan Renegotiation for Lakewood Shores Partners, Ltd., a Florida Limited Partnership, for Lakewood Shores Apartments (1999-066S/2001-514C)

<b>Development Name: Lakewood Shores Apartments (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: CED (“Developer”)/ Lakewood Shores Partners, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 100% @ 60% AMI; LURA: 51 years; EUA 30 Years</b>
<b>Number of Units: 184</b>	<b>Allocated Amount: SAIL \$1,900,000; HC \$500,041</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

##### 1. Background

- a) During the 1999 funding cycle, Florida Housing Finance Corporation awarded a \$1,900,000 State Apartment Incentive Loan (“SAIL”) to Lakewood Shores Partners Ltd., a Florida limited partnership (“Borrower”), for the construction of a 184-unit development in Hillsborough County, Florida. The SAIL loan closed on August 10, 2000 and matured on June 1, 2016. At the June 24, 2016 FHFC Board meeting the Borrower’s request for a one year loan extension was approved and the maturity date was extended to June 1, 2017. The Development also received a 2001 allocation of low-income housing tax credits (“HC”) of \$500,041. The affordability restrictions associated with the tax credits were terminated effective February 23, 2016 in accordance with the Qualified Contract termination provisions.

##### 2. Present Situation

- a) The Borrower requests that the SAIL loan be extended and renegotiated from a 3% interest rate cash flow loan to a fully amortizing 1% interest rate loan with interest and principal payments for a term of ten years. The Borrower has agreed to an extension of the SAIL Land Use Restriction Agreement (“LURA”) term equal to the extension of the SAIL loan term.
- b) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group providing a positive recommendation for the renegotiation and extension of the SAIL loan terms.

##### 3. Recommendation

- a) Approve the renegotiation and extension of the SAIL loan terms, 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, as needed.

## SPECIAL ASSETS

### *Consent*

**B. Request Approval of Subordinate Financing for Portofino Associates, Ltd., a Florida Limited Partnership, for Portofino Apartments (MR2003D 1&2/2004-057S/2005-119S/2002-544C/RFP 2011-05-19/RFP 2012-04-07)**

<b>Development Name: Portofino Apartments (“Development”)</b>	<b>Location: Palm Beach County</b>
<b>Developer/Principal: Cornerstone (“Developer”)/Portofino Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: MMRB 94% @60%; SAIL 94% @60%AMI; SAIL ELI 5.5% @28%; 12.2% @28%; HC 40% @60% AMI LURA: 50 years; ELI: 15 years; EUA: 30 years</b>
<b>Number of Units: 270</b>	<b>Allocated Amount: SAIL \$3,000,000; SAIL ELIs \$2,475,000; \$1,125,000; HC \$770,949</b>
<b>Demographics: Family</b>	<b>Servicer: AmeriNat LLC</b>

**1. Background**

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$19,570,000, and taxable bonds in the original amount of \$450,000 to fund a first mortgage loan to Portofino Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 270-unit apartment complex in Palm Beach County, Florida. The Multifamily Mortgage Revenue Bonds (“MMRB”) loan closed on February 1, 2003. The Development also received a 2002 allocation of low-income housing tax credits of \$770,949.
- b) The Borrower received a State Apartment Incentive Loan (“SAIL”) dated June 28, 2005 in the amount of \$2,000,000 and an additional SAIL award of \$1,000,000 dated February 3, 2006 for a total SAIL funding of \$3,000,000 all due and payable July 15, 2044. The Borrower also received a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$2,475,000 dated June 17, 2013 and additional SAIL ELI funding dated December 19, 2013 in the amount of \$1,125,000 for total SAIL ELI funding in the amount of \$3,600,000.
- c) On January 31, 2014, the Board approved the Borrower’s request to refinance the existing first mortgage loan. The Borrower obtained a HUD insured 223(f) program first mortgage loan originated by First Housing Development Corporation, the proceeds of which were used to satisfy the existing first mortgage, redeem the underlying bonds and effectively terminate the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The Qualified Project Period on the bonds terminates on May 2, 2054.

**2. Present Situation**

- a) The Borrower requests approval of subordinate financing for the Development. The Borrower has been awarded funds from the State Housing Initiatives Partnership (“SHIP”) program through the Palm Beach County Commission, in the amount of \$494,000. The funding will be used to install new roofs on the Development. The SHIP loan will be subordinate to the SAIL and SAIL ELI loans. Staff received a credit underwriting report ([Exhibit B](#)) from AmeriNat with a positive recommendation for approval of the subordinate financing.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

- a) Approve the subordinate financing, 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, as needed.

## SPECIAL ASSETS

### *Consent*

- C. **Request Approval to Renegotiate the SAIL Loan Terms for Clearwater Phase I Partners, Ltd., a Florida Limited Partnership, for Tuscany aka Lexington Club at Renaissance Square (1999-067S/2000-512C)**

<b>Development Name: Tuscany (aka Lexington Club at Renaissance Square) (“Development”)</b>	<b>Location: Pinellas County</b>
<b>Developer/Principal: CED (“Developer”); Clearwater Phase I Partners, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC 100% @ 60% AMI; LURA 50 years; EUA 50 years</b>
<b>Number of Units: 240</b>	<b>Allocated Amount: SAIL - \$2,400,000; HC - \$786,997</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

1. **Background**

- a) During the 1999 funding cycle, Florida Housing Finance Corporation awarded a \$2,400,000 State Apartment Incentive Loan (“SAIL”) to Clearwater Phase I Partners, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 240-unit development in Pinellas County. The SAIL loan closed on May 2, 2000, and matures on January 1, 2032. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$786,997.

2. **Present Situation**

- a) The Borrower has requested that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower will pay all accrued and outstanding 3% interest on the current SAIL note, as required, in order for the loan to be renegotiated.

3. **Recommendation**

- a) Approve the renegotiation of the SAIL loan terms from a 9% cashflow note to a 3% cashflow note along with payment of all accrued 3% base interest, and direct staff to proceed with loan document modification activities, as needed.



## SPECIAL ASSETS

### *Consent*

- D. **Request Approval to Renegotiate the SAIL Loan Terms for SP Azalea Place LP, a Florida Limited Partnership, for Azalea Place Apartments aka Palm Grove Apartments (1999-062S/2000-524C)**

<b>Development Name: Azalea Place Apartments aka Palm Grove Apartments (“Development”)</b>	<b>Location: Palm Beach County</b>
<b>Developer/Principal: Southport Financial Services (“Developer”); SP Azalea Place LP (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC 100% @ 60% AMI; LURA 50 years; EUA 50 years</b>
<b>Number of Units: 150</b>	<b>Allocated Amount: SAIL \$600,000; HC \$462,562</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group, Inc.</b>

1. **Background**

- a) During the 1999 funding cycle, Florida Housing Finance Corporation awarded a \$600,000 State Apartment Incentive Loan (“SAIL”) to SP Azalea Place LP, a Florida limited partnership (“Borrower”), for the construction of a 150-unit development in Palm Beach County. The SAIL loan closed on July 7, 2000, and matures on December 1, 2032. After closing, \$94,277.86 of the funds were de-obligated. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$462,562.

2. **Present Situation**

- a) The Borrower has requested that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower will pay all accrued and outstanding 3% interest on the current SAIL note, as required, in order for the loan to be renegotiated.

3. **Recommendation**

- a) Approve the renegotiation of the SAIL loan terms from a 9% cashflow note to a 3% cashflow note along with payment of all accrued 3% base interest, and direct staff to proceed with loan document modification activities, as needed.