

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
January 26, 2018
Consent Items



COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

Consent

I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

A. Request Approval to Extend the Construction Period for Homes already under construction for the Homes of West Augustine – CWHIP 0618

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| Applicant Name (“Applicant”): | Housing Finance Authority of St. Johns County (HFA SJC)/ St. Johns County Community Redevelopment Agency (SJCCRA) |
| Development Name (“Development”): | Homes of West Augustine |
| Developer/Principal (“Developer”): | Benjamin Coney |
| Number of Units: 111 - Homeownership | Location: St. Johns County, Florida |
| Type: CWHIP Loan | Allocated Amount: \$5,000,000 |

1. Background

- a) On October 23, 2009, the Board approved the Final Credit Underwriting Report (“CUR”) for the Development. The CWHIP loan closed on March 12, 2010, and the construction period extends through March 12, 2015. On December 14, 2014, the Board approved extending the construction period until March 12, 2017.
- b) The Development consists of 20-acres of land containing 111 lots to be developed into 111 single-family homes. St. Johns County deeded the lots to the SJCCRA, who subsequently donated 34 of the lots to Habitat for Humanity of St. Augustine/St. Johns County to build homes specifically targeting workforce housing households. The remaining 77 lots were to be developed by HFA SJC with the remaining private partners listed above, also targeted for workforce housing households.
- c) At the August 5, 2016 Board meeting, the Board approved increasing the number of homes that HFA SJC can have under construction at one time from three to five as well as increasing the price of two home models. In addition, the number of lots to be developed by Habitat for Humanity was increased from 34 to 47.
- d) At the February 3, 2017 Board Meeting, the Board approved a one-year extension of the construction period due to delays caused by Hurricane Matthew.

2. Present Situation

- a) In a letter dated January 9, 2018 ([Exhibit A](#)), the Applicant has requested an extension of the construction period for up to six months in order to complete construction, fund final draws for homes already under construction and close out the program.
- b) The Applicant currently has two homes that are already under construction and four homes that are completed but awaiting sale to the homebuyers.

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

Consent

3. Recommendation

- a) Staff recommends that the Board approve an extension of the construction period for up to six months to complete construction, fund final draws for homes already under construction and to close out the program.

HOUSING CREDITS

Consent

II. HOUSING CREDITS

A. Request Approval of General Partner Member Change for Carter Crossing f.k.a. Bronwyn Landing (RFA 2016-110/2017-104C)

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| Development Name: Carter Crossing f.k.a. Bronwyn Landing | Location: Santa Rosa County |
| Applicant/Borrower: Bronwyn Landing, Ltd. | Set Aside(s): 10% @ 40% AMI and 90% @ 60% AMI |
| Developer/Principal: TVC Development, Inc. | Demographic/Number of units: Elderly Non-ALF / 93 units |
| Requested Amounts: \$1,386,742.00 Housing Credits | Development Category/Type: New Construction / Garden |

1. Background/Present Situation

- a) Carter Crossing (RFA 2016-110/2017-104C) is a Competitive Housing Credit, New Construction Development providing 93 set-aside units in Santa Rosa County, Florida. The Applicant was invited to enter credit underwriting on May 2, 2017.
- b) On October 1, 2017, staff received a request from the General Partner for the admission of additional members into the General Partner entity, Bronwyn Landing GP, LLC (current and proposed General Partner structures are provided as Exhibits [A](#) and [B](#)). Originally, John D. Rood was the sole member of the General Partner. Under the proposed ownership structure, John D. Rood will retain 52.50% of the GP and the remaining interest will be owned by JDR WC1, LLC (5%), JDR WC 2, LLC (5%), JDR WC3, LLC (5%), Clarence S. Moore (15%), James R. Hoover (10%), Jason O. Floyd (2.5%), Kevin L. Troup (2.5%), and Alexander G. Hepler (2.5%). JDR WC1, LLC will be comprised of Jennifer R. Hoover (99% Member) and John D. Rood (1% Managing Member), JDR WC2, LLC will be comprised of Christopher J. Rood (99% Member) and John D. Rood (1% Managing Member), and JDR WC3, LLC will be comprised of Holly R. Hepler (99% Member) and John D. Rood (1% Managing Member). Per the RFA, once the Carryover Allocation Agreement has been executed by all parties, replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change. Staff has reviewed this request and finds that the development meets all the requirements of RFA 2016-110.

2. Recommendation

- a) Approve the request to allow for the admission of additional members into the General Partner entity as referenced above.

HOUSING CREDITS

Consent

B. Request Approval of General Partner Member Change for Cassie Gardens (RFA 2016-110/2017-102C)

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| Development Name: Cassie Gardens | Location: Clay County |
| Applicant/Borrower: Cassie Gardens, Ltd. | Set Aside(s): 10% @ 33% AMI and 90% @ 60% AMI |
| Developer/Principal: TVC Development, Inc. | Demographic/Number of units: Elderly Non-ALF / 96 units |
| Requested Amounts: \$1,479,357.00 Housing Credits | Development Category/Type: New Construction / Garden |

1. Background/Present Situation

- a) Cassie Gardens (RFA 2016-110/2017-102C) is a Competitive Housing Credit, New Construction Development providing 96 set-aside units in Clay County, Florida. The Applicant was invited to enter credit underwriting on May 2, 2017.
- b) On October 1, 2017, staff received a request from the General Partner for the admission of additional members into the General Partner entity, Cassie Gardens GP, LLC (current and proposed General Partner structure is provided as Exhibits [C](#) and [D](#)). Originally, John D. Rood was the sole member of the General Partner. Under the proposed ownership structure, John D. Rood will retain 52.50% of the GP and the remaining interest will be owned by JDR WC1, LLC (5%), JDR WC2, LLC (5%), JDR WC3, LLC (5%), Clarence S. Moore (15%), James R. Hoover (10%), Jason O. Floyd (2.5%), Kevin L. Troup (2.5%), and Alexander G. Hepler (2.5%). JDR WC1, LLC will be comprised of Jennifer R. Hoover (99% Member) and John D. Rood (1% Managing Member), JDR WC2, LLC will be comprised of Christopher J. Rood (99% Member) and John D. Rood (1% Managing Member), and JDR WC3, LLC will be comprised of Holly R. Hepler (99% Member) and John D. Rood (1% Managing Member). Per the RFA, once the Carryover Allocation Agreement has been executed by all parties, replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change. Staff has reviewed this request and finds that the development meets all the requirements of RFA 2016-110.

2. Recommendation

- a) Approve the request to allow for the admission of additional members into the General Partner entity as referenced above.

HOUSING CREDITS

Consent

C. **Request Approval of General Partner Member Change for Lofts at Monroe f.k.a. Lofts at La Villa on Monroe (RFA 2016-113/2017-235C)**

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| Development Name: Lofts at Monroe | Location: Duval County |
| Applicant/Borrower: Lofts at La Villa on Monroe, Ltd. | Set Aside(s): 10% @ 33% AMI and 90% @ 60% AMI |
| Developer/Principal: TVC Development, Inc. | Demographic/Number of units: Family / 108 units |
| Requested Amounts: \$1,660,000.00 Housing Credits | Development Category/Type: New Construction / Mid-Rise |

1. **Background/Present Situation**

- a) Lofts at Monroe (RFA 2016-113/2017-235C) is a Competitive Housing Credit, New Construction Development providing 108 set-aside units in Duval County, Florida. The Applicant was invited to enter credit underwriting on May 17, 2017.
- b) On October 1, 2017, staff received a request from the General Partner for the admission of additional members into the General Partner entity, Lofts at La Villa on Monroe GP, LLC (current and proposed General Partner structure is provided as Exhibits [E](#) and [F](#)). Originally, John D. Rood was the sole member of the General Partner. Under the proposed ownership structure, John D. Rood will retain 52.50% of the GP and the remaining interest will be owned by JDR WC1, LLC (5%), JDR WC 2, LLC (5%), JDR WC3, LLC (5%), Clarence S. Moore (15%), James R. Hoover (10%), Jason O. Floyd (2.5%), Kevin L. Troup (2.5%), and Alexander G. Hepler (2.5%). JDR WC1, LLC will be comprised of Jennifer R. Hoover (99% Member) and John D. Rood (1% Managing Member), JDR WC2, LLC will be comprised of Christopher J. Rood (99% Member) and John D. Rood (1% Managing Member), and JDR WC3, LLC will be comprised of Holly R. Hepler (99% Member) and John D. Rood (1% Managing Member). Per the RFA, once the Carryover Allocation Agreement has been executed by all parties, replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change. Staff has reviewed this request and finds that the development meets all the requirements of RFA 2016-113.

2. **Recommendation**

- a) Approve the request to allow for the admission of additional members into the General Partner entity as referenced above.

HOUSING CREDITS

Consent

D. Request Approval of Co-Developer Member Change for Los Altos Apartments (RFA 2016-110/2017-035C)

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| Development Name: Los Altos Apartments | Location: Osceola County |
| Applicant/Borrower: Osceola Los Altos, Ltd. | Set Aside(s): 10% @ 40% AMI and 90% @ 60% AMI |
| Developer/Principal: Banyan Development Group, LLC / Judd Roth Real Estate Development, Inc. / DSRG Development, LLC | Demographic/Number of units: Family / 100 units |
| Requested Amounts: \$1,510,000.00 Housing Credits | Development Category/Type: New Construction / Garden |

1. Background/Present Situation

- a) Los Altos Apartments (RFA 2016-110/2017-035C) is a Competitive Housing Credit, New Construction Development providing 100 set-aside units in Osceola County, Florida. The Applicant was invited to enter credit underwriting on August 2, 2017.
- b) On January 8, 2018, staff received a request from the Applicant for the admission of additional members into the Co-Developer entity, DSRG Development, LLC (current and proposed Co-Developer structures are provided as Exhibits [G](#) and [H](#)). Originally, Domingo Sanchez and Robert Godwin were the sole managing members of DSRG Development, LLC. Under the proposed ownership structure, DSRG Development, LLC would admit two additional members, Deion Lowery and Ed Haddock, Jr., to its organizational structure. 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. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. Staff has reviewed this request and finds that the development meets all the requirements of RFA 2016-110.

2. Recommendation

- a) Approve the request to allow for the admission of additional members into the Co-Developer entity as referenced above.

HOME RENTAL

Consent

III. HOME RENTAL

A. Request Approval to Change the Name of the Applicant Entity for Moore Haven (2014-406H)

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| Development Name: Moore Haven Apartments (“Development”) | Location: Glades County |
| Developer: Southwest Florida GWI Housing XVII, Inc., General Home Development Corporation of Pinellas, Inc. (“Developers”) | Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 50 HOME Units |
| Type: New Construction/Quadrplexes | HOME: \$4,783,500 |
| Total Number of Units: 50 | Demographics: Rural |

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2014-109, seeking an allocation of HOME Program funds for rental developments in rural areas. On August 8, 2014, the Board approved the selection of six (6) Applications, including Moore Haven Apartments, for funding and invitation to credit underwriting.
- b) On August 18, 2014, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Developer had a March 31, 2015 deadline to complete the credit underwriting report.
- c) On March 20, 2015, the Board approved the Developers’ request to extend the completion of the credit underwriting reports from the March 31, 2015 deadline, to no later than the June 19, 2015 Board Meeting.
- d) On June 4, 2015, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$4,783,500 from the credit underwriter and the Board approved the report and its recommendation at the June 19, 2015 Board Meeting.
- e) On June 22, 2015, staff issued a firm commitment letter for a HOME loan in an amount up to \$4,783,500 to close by August 18, 2015. On December 11, 2015 staff received a letter from the Developer requesting a loan closing extension until August 18, 2016. The Board approved the extension request at the January 29, 2016 Board Meeting as well as a Rule Waiver to change the Applicant ownership by more than 33.33%.
- f) On February 11, 2016, staff received a letter from the Developer stating that the Applicant, Southwest Florida GWI Housing XVII, Inc. is replacing its Board members for the development and the credit underwriter positively recommended the replacement of the Board members and guarantors of the development. The Board approved the replacement change at the August 5, 2016 Board Meeting and the loan closed August 8, 2016.

HOME RENTAL

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- g) On August 21, 2017, the Applicant requested a name change to the Applicant entity from Southwest Florida GWI Housing XVII, Inc. Workforce Housing of Okeechobee, Inc ([Exhibit A](#)). The request is due to the change in Board members in 2016 and was a condition of their Transition Agreement. Legal Counsel has reviewed the documentation filed with the State of Florida and has determined that the entity is still intact and this is strictly a name change.

2. **Recommendation**

- a) Approve the Developer's request to change the name of the Applicant from Southwest Florida GWI Housing XVII, Inc to Workforce Housing of Okeechobee, Inc.

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IV. LEGAL

A. In re: Resolutions 2018-01 and 2018-02; 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 2018-01 ([Exhibit A](#)) and 2017-02 ([Exhibit B](#)) reflect changes in corporate structure, specifically:
 - (1) Resolution 2018-01 adds the Director of Multifamily Allocations, Director of Multifamily Development, and the Director of Development Finance as Assistant Secretaries for the purpose of providing attestations and certifications of all routine program documents.
 - (2) Resolution 2018-02 adds the Director of Multifamily Allocations, Director of Multifamily Development as Assistant Secretaries for the purpose of providing attestations and certifications of all documents necessary to effectuate the issuance of Bonds and the closing of the transactions.

3. Recommendation

- a) Staff recommends that the Board adopt Resolutions 2018-01 and 2018-02 delegating signature authority and designating staff as described in the respective Resolutions.

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B. In Re: Dr. Alice Moore Apartments, LLLP - FHFC Case No. 2017-077VW (RFA 2016-103/2016-333CL)

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| Development Name: (“Development”): | Dr. Alice Moore Apartments |
| Developer/Principal: (“Developer”): | Carrfour Supportive Housing, Inc. |
| Number of Units: 36 | Location: Palm Beach |
| Type: Garden Apartments | Set Asides: 10% @ 33% AMI 90% @ 60% AMI |
| Demographics: Persons with Disabilities | Funding: 9% HC - \$820,000 FAF - \$550,000 |

1. Background

- a) Dr. Alice Moore Apartments, LLLP, (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications 2016-103 (the “RFA”) to assist in financing the development of Dr. Alice Moore Apartments.
- b) On November 13, 2017, Florida Housing received a Petition for Waiver Rule 67-48.004(3)(g) for a Change in Development Type (the “Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-48.004(3), Fla. Admin. Code states the following:

For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(g) Development Type;

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- b) Petitioner requests a waiver of the above Rule to allow it to change the Development Type listed in its Application from “Garden Apartments” to “Mid-Rise, 4-stories.” Petitioner requests the change in Development Type in order to construct a 4 story building rather than a 3 story building. Petitioner asserts that the City of West Palm Beach recently modified its zoning code and Dr. Alice Moore Apartments is the first development to be constructed under the new zoning code. Furthermore, Petitioner states that meeting the requirements under the zoning code has proven difficult with the garden design and they have already had to redesign the buildings several times as a result.
- c) On November 15, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 221. 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 to permit Petitioner to change its Development Type listed in the Application from “Garden Apartments” to “Mid-Rise, 4-stories” and to allow Petitioner to use the Total Development Cost Per Unit limitation for the Development Type of “Mid-Rise, 4-stories” excluding the portion allocated to the maximum developer fee which shall stay at the “Garden Apartments” limit

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C. In Re: West Lake I, Ltd. - FHFC Case No. 2018-002VW

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| Development Name: (“Development”): | Twin Lakes Estates Phase 1 f/k/a West Lake Apartments |
| Developer/Principal: (“Developer”): | HTG West Lake Developer, LLC Matthew Rieger |
| Number of Units: 100 | Location: Polk County |
| Type: New garden apartments | Set Asides: SAIL/ELI: 10% @ 45% AMI SAIL: 90% @ 60% AMI MMRB: 40% @ 60% AMI 4% HC: 100% @ 60% AMI |
| Demographics: Elderly | Funding: 4% HC: \$640,816 SAIL: \$5,000,000 ELI Gap: \$294,000 MMRB: \$9,000,000 |

1. Background

- a) West Lake I, Ltd, (“Petitioner”) successfully applied for an award of SAIL and ELI Gap funding to be used in conjunction with Florida Housing-Issued MMRB and Non-Competitive Housing Credits under Request for Applications 2015-112 (the “RFA”) to assist in the construction of a development serving elderly persons in Polk County. On January 4, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.0072(26), Fla. Admin. Code (Rev. 10-8-14), to extend the Firm Commitment Closing Deadline to March 21, 2018, and waiving the extension fee. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-48.0072(26) (a), Fla. Admin. Code (Rev. 10-8-14), provides as follows:

For SAIL, EHCL, and HOME, these loans and other mortgage loans related to the construction of 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 (subject to the closing deadlines established by the invitation to enter credit underwriting). A request for an extension of the firm loan commitment(s) may be considered by the Board for an extension term of up to 90 Calendar Days (subject to the closing deadlines established by the invitation to enter credit underwriting). All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant’s request, inclusive of the Applicant’s ability to close within the extension term, and any credit underwriting report, if available, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one-half of one percent of the loan amount if the Board approves the request to extend the commitment beyond the period outlined in this rule chapter.

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- b) Petitioner requests a waiver of the above Rule to extend the Firm Commitment Closing Deadline from February 5, 2018 to March 21, 2018. Petitioner received a Preliminary Commitment Letter and an invitation to credit underwriting on March 21, 2016, which established an initial Loan Closing Deadline of March 21, 2017. On December 9, 2016, the Board subsequently approved a closing extension per Rule 67-48.0072(4)(c), Fla. Admin. Code to extend the Loan Closing Deadline to March 21, 2018. On May 9, 2017, Corporation staff issued a Firm Commitment Letter stating that the loan had to close within 180 days per the Rule – establishing a ‘Firm Commitment Closing Deadline’ of November 6, 2017. (Subsequent Rule amendments have eliminated these separate closing deadlines). Petitioner then received, per the Rule, a 90-day extension upon paying the 0.05% (\$26,000) fee which extended the Firm Commitment Closing Deadline until February 5, 2018, to await approvals regarding the Development from the United States Department of Housing and Urban Development (HUD). Petitioner received HUD approval of the disposition of the subject property on December 21, 2017, but now must wait 45 days for HUD review of evidence submitted by the City of Lakeland. For these reasons and delays, Petitioner does not believe it can accomplish the February 5, 2018 Firm Commitment Closing Deadline, and requests an additional 44 day extension to bring this Deadline concurrent with the Loan Closing Deadline of March 21, 2018.
- c) On January 5, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 4. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120. 542(2), Fla. Stat., 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. Petitioner states that if this short extension is not granted, that it may prevent Petitioner from closing on the loan financing, prevent Petitioner from completing the Development, and may cause the loss of \$700,000 invested in the Development to date. Petitioner also asserts that the granting of this waiver would serve the underlying purposes of Chapter 420, Part V, Fla. Stat.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(26), Fla. Admin. Code (Rev. 10-8-14), to extend the Firm Commitment Closing Deadline to March 21, 2018, concurrent with the initial Loan Closing Deadline. Petitioner’s request to waive the extension fee is **DENIED** as moot – as this request is processed as a waiver of the Rule and not within the operation of the Rule, no such fee will be imposed for this extension.

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D. In Re: Phoenix Apartments Venture LP - FHFC Case No. 2017-060VW (93L-094, 93HD-034, 2015-100B|2016A, 2015-533C)

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| Development Name: (“Development”): | Phoenix |
| Developer/Principal: (“Developer”): | MRK Partners Inc. |
| Number of Units: 164 | Location: Miami Dade |
| Type: Garden Apartments | Set Asides: 40% @ 50% AMI 60% @ 60% AMI |
| Demographics: Family | Funding: 9% Credits: \$835,643 4% Credits: \$687,441 MMRB: \$10,500,000 HOME: \$2,300,000 |

1. Background

- a) Phoenix Apartments Venture LP (“Petitioner”) successfully applied for an award of non-competitive housing credits and Multifamily Mortgage Revenue Bonds (“MMRB”) under the non-competitive application process to assist in financing the development known as Phoenix. Additionally, Petitioner received competitive housing credits and HOME funding in 1993.
- b) On August 18, 2017, Florida Housing received a Petition for Waiver of Rule 67-21.027(6) of the Florida Administrative Code (the “Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-21.027(6), Fla. Admin. Code provides:

(6) The Final Cost Certification Application Package (Form FCCAP) shall be used by an Applicant to itemize all expenses incurred in association with construction or Rehabilitation of a Housing Credit Development, including Developer’s and General Contractor’s fees as described in Rule 67-21.026, F.A.C. Such form package shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC) included in the form package ... The Final Cost Certification Application Package (Form FCCAP) is adopted and incorporated herein by reference, effective October 2014, and is available on the Corporation’s Website ...
- b) Petitioner requests a waiver of the above Rule to allow it to submit the 2016 version of the Final Cost Certification Application Package (“Cost Certification”). Petitioner asserts that the 2014 Cost Certification calculates actual construction costs upon which the General Contractor’s fee is based by excluding certain personal property costs which is inconsistent with past and current market practices. Petitioner further asserts that prior to 2014 and after 2015, those personal property costs were permitted to be included in total actual construction costs. Petitioner asserts that this violates the principles of fairness because it is required to reduce the General Contractor’s fee, in contradiction to Petitioner’s construction contract, when developments prior to 2014 and after 2015 are not required to do the same. Therefore, Petitioner contends that it is not

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able to effectively claim 14% of actual construction costs for the General Contractor's fee without utilizing the 2016 Cost Certification.

- c) On August 22, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 163. 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) All 4% Housing Credit Applications that were submitted between October 2014 and September 2016 were subject to the rule in place at that time, which incorporated the Final Cost Certification Application Package to be used by the Applicant. Similar requests for waiver from the 2014 Cost Certification rule by other developments were given a negative recommendation from staff. All deals that came in under the 2014 Cost Certification rule have been treated similarly. To grant Petitioner a waiver from the same rules without a sufficient demonstration of substantial hardship, is a violation of the fundamental principles of fairness.
- f) Granting the requested waiver would have a negative impact on other participants in funding programs administered by Florida Housing and it would have a detrimental impact on Florida Housing. Petitioner has not demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness.

3. Recommendation

- a) Staff recommends the Board **DENY** Petitioner's request for waiver of the above Rule.

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E. In Re: Boca Ciega Partners TC, LP - FHFC Case No. 2018-003VW

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| Development Name: (“Development”): | Boca Ciega Townhomes |
| Developer/Principal: (“Developer”): | Boca Ciega Partners, TC, LP/Todd Menowitz |
| Number of Units: 109 | Location: Pinellas County |
| Type: Townhomes | Set Asides: 60% @ 60% AMI |
| Demographics: Family | Funding: \$9,900,000 MMRB (local) \$3,000,000 4% HC |

1. Background

- a) In June 2015, Boca Ciega Partners TC, LP, (“Petitioner”) successfully applied for local bond financing and Corporation 4% non-competitive tax credits to assist in the development of the above-referenced townhome complex in Pinellas County. On January 8, 2018, Florida Housing received a Petition for Waiver of Rule 67-21.026(10), Fla. Admin. Code, to permit the use of a stipulated sum contract with its General Contractor. A copy of the Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-21.026.026(10), Fla. Admin. Code, provides:

(10) The Corporation’s assigned Credit Underwriter shall require a guaranteed maximum price construction contract, acceptable to the Corporation, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant’s sole expense, and review a pre-construction analysis for all new construction units or a physical needs assessment for rehabilitation units and review the Development’s costs.

- b) Petitioner requests a waiver of the above Rule to permit it to utilize an already extant stipulated sum construction contract in lieu of the guaranteed maximum price construction contract as required by the above Rule.
- c) On January 10, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 7. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120. 542(2), Fla. Stat., 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.

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- e) During the cost certification phase the Credit Underwriter assigned to this transaction determined that the Developer's contract with the General Contractor was a stipulated sum contract, contrary to what was required by the Rule above. This HUD Construction Contract had already been executed, and work under it performed, when the Corporation amended the Rule to disallow such contracts (the Rule was amended February 2, 2015). At the time the contract was executed, the Rule in place did in fact permit such contracts.
- f) Petitioner asserts that it will endure a substantial hardship by operation of the current Rule, in that the work under the stipulated sum contract has already been substantially completed, and renegotiating its terms for work already performed would be impossible. Essentially, Petitioner requests that its stipulated sum construction contract be "grandfathered" into compliance under the current version of the Rule. 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. Petitioner also asserts that the granting of this waiver would serve the underlying purposes of Chapter 420, Part V, Fla. Stat.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.026(10), Fla. Admin. Code, to permit the use of a stipulated sum construction contract for this Development.

LEGAL

Consent

F. In re: Oceanside Housing Partners, LP. - FHFC Case No. 2017-091VW

| | |
|--|---|
| Development Name: (“Development”): | Oceanside Estates |
| Developer/Principal: (“Developer”): | Vitus Development, IV Michael Volz |
| Number of Units: 104 | Location: Pinellas County |
| Type: Garden apartments | Set Asides: 4% HC: 40% @ 60% AMI |
| Demographics: Elderly Non-ALF | Funding: 4% HC: \$636,085 |

1. Background

- a) In 2017 Oceanside Housing Partners, LP, (“Petitioner”) successfully applied for an award of Non-Competitive Housing Credits to assist in the construction of a development serving elderly persons in Pinellas County. On December 22, 2017, Florida Housing received a Petition for Waiver of Rule 67-21.003(1)(b), Fla. Admin. Code, to allow it to close on its financing even though 15% of equity will not have not been paid in. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation

- a) Rule 67-21.003(1)(b), Fla. Admin. Code, provides as follows:

The Non-Competitive Application Package or NCA (rev.08-2016) is adopted and incorporated herein by reference.

- b) The NCA provides, in pertinent part:

7. Applicant Certification:

By completing, executing and submitting this Application form and all applicable exhibits, the Applicant certifies and acknowledges that:

- j. The proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria) ...

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- c) Petitioner requests a waiver of the above Rule to allow it to close on its bond financing although it did not pay the required 15% of equity at the time of closing. In December 2017, proposed action by the U.S. House of Representatives created the possibility that the tax-free status of a large portion of Petitioner's financing would be terminated after December 31, 2017. Because of the sudden need to close on these bonds sooner than anticipated, Petitioner was unable to bring an investor limited partner into its ownership structure and thus the 15% of equity required at the loan closing was not yet available at the time of the closing (December 15, 2017).
- d) On December 27, 2017, Notice of the Petition was published on Florida Housing's website at floridahousing.org. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120. 542(2), Fla. Stat., 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) 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. Because of the potentially devastating effects that the proposed Congressional action would have had on the tax-free status of private activity bonds (the legislation ultimately did not pass), the Corporation finds that Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Under these circumstances, Petitioner had to close before December 31, 2017 (closed December 15, 2017), much sooner than it had anticipated, and without first obtaining a rule waiver. If the waiver is not granted, Petitioner will not be able to secure the benefits of the tax-exempt financing necessary to complete 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 Rule 67-21.003(1)(b), Fla. Admin. Code, so that it will not be required to pay 15% of the total proposed equity by closing of the construction financing.

LEGAL

Consent

- G. In Re: Delmar Terrace South, LLC - FHFC Case No. 2018-005VW (RFA 2014-115/2015-158CS and 2016-002CS and RFA 2017-109/2017-285V)

| | |
|-------------------------------------|---|
| Development Name: (“Development”): | Delmar Terrace |
| Developer/Principal: (“Developer”): | Delmar Terrace Developers, LLC |
| Number of Units: 65 | Location: Pinellas County |
| Type: High Rise | Set Asides: 15% at 40% AMI 85% at 60% AMI |
| Demographics: Homeless | Funding: 9% HC \$1,660,000 SAIL \$3,250,000 Viability \$540,093 |

1. Background

- a) Delmar Terrace South, LLC (“Petitioner”) was selected to receive competitive housing credits and State Apartment Incentive Loan (“SAIL”) Financing under RFA 2014-115 to assist in the development of Delmar Terrace.
- b) On January 10, 2018, Florida Housing received a Petition for Waiver of Rule-Adopted RFA Provision to Allow Additional Extension of SAIL Loan Closing (the “Petition”) from Petitioner. A copy of which is attached as [Exhibit H](#).

2. Present Situation

- a) Petitioner requests a waiver of Rule 67-48.0072(4)(c) and 67-48.0072(27), incorporating by reference the terms and provisions of the RFA. Petitioner seeks to extend its SAIL closing deadline from January 31, 2018 to April 28, 2018.
- b) Rule 67-48.0072(4)(c), Fla. Admin. Code, provides:
 - (c) ... For SAIL and HOME that is in conjunction with Competitive HC, the credit underwriting process and loan closing must be accomplished within the time frames outlined in the competitive solicitation.
- c) Rule 67-48.0072(27), Fla. Admin. Code, provides:
 - (27) For SAIL and HOME that is in conjunction with Competitive HC, upon issuance of the preliminary loan commitment, these Corporation loans and other mortgage loans related to the Development must close within the time frame outlined in the competitive solicitation
- d) Petitioner was awarded funding funder RFA 2014-115 (the “RFA”). The RFA contained the following provisions regarding the SAIL loan closing deadline and extensions to that deadline in Exhibit C, Section 11:
 - f. Loan Closing Extension Fees:

In the event the SAIL loan does not close within the timeframe prescribed, extension fees will be assessed. The loan must close within 12 months of the date of the invitation to enter credit underwriting (preliminary loan commitment). Applicants may request one (1) extension of up to 12 months related to this closing deadline. The

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Corporation shall charge a non-refundable extension fee of 1 percent of the loan amount if the Board approves the request to extend the preliminary commitment beyond the initial 12 month closing deadline.

In addition, the loan related to the construction of the Development must close within 180 Calendar Days of the date of the firm loan commitment. A request for an extension of the firm loan commitment may be considered by the Board for an extension term of up to 90 Calendar Days. The Corporation shall charge an extension fee of one-half of one percent of each loan amount if the Board approves the request to extend the firm commitment.

(emphasis added).

- e) Petitioner was invited to credit underwriting on November 2, 2015, and received a 12-month extension to close the SAIL loan until November 2, 2017. Additionally, Petitioner was granted a rule waiver to further extend the SAIL loan closing deadline to January 31, 2018. Petitioner's credit underwriting report is scheduled to be presented to the Board on January 26, 2018. Petitioner asserts that if credit underwriting approval occurs on January 26, 2018, a reasonable period of time is needed to schedule closing of all financing.
- f) Florida Housing staff agreed to extend the deadline for closing of the tax credit partnership to 90 days after approval of the credit underwriting, or April 28, 2018. Petitioner requests an extension of the SAIL loan closing date to April 28, 2018 to align with the deadline for closing of the tax credit partnership. Petitioner was also awarded Development Viability Loan funding RFA 2017-109. Petitioner requests this additional extension to allow sufficient time for Florida Housing's outside counsel to prepare closing documents and for those documents to be reviewed and finalized by all parties.
- g) On January 11, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 08. To date, Florida Housing has received no comments concerning the Petition.
- h) 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.
- i) 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. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage

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Consent

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 Rules and RFA provisions regarding the SAIL loan closing deadline and extensions to that deadline, so that the SAIL loan closing deadline may be extended from January 31, 2018 until April 28, 2018.

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Consent

H. In Re: Coral Bay Cove, LLC. - FHFC Case No. 2017-079VW

| | |
|--|---|
| Development Name: (“Development”): | Coral Bay Cove |
| Developer/Principal: (“Developer”): | Landmark Development Corp. Francisco Rojo |
| Number of Units: 224 | Location: Miami-Dade County |
| Type: New garden apartments | Set Asides: SAIL/ELI: 10% @ 30% AMI SAIL: 90% @ 60% AMI MMRB: 100% @ 60% AMI 4% HC: 100% @ 60% AMI |
| Demographics: Family | Funding: 4% HC: \$2,052,000 SAIL: \$6,500,000 ELI Gap: \$600,000 MMRB: \$29,000,000 |

1. Background

- a) Coral Bay Cove, LLC (“Petitioner”) successfully applied for an award of SAIL and ELI Gap funding to be used in conjunction with Florida Housing-Issued MMRB and Non-Competitive Housing Credits under Request for Applications 2016-109 (the “RFA”) to assist in the construction of a development serving low-income families in Miami-Dade County. On November 20, 2017, Florida Housing received a Petition for Waiver of Rules 67-48.004(3)(c), 67-21.003(8)(c), and 67-60.006(1), Fla. Admin. Code, to allow them to use bonds issued by Miami-Dade County instead of Florida Housing-Issued MMRB, and to delay payment of 15% of the total proposed equity until closing on Corporation funding. A Final Order granting this request was issued by the Corporation on December 8, 2017.

2. Present Situation

- a) At the time the Final Order was granted, there was still uncertainty as to whether the U.S. Congress would abolish private activity bonds after December 31, 2017. The waiver was requested by Petitioner because it anticipated that it would have to obtain bonds issued by Miami-Dade County no later than December 31, and that it would thus be unable to meet the RFA requirement that the proposed equity amount to be paid prior to or simultaneous with the closing of construction financing be at least 15 percent of the total proposed equity to be provided. Ultimately, the U.S. Congress did not abolish private activity bonds, and Petitioner was therefore not required to close on the Miami-Dade bonds by December 31. While Petitioner affirms that it still intends to obtain Miami-Dade bonds, there will now be adequate time for it to meet the 15 percent requirement by the time it closes on these bonds. It is therefore necessary to amend the Final Order to remove the waiver of the 15 percent requirement.

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3. Recommendation

- a) Staff recommends the Board amend the Final Order in FHFC Case No.: 2017-79VW to amend the following statement: “Petitioner’s request for waiver of the requirements of RFA 2016-109 so that it will not be required to pay 15% of the total proposed equity by closing of the Miami-Dade bonds is hereby ~~DENIED GRANTED~~.” Staff also recommends the Board amend the Final Order in FHFC Case No.: 2017-79VW to remove the following condition: “At least 15% of the total proposed equity must be paid at the time of closing on Corporation funding.”

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Consent

I. In Re: Society of St. Vincent De Paul South Pinellas, Inc. – FHFC Case No. 2018-004VW

| | |
|--|---|
| Development Name: (“Development”): | Ozanam Village II |
| Developer/Principal: (“Developer”): | Society of St. Vincent De Paul South Pinellas, Inc. Michael Raposa |
| Number of Units: 30 | Location: Pasco County |
| Type: New garden apartments | Set Asides: SAIL: 25% @ 40% AMI SAIL: 75% @ 60% AMI |
| Demographics: Persons with Disabilities | Funding: SAIL: \$4,900,000 ELI Gap: \$100,000 |

1. Background

- a) Society of St. Vincent De Paul South Pinellas, Inc. (“Petitioner”) successfully applied for an award of SAIL and ELI Gap funding under Request for Applications 2015-109 (the “RFA”) to assist in the construction of a development serving persons with special needs in Pasco County. On January 9, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.0072(4)(c), F.A.C. (2014), to extend the date for closing on the loan funding. A copy of the Petition is attached as [Exhibit I](#).

2. Present Situation

- a) Rule 67-48.0072(4)(c), F.A.C. (2014), provides: “For SAIL, EHCL, and HOME Applicants the loan must close within 12 months of the date of the invitation to enter credit underwriting.”
- b) On February 8, 2016, Florida Housing issued a preliminary commitment letter and an invitation to enter credit underwriting to Petitioner with a closing deadline of February 8, 2017. On December 9, 2016, Florida Housing approved a one-year extension of the closing deadline until February 8, 2018. Petitioner requests a waiver of the above Rule to allow it to extend the closing deadline until August 8, 2018. Petitioner asserts that additional time is necessary because circumstances have forced it to replace both its co-Developer and General Contractor. Specifically, Petitioner has severed its relationship with GHD Construction Services, Inc., and has entered into negotiations with Ability Housing, Inc. to assume the role of co-Developer.
- c) On January 10, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 7. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Fla. Stat., provides in pertinent part:
- (1) 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.

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Consent

- 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. The Corporation finds that Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. 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.
- f) Petitioner also requested a waiver of Rule 67-48.0072(21), F.A.C. (2014), which requires SAIL applicants to complete the credit underwriting process within nine months of the Applicant’s acceptance to enter credit underwriting. The Corporation has previously granted extensions of this deadline until June 8, 2018. No waiver of Rule 67-48.0072(21), F.A.C. (2014) is required in this case.

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(4)(c), F.A.C. (2014) to extend the deadline for closing on the SAIL and ELI loans until August 8, 2018.

MULTIFAMILY BONDS

Consent

V. MULTIFAMILY BONDS

A. Request Approval of Credit Underwriting Report and Removal of Developer Principals for Banyan Court (2016-379BS)

| | |
|--|---|
| Development Name: Banyan Court | Location: Palm Beach County |
| Applicant/Borrower: BDG Banyan Court, LP | Set Aside(s): 10% @ 33% AMI (MMRN, SAIL and ELI) 70% @ 60% AMI (MMRN) 90% @ 60% AMI (SAIL) 100% @ 60% AMI (HC) |
| Developer/Principal: BDG, LLC and Judd Roth Real Estate Development, Inc. / Banyan Development Group, LLC and Judd Roth | Demographic/Number of units: Family / 85 |
| Requested Amounts: \$11,200,000 Multifamily Mortgage Revenue Note (MMRN) \$5,400,000 State Apartment Incentive Loan (SAIL) \$600,000 ELI Gap Funding (ELI) \$758,300 Non-Competitive Housing Credits (HC) | Development Category/Type: New Construction / Garden Apartments |

1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 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 December 9, 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 March 24, 2017, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On March 31, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- e) Staff received a request from the Borrower to remove two principals from the co-developer, Judd Roth Real Estate Development, Inc., which include Selma Roth, as a shareholder and Penny Roth, as an officer. 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 request and finds that the development meets all the requirements of RFA 2016-109.
- f) Staff received a final credit underwriting report with a positive recommendation for MMRN, SAIL, and ELI funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-109.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the final credit underwriting report and the removal of two principals of the co-developer and direct staff to proceed with closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

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

1. Background

- a) Pursuant to staff's request for approval to issue notes to finance the 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 professionals for the transaction and approval of the recommended method of sale. A brief description of the Development is detailed below, along with staff's recommendation.
- 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 note sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of note sale for the Development. The recommendation letter is attached as [Exhibits 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 note sale, as shown in the chart below, for the proposed Development.

| Development Name | Location of Development | Number of Units | Method of Bond Sale | Recommended Professional | Exhibit |
|-------------------------|--------------------------------|------------------------|----------------------------|---------------------------------|----------------|
| Banyan Court | Palm Beach County | 85 | Negotiated Note Placement | RBC Capital Markets, LLC | Exhibit B |

MULTIFAMILY BONDS

Consent

C. Request Approval of Changes to Developer Principals for Palos Verdes Apartments (2016-380BS)

| | |
|---|--|
| Development Name: Palos Verdes Apartments | Location: Osceola County |
| Applicant/Borrower: Osceola Palos Verdes, Ltd. | Set Aside(s): 10% @ 40% AMI (MMRN, SAIL, ELI, and HC) 70% @ 60% AMI (MMRN) 90% @ 60% AMI (SAIL and HC) |
| Developer/Principal: Banyan Development Group, LLC, Judd Roth Real Estate Development, Inc., and DSRG Development, LLC | Demographic/Number of units: Elderly / 120 |
| Requested Amounts: \$10,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,200,000 State Apartment Incentive Loan (SAIL) \$552,300 ELI Gap Funding (ELI) \$566,696 Non-Competitive Housing Credits (HC) | Development Category/Type: New Construction / Garden Apartments |

1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 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 December 9, 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 March 24, 2017, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On March 31, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- e) Staff received requests from the Borrower to remove two principals from one of the co-developers, Judd Roth Real Estate Development, Inc., which includes Selma Roth, as a shareholder ([Exhibit C](#)) and Penny Roth, as an officer ([Exhibit D](#)). In addition, Staff received a request from the Borrower to admit two members, Deion Lowery and Ed Haddock, Jr., to another one of the co-developers, DSRG Development, LLC ([Exhibit E](#)). 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. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. Staff has reviewed this request and finds that the development meets all the requirements of RFA 2016-109.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the changes to the structure of the co-developers and direct staff to proceed with closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY PROGRAMS

Consent

VI. MULTIFAMILY PROGRAMS

A. Request Approval to Change Financing Structure for Promise in Brevard (2015-002CSG)

| | |
|---|--|
| Development Name: Promise in Brevard (“Development”) | Location: Brevard County |
| Applicant/Borrower: Promise in Brevard, LLC | Set-Asides: 25% @ 35% AMI and 75% @ 60% AMI |
| Developers/Principals: Promise in Brevard Development, LLC; Royal American Development, Inc. | Demographic/Number of Units: Family/52 |
| Requested Amounts: SAIL \$2,000,000, Grant \$2,000,000, 9% HC \$1,300,000 | Development Category/Type: New Construction/Garden Apartments |

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. On December 23, 2014, staff issued an invitation to enter credit underwriting to the Applicant. On January 21, 2016, the Board approved the final credit underwriting report, and directed staff to proceed with issuance of a firm commitment and closing activities. On February 1, 2016, staff issued a firm commitment letter to the Applicant. On March 31, 2016, all due diligence items were received and closing occurred.
- c) On June 16, 2017, the Board approved a request to change the financing structure and place additional subordinate debt on Promise in Brevard. The additional debt consisted of Affordable Housing Program (AHP) funds from Federal Home Loan Bank (FHLB) in an amount not to exceed \$1,170,000, and Horizon Keystone Financial funds in the amount of \$250,000.
- d) On November 20, 2017, the Borrower submitted a request to change the financing structure by temporarily increasing the first mortgage debt on Promise in Brevard. The first mortgage, Citibank, N.A. (Citi), has agreed to temporarily increase the construction loan by \$1,170,000 since the AHP loan is not anticipated to close until the end of the first quarter of 2018. This temporary increase will allow the Borrower to complete construction and move forward with leasing the units. Upon closing of the AHP funds, the proceeds will be applied toward the Citi construction loan thereby reducing the balance to its original level. As neither the Citi temporary loan increase nor the AHP loan would be closed until mid to late first quarter of 2018, a current Board member of Promise, Inc. provided an unsecured loan in the amount of \$1,000,000 in order to facilitate the continued construction of the development. Upon closing of the Citi temporary loan increase, the Board member loan will be paid back. Correspondingly, when the AHP loan closes the proceeds will be used to pay back the Citi temporary loan increase.

MULTIFAMILY PROGRAMS

Consent

- e) On January 8, 2018, staff received a positive recommendation for the financing structure change and increase of the first mortgage debt ([Exhibit A](#)). Staff has reviewed this recommendation and finds that the development meets all of the requirements of the RFA.

2. **Recommendation**

- a) Approve the financing structure change, increase first mortgage, and direct staff to amend the loan closing documents, as applicable.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VII. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of Credit Underwriting Report for New Beginnings Housing, Inc., a not-for-profit entity, for Clermont Ridge Senior Villas (2017-010P-09)

| | |
|---|-------------------------------------|
| DEVELOPMENT NAME (“Development”): | Clermont Ridge Senior Villas |
| APPLICANT/DEVELOPER (“Developer”): | New Beginnings Housing, Inc. |
| CO-DEVELOPER: | N/A |
| NUMBER OF UNITS: | 70 Rental |
| LOCATION (“County”): | Lake |
| TYPE: | Elderly |
| MINIMUM SET ASIDE: | 20% @ 50% AMI |
| PLP LOAN AMOUNT: | \$550,000 |
| ADDITIONAL COMMENTS: Original PLP loan approval was for \$750,000. The loan amount has been reduced by the credit underwriter. | |

1. Background

- a) On August 8, 2017, Florida Housing issued an Invitation to Participate in the PLP to the Developer.
- b) On September 22, 2017, the Board approved a PLP loan and allowed staff to assign the acquisition portion of the loan to a credit underwriter.

2. Present Situation

- a) On December 29, 2017, staff received a credit underwriting report ([Exhibit A](#)) recommending a PLP loan in the amount of \$550,000. The original loan amount for this development recommended to and approved by the Board was for \$750,000. However, during the credit underwriting process, the loan amount was reduced due to requirements from an existing first mortgage and the value of the subject property as detailed in the credit underwriting report. Under the reduced loan amount, \$500,000 will be used for the land acquisition and \$50,000 will be used for soft costs. A revised PLP budget is included in the credit underwriting report.

3. Recommendation

- a) Approve the credit underwriting report for New Beginnings Housing, Inc. for Clermont Ridge Senior Villas with a revised loan amount of \$550,000 and allow staff to commence with the loan closing process on site acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

- B. Request Approval of PLP Loan for Dr. Alice Moore Apartments, LLLP (Carrfour Supportive Housing, Inc.), a not-for-profit entity, for Dr. Alice Moore Apartments (2017-013P-09)**

| | |
|---|--|
| DEVELOPMENT NAME (“Development”): | Dr. Alice Moore Apartments |
| APPLICANT/DEVELOPER (“Developer”): | Dr. Alice Moore Apartments, LLLP |
| CO-DEVELOPER: | N/A |
| NUMBER OF UNITS: | 36 |
| LOCATION (“County”): | Palm Beach County |
| TYPE: | Persons with Disabling Conditions |
| MINIMUM SET ASIDE: | 20% @ 50% AMI |
| PLP LOAN AMOUNT: | \$500,000 |
| ADDITIONAL COMMENTS: | |

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On November 17, 2017, the Developer submitted a PLP application for Dr. Alice Moore Apartments.
- c) On November 20, 2017, Florida Housing issued an Invitation to Participate in the PLP to the Developer.
- d) The Applicant has been awarded financing under RFA 2016-103 for construction and is currently in credit underwriting.

2. Present Situation

- a) On January 4, 2018, staff received a development plan and letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$500,000.
- 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 \$500,000 to Dr. Alice Moore Apartments, LLLP, for Dr. Alice Moore Apartments and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of PLP Loan for Carrfour Supportive Housing, Inc., a not-for-profit entity, for The Residences at Equality Park (2017-014P-09)

| | |
|---|--|
| DEVELOPMENT NAME (“Development”): | The Residences at Equality Park |
| APPLICANT/DEVELOPER (“Developer”): | Carrfour Supportive Housing |
| CO-DEVELOPER: | N/A |
| NUMBER OF UNITS: | 48 |
| LOCATION (“County”): | Broward County |
| TYPE: | Elderly Persons with Disabling Conditions |
| MINIMUM SET ASIDE: | 20% @ 50% AMI |
| PLP LOAN AMOUNT: | \$500,000 |
| ADDITIONAL COMMENTS: | |

1. **Background**

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On December 14, 2017, the Developer submitted a PLP application for The Residences at Equality Park.
- c) On December 18, 2017, Florida Housing issued an Invitation to Participate in the PLP to the Developer.
- d) The Applicant has been awarded financing under RFA 2016-103 for construction and is currently in credit underwriting.

2. **Present Situation**

- a) On January 4, 2018, staff received a development plan and letter ([Exhibit C](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$500,000.
- 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 \$500,000 to Carrfour Supportive Housing for The Residences at Equality Park and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of PLP Loan for Casa Familia, Inc., a not-for-profit entity, for Casa Familia (2017-011P-09)

| | |
|---|--|
| DEVELOPMENT NAME (“Development”): | Casa Familia |
| APPLICANT/DEVELOPER (“Developer”): | Casa Familia, Inc. |
| CO-DEVELOPER: | N/A |
| NUMBER OF UNITS: | 50 Rental |
| LOCATION (“County”): | Broward |
| TYPE: | Persons with Developmental Disabilities |
| MINIMUM SET ASIDE: | 20% @ 50% AMI |
| PLP LOAN AMOUNT: | \$750,000 |
| ADDITIONAL COMMENTS: | |

1. Background

a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.

b) On September 14, 2017, the Developer submitted a PLP application for Casa Familia.

c)

2. Present Situation

a) On January 4, 2018, staff received a development plan and a letter ([Exhibit D](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$750,000. The Developer is still considering multiple properties for this development. Two of the properties being considered would be donated land while one has a cost of \$250,000. The Developer is requesting \$250,000 of the overall \$750,000 loan for the site acquisition of this property. If the Developer receives one of the donated properties, the acquisition portion of the loan will be de-obligated. The site acquisition portion of the loan is required to be reviewed by an assigned credit underwriter.

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 \$750,000 to Casa Familia, Inc. for the Casa Familia Development and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$500,000 and assign the site acquisition portion of the loan to a credit underwriter.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VIII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Single Source Procurement for a Website Content Management System

1. Background

- a) In December 2016, Florida Housing issued an Invitation to Bid (ITB) to procure a website content management system (WCMS) to be used as a part of the Corporation's initiative to update the Florida Housing website. At the February 3, 2017 meeting, the Board authorized Florida Housing staff to enter into contract negotiations with Telerik, Inc., a subsidiary of Progress Software Corporation, to implement the Enterprise Edition of the Telerik Sitefinity software. Telerik, Inc., was the only firm to respond to the ITB, and the cost to implement the WCMS was \$45,000.

2. Present Situation

- a) The Sitefinity WCMS is proprietary software and may only be obtained from Telerik, Inc.
- b) Florida Housing has successfully implemented the WCMS, and would like to continue using the software. The cost to maintain the software for the upcoming year is estimated to be \$10,000.

3. Recommendation

- a) Authorize staff to enter into a one-year single source contract with Telerik, Inc., a subsidiary of Progress Software Corporation, to continue to provide the Sitefinity WCMS platform.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Firm Loan Commitment Issuance Extension for Ranch at Pinellas Park (2017-172S)

| | |
|---|---|
| Development Name: The Ranch at Pinellas Park | Location: Pinellas County |
| Applicant/Borrower: Pinellas Affordable Living, Inc. | Set-Aside(s): 20% @ 40% AMI & 80% @ 60% AMI |
| Developer/Principal: Pinellas Affordable Living, Inc.; Boley Centers, Inc. | Demographic/Number of Units: Persons with Special Needs/25 |
| Requested Amounts: SAIL \$3,890,189 ELI \$226,600 | Development Category/Type: New Construction/Garden |

1. Background/Present Situation

- a) On November 28, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-115 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs.
- b) On March 24, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 5, 2017, the Board approved the Final Order resolving all pending litigation pertaining to RFA 2016-115, allowing staff to proceed with all necessary credit underwriting activities.
- d) On May 9, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Pinellas Affordable Living, Inc., which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 12, 2017, giving them a firm loan commitment issuance deadline of February 12, 2018. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- e) On November 21, 2017, staff received a request from the Applicant to extend the February 12, 2018 firm loan commitment issuance deadline to August 13, 2018 ([Exhibit A](#)), which will allow additional time to complete the permitting process and complete the credit underwriting process. Staff has reviewed this request and finds that it meets all requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

- a) Approve the request to extend the firm loan commitment issuance deadline from February 12, 2018 to August 13, 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Firm Loan Commitment Issuance Extension for Veterans Landing (2017-173S)

| | |
|---|---|
| Development Name: Veterans Landing | Location: Duval County |
| Applicant/Borrower: Marlyn Behavioral Health Systems, Inc. dba Quality Resource Center | Set-Aside(s): 20% @ 33% AMI & 80% @ 60% AMI |
| Developer/Principal: Ability Housing, Inc. | Demographic/Number of Units: Persons with Special Needs/23 |
| Requested Amounts: SAIL \$3,807,000 ELI \$314,500 | Development Category/Type: New Construction/Garden |

1. Background/Present Situation

- a) On November 28, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-115 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs.
- b) On March 24, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 5, 2017, the Board approved the Final Order resolving all pending litigation pertaining to RFA 2016-115, allowing staff to proceed with all necessary credit underwriting activities.
- d) On May 9, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Marlyn Behavioral Health Systems, Inc. dba Quality Resource Center, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 16, 2017, giving them a firm loan commitment issuance deadline of February 16, 2018. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- e) On December 28, 2017, staff received a request from the Applicant to extend the February 16, 2018 firm loan commitment issuance deadline to August 16, 2018 ([Exhibit B](#)), which will allow additional time to complete design documents, execute the contract with the general contractor and complete the credit underwriting process. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the firm loan commitment issuance deadline from February 16, 2018 to August 16, 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Loan Closing Extension for Douglas Gardens V (2016-177BS)

| | |
|---|--|
| Development Name: Douglas Gardens V | Location: Broward County |
| Applicant/Borrower: Douglas Gardens V, Ltd. | Set-Aside(s): 10% @ 33% AMI & 90% @ 60% AMI |
| Developer/Principal: Douglas Gardens V Developer, LLC | Demographic/Number of Units: Elderly/110 |
| Requested Amounts: MMRB \$12,000,000 SAIL \$5,000,000 ELI \$781,900 Annual 4% HC \$852,662 | Development Category/Type: New Construction/Mid-Rise, 4 Stories |

1. Background/Present Situation

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for 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 Orders resolving all pending litigation pertaining to RFA 2015-112 allowing staff to proceed with all necessary credit underwriting activities.
- c) On March 21, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Douglas Gardens V, Ltd., with a closing deadline of March 21, 2017.
- d) On March 24, 2017, the Board approved a request to extend the loan closing deadline from March 21, 2017 to March 21, 2018.
- e) On July 28, 2017, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm commitment letter and closing activities.
- f) On August 1, 2017, staff issued a firm commitment letter to the Borrower which states that the loan must close within 180 calendar days of the date of the issuance of the firm commitment, giving them a closing deadline of January 29, 2018. Applicants may request a closing extension of up to 90 calendar days.
- g) On September 22, 2017, the Board approved a credit underwriting update letter with a positive recommendation for a different buyer of the Tax Exempt MMRB. Subsequently, the Borrower requested approval to change the financial structure due to tax issues associated with the buyer of the MMRB and the tax credit syndicator being related parties.
- h) On December 8, 2017, the Board approved a credit underwriting update letter with a positive recommendation for a change in the bond structure, a different buyer (related to the previously approved buyer) of the Tax Exempt MMRB.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- i) On January 8, 2018, staff received correspondence from the Borrower requesting an extension of the firm commitment closing deadline ([Exhibit C](#)). Closing is currently scheduled for January 16, 2018, however there are conditions beyond the Applicant's control that may prohibit closing to occur by the January 29, 2018 closing deadline. The extension is requested in an abundance of caution in the event that closing does not occur as scheduled on January 16, 2018 or prior to the January 29, 2018 deadline. Staff has reviewed this request and finds that it meets the requirements of the RFA.

2. **Recommendation**

- a) Approve the request to extend the firm commitment loan closing deadline by 90 days from January 29, 2018 to April 30, 2018, subject to payment of the required non-refundable extension fee of one-half of one percent of the SAIL and ELI loan amounts, pursuant to the requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Firm Loan Commitment Issuance Extension for The Addison (2017-251CS)

| | |
|---|--|
| Development Name: The Addison | Location: Manatee County |
| Applicant/Borrower: HTG Addison, LLC | Set-Aside(s): 10% @ 35% & 75% @ 60% AMI |
| Developer/Principal: HTG Addison Developer, LLC | Demographic/Number of Units: Family/90 |
| Requested Amounts: SAIL \$2,000,000 Annual 9% HC \$1,510,000 | Development Category/Type: New Construction/ Mid-Rise |

1. Background/Present Situation

- a) On February 22, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-102 for Housing Credit and SAIL Financing to Provide Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives.
- b) On May 5, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 25, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to HTG Addison, LLC, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 25, 2017, giving them a firm loan commitment issuance deadline of February 26, 2018. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On January 3, 2018, staff received a request from the Applicant to extend the February 26, 2018 firm loan commitment issuance deadline to August 26, 2018 ([Exhibit D](#)), which will allow additional time to finalize a GC contract, construction documents, and to complete the underwriting process. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the firm loan commitment issuance deadline from February 26, 2018 to August 26, 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval of Co-Developer Structure Change for Ozanam Village II (2016-274S)

| | |
|---|--|
| Development Name: Ozanam Village II | Location: Pasco County |
| Applicant/Borrower: St. Vincent de Paul South Pinellas, Inc. | Set-Aside(s): 25% @ 40% AMI & 75% @ 60% AMI |
| Developer/Principal: St. Vincent de Paul South Pinellas, Inc., and GHD Construction Services, Inc. | Demographic/Number of Units: Persons with Special Needs/ 30 |
| Requested Amounts: SAIL \$4,900,000, ELI \$100,000 | Development Category/Type: New Construction/Garden Apartments |

1. Background/Present Situation

- a) On September 8, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-109 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Person with Special Needs.
- b) On January 29, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. On February 8, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to St. Vincent de Paul South Pinellas, Inc., with a 12-month closing deadline of February 8, 2017.
- c) On December 9, 2016, the Board approved a loan closing deadline extension from February 8, 2017 to February 8, 2018. Per the RFA, Applicants may request one (1) extension of up to 12 months related to the loan closing. It is anticipated that the Applicant will file a Petition for Rule Waiver seeking approval for an additional loan closing deadline extension.
- d) On January 8, 2018, staff received a request from the Applicant for a structure change in the Co-Developer, GHD Construction Services, Inc. to be change to Ability Housing, Inc. ([Exhibit E](#)). 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. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.

2. Recommendation

- a) Approve the Co-Developer structure change as referenced above.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

F. Request Approval of Firm Loan Commitment Issuance Extension and Approval of Co-Developer Structure Change for Ozanam Village III (2017-169S)

| | |
|--|--|
| Development Name: Ozanam Village III | Location: Pasco County |
| Applicant/Borrower: Society of St. Vincent de Paul South Pinellas, Inc. | Set-Aside(s): 20% @ 40% AMI & 80% @ 60% AMI |
| Developer/Principal: Society of St. Vincent de Paul South Pinellas, Inc.; GHD Construction Services, Inc. | Demographic/Number of Units: Persons with Special Needs/ 30 |
| Requested Amounts: SAIL \$5,000,000 | Development Category/Type: New Construction/Garden Apartments |

1. Background/Present Situation

- a) On November 28, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-115 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Person with Special Needs.
- b) On March 24, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 9, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Society of St. Vincent de Paul South Pinellas, Inc., which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting giving a deadline of February 12, 2018.
- d) On January 8, 2018, staff received a request from the Applicant for a structure change in the Co-Developer, GHD Construction Services, Inc. to be change to Ability Housing, Inc. ([Exhibit F](#)). 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. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.
- e) On January 8, 2018, staff received a request from the Applicant to extend the February 12, 2018 firm loan commitment issuance deadline to August 12, 2018 ([Exhibit F](#)), due to the need to obtain a new co-developer and general contractor after numerous delays. Staff has reviewed this request and finds that it meets all requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

- a) Approve the request to extend the firm loan commitment issuance deadline from February 12, 2018 to August 12, 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 and approve Co-Developer structure change as referenced above.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

G. Request Approval of Transfer of General Partner Interest and Release of Guarantors in Northwest Gardens V, Ltd., a Florida Limited Partnership for Northwest Gardens V (RFA 2014-103/2014-322S/2013-537C)

| | |
|--|--|
| Development Name: Northwest Gardens V | Location: Broward County |
| Applicant/Borrower: Northwest Gardens V, Ltd. | Set-Aside(s): SAIL 10% @ 30% & 90% @ 60% AMI; HC 100% @ 60% AMI |
| Developer/Principal: Atlantic Pacific Communities, LLC and HEF-Dixie Court Development, LLC | Demographic/Number of Units: Elderly/200 |
| Allocated Amounts: SAIL \$4,960,000 ELI \$1,500,000 Annual 9% HC \$1,067,851 | Development Category/Type: New Construction/ Mid-Rise |

1. **Background**

- a) During the Request for Applications (RFA) 2014-103 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$4,960,000 and an Extremely Low-Income (“ELI”) loan in the amount of \$1,500,000 to Northwest Gardens V, Ltd., a Florida limited partnership, for the development of a 200-unit property located in Broward County. The loans closed on February 8, 2016. The Development also received a 2013 allocation of low-income housing tax credits of \$1,067,851.

2. **Present Situation**

- a) The Borrower requests approval to transfer the managing general partner (“GP”) interest from APC Northwest Properties V, LLC, a Florida limited liability company, to the Housing Authority of the City of Fort Lauderdale through HEF-700, Inc., the non-managing co-GP. HEF-700, Inc., will become the sole GP of the development.
- b) The Borrower also requests the release of the current guarantors and the substitution of HEF Guarantor, LLC, as the sole new guarantor, an affiliate of the Housing Authority.
- c) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit G](#)).

3. **Recommendation**

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

H. Request Approval of Credit Underwriting Report for Delmar Terrace (2015-158CS/2017-253CS/2017-285V)

| | |
|---|--|
| Development Name: Delmar Terrace | Location: Pinellas County |
| Applicant/Borrower: Delmar Terrace South, LLC | Set-Aside(s): 15% @ 40% AMI & 85% @ 60% AMI |
| Developer/Principal: Delmar Terrace Developers, LLC | Demographic/Number of Units: Homeless/65 |
| Requested Amounts: Viability Loan \$540,093, SAIL \$3,250,000, Annual HC \$1,660,000 | Development Category/Type: New Construction/High Rise |

1. Background/Present Situation

- a) On November 11, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-115 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties.
- b) On May 8, 2015, the Board approved the final scores and recommendations for RFA 2014-115 and directed staff to proceed with all necessary credit underwriting activities.
- c) On November 2, 2015, staff issued an at-risk opportunity to enter credit underwriting to Delmar Terrace South, LLC with a loan closing deadline of November 2, 2016.
- d) On September 16, 2016, the Board approved a request to extend the loan closing deadline from November 2, 2016 to November 2, 2017.
- e) On July 20, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-109 for Development Viability Loan Funding for Developments experiencing a significant reduction in Housing Credit equity as a result of changing market conditions.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- f) On September 22, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to Delmar Terrace South, LLC on October 3, 2017.
- g) On October 27, 2017, the Board approved a waiver to allow an additional loan closing extension from November 2, 2017 to January 31, 2018.
- h) On January 11, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit H](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. **Recommendation**

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

I. Request Approval of Credit Underwriting Report for Village on Mercy f/k/a Mercy Project (2016-327CS/2017-300CS//2017-287V)

| | |
|---|---|
| Development Name: Village on Mercy f/k/a Mercy Project | Location: Orange County |
| Applicant/Borrower: Ability Mercy, LLC | Set-Aside(s): 15% @ 40% AMI & 85% @ 60% AMI |
| Developer/Principal: Ability Housing, Inc. (f/k/a Ability Housing of Northeast Florida, Inc.) | Demographic/Number of Units: Homeless/166 |
| Requested Amounts: Viability Loan \$1,335,205 SAIL \$5,000,000 Annual HC \$2,110,000 | Development Category/Type: New Construction/Garden |

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 Ability Mercy, LLC with a loan closing deadline of July 1, 2017.
- d) On July 16, 2017, the Board approved a request to extend the loan closing deadline from July 1, 2017 to July 1, 2018.
- e) On July 20, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-109 for Development Viability Loan Funding for Developments experiencing a significant reduction in Housing Credit equity as a result of changing market conditions.
- f) On September 22, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to Ability Mercy, LLC on October 3, 2017.
- g) On January 11, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit I](#)). Staff has reviewed this report and finds it meets all requirements of the RFA.

2. Recommendation

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

SPECIAL ASSETS

Consent

X. SPECIAL ASSETS

- A. **Request Approval of the Refinance of the First Mortgage, Transfer of Ownership, Assumption of TCEP Documents, and Release of Guarantors for The Portland Apartments, Ltd., a Florida Limited Partnership, for The Portland Apartments (RFP 2009-04/2010-009X/2009-263X)**

| | |
|--|---|
| Development Name: The Portland Apartments (“Development”) | Location: Pinellas County |
| Developer/Principal: MSP Developments (“Developer”); The Portland Apartments, Ltd. (“Borrower”) | Set-Aside: TCEP 10% @ 35%, 90% @ 60% AMI; TCEP 50 years; |
| Number of Units: 68 | Allocated Amount: TCEP \$14,110,000 |
| Demographics: Family | Servicer: Seltzer Management Group |

1. Background

- a) During the 2009 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a Tax Credit Exchange Program (“TCEP”) loan in the original amount of \$14,110,000 to The Portland Apartments, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 68-unit development in Pinellas County, Florida. The TCEP loan closed on July 30, 2010, and matures on October 28, 2026.

2. Present Situation

- a) The Borrower requests approval to transfer the ownership of the Development from The Portland Apartments, Ltd. to The Portland Property LLC (“Buyer”).
- b) The Borrower also requests the release of the Developer, its affiliates and principals, as current guarantors, and the substitution of The Portland Property, LLC and Benjamin Mallah, as the replacement guarantors.
- c) The Buyer requests consent from the Board to refinance the existing first mortgage, and assume and subordinate the TCEP documents and the Low-Income Housing Tax Credit Extended Use Agreement (“EUA”) to the new first mortgage.
- d) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, assumption and subordination of the TCEP documents and EUA, transfer of ownership, and the release and substitution of the guarantors.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the refinance of the first mortgage, assumption and subordination of the TCEP documents and EUA to the new first mortgage, transfer of ownership, and the release and substitution of guarantors, subject to the conditions provided 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

B. Request Approval of the Restructure of the First Mortgage, Transfer of Ownership, Assumption of the SAIL Loan, and Release of Guarantors for Avalon Reserve, Ltd., a Florida Limited Partnership, for Avalon Reserve Apartments (MR2003R1&2/2002-151BS/2003-516C)

| | |
|--|---|
| Development Name: Avalon Reserve Apartments (“Development”) | Location: Orange County |
| Developer/Principal: Banyan Realty Advisors, LLC (“Developer”); Avalon Reserve, Ltd. (“Borrower”) | Set-Aside: MMRB 4% @30%; 81% @60%; SAIL 4% @30%, 96% @60%; HC 100% @60% AMI; MMRB LURA 50 years; SAIL LURA 50 years; EUA 50 years; |
| Number of Units: 300 | Allocated Amount: MMRB \$15,970,000; SAIL \$1,447,600; HC \$750,672 |
| Demographics: Family | Servicer: Seltzer Management Group |

1. Background

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$15,000,000, and FHFC taxable bonds in the original amount of \$970,000 to Avalon Reserve, Ltd., a Florida limited partnership (“Borrower”), for the development of a 300-unit apartment complex in Orange County, Florida.
- b) The Borrower received a State Apartment Incentive Loan (“SAIL”) in the amount of \$1,447,600. The loan closed on October 2, 2003, and matures on October 31, 2036. The Development also received a 2003 allocation of low-income housing tax credits (“HC”) of \$750,672.

2. Present Situation

- a) The Borrower requests approval to transfer the ownership of the Development from Avalon Reserve, Ltd. to SPT Dolphin Avalon Reserve LLC (“Buyer” or “Starwood”), an affiliate of Starwood Property Trust, Inc.
- b) The Borrower also requests the release of the Developer, its affiliates and principals, as current guarantors, and the substitution of Starwood and principals, as the replacement guarantors.
- c) The Buyer requests consent from the Board to restructure the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage from Florida Housing thereby redeeming the underlying bonds.
- d) The Buyer also requests consent from the Board to assume and subordinate the SAIL loan, the MMRB and SAIL Land Use Restriction Agreements (“LURAs”), and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The Buyer also agrees to make a principal payment in the amount of \$723,800, and all outstanding accrued SAIL interest.

SPECIAL ASSETS

Consent

- e) Staff received a credit underwriting report ([Exhibit B](#)) from Seltzer Management Group with a positive recommendation for approval of the restructure of the first mortgage, assumption and subordination of the SAIL loan, the MMRB and SAIL LURAs, and the ELIHA, transfer of ownership, and the release and substitution of the guarantors.

3. **Recommendation**

- a) Approve the restructure of the first mortgage, assumption and subordination of the SAIL loan, the MMRB and SAIL LURAs, and the ELIHA to the new first mortgage, transfer of ownership, and the release and substitution of guarantors, subject to the conditions provided 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 of the Restructure of the First Mortgage, Transfer of Ownership, Assumption of SAIL Loan, and Release of Guarantors for Osprey Ridge Apartments, Ltd., a Florida Limited Partnership, for Osprey Ridge Apartments (2000-058S/2000-549C)

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|---|--|
| Development Name: Osprey Ridge Apartments (“Development”) | Location: Lake County |
| Developer/Principal: Banyan Realty Advisors, LLC (“Developer”)/ Osprey Ridge Apartments, Ltd. (“Borrower”) | Set-Aside: SAIL 98.86% @ 60%; HC 100% @ 60% AMI LURA 50 years; EUA 50 years |
| Number of Units: 176 | Allocated Amount: SAIL \$1,808,000; HC \$663,584 |
| Demographics: Large Family | Servicer: First Housing Development Corporation |

1. Background

- a) During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a \$1,808,000 State Apartment Incentive Loan (“SAIL”) to Osprey Ridge Apartments, Ltd., a Florida limited partnership (“Borrower”), for the development of a 176-unit apartment complex in Lake County, Florida. The SAIL loan closed on July 3, 2001, and matures on June 30, 2032. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$663,584.

2. Present Situation

- a) The Borrower requests approval to transfer the ownership of the Development from Osprey Ridge Apartments, Ltd. to SPT Dolphin Osprey Ridge LLC (“Buyer” or “Starwood”), an affiliate of Starwood Property Trust, Inc.
- b) The Borrower also requests the release of the Developer, its affiliates and principals, as current guarantors, and the substitution of Starwood and principals, as the replacement guarantors.
- c) The Buyer requests consent from the Board to restructure the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage from the county thereby redeeming the underlying bonds.
- d) The Buyer also requests consent from the Board to assume and subordinate the SAIL loan, the SAIL Land Use Restriction Agreement (“LURA”), and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The Buyer also agrees to make a principal payment in the amount of \$904,000, and all outstanding accrued SAIL interest.
- e) Staff received a credit underwriting report ([Exhibit C](#)) from Seltzer Management Group with a positive recommendation for approval of the restructure of the first mortgage, assumption and subordination of the SAIL loan, the SAIL LURA, and the ELIHA, transfer of ownership, and the release and substitution of the guarantors.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the restructure of the first mortgage, assumption and subordination of the SAIL loan, the SAIL LURA, and the ELIHA to the new first mortgage, transfer of ownership, and the release and substitution of guarantors, subject to the conditions provided 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

D. Request Approval of the Restructure of the First Mortgage, Transfer of Ownership, Assumption of the SAIL Loan, and Release of Guarantors for West Pointe Villas, Ltd., a Florida Limited Partnership, for West Pointe Villas Apartments (2000-059S/2000-523C)

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|--|---|
| Development Name: West Pointe Villas Apartments (“Development”) | Location: Orange County |
| Developer/Principal: Banyan Realty Advisors, LLC (“Developer”)/ West Pointe Villas, Ltd. (“Borrower”) | Set-Aside: SAIL 99.306% @ 60%; HC 100% @ 60% AMI LURA 50 years; EUA 50 years |
| Number of Units: 288 | Allocated Amount: SAIL \$2,500,000; HC \$987,998 |
| Demographics: Family | Servicer: Seltzer Management Group, Inc. |

1. Background

- a) During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a \$2,500,000 State Apartment Incentive Loan (“SAIL”) to West Pointe Villas, Ltd., a Florida limited partnership (“Borrower”), for the development of a 288-unit apartment complex in Orange County, Florida. The SAIL loan closed on August 7, 2001, and matures on October 15, 2032. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$987,998.

2. Present Situation

- a) The Borrower requests approval to transfer the ownership of the Development from West Pointe Villas, Ltd. to SPT West Pointe LLC (“Buyer” or “Starwood”), an affiliate of Starwood Property Trust, Inc.
- b) The Borrower also requests the release of the Developer, its affiliates and principals, as current guarantors, and the substitution of Starwood and principals, as the replacement guarantors.
- c) The Buyer requests consent from the Board to restructure the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage from the county thereby redeeming the underlying bonds.
- d) The Buyer also requests consent from the Board to assume and subordinate the SAIL loan, the SAIL Land Use Restriction Agreement (“LURA”), and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The Buyer also agrees to make a principal payment in the amount of \$1,250,000, and all outstanding accrued SAIL interest.
- e) Staff received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group with a positive recommendation for approval of the restructure of the first mortgage, assumption and subordination of the SAIL loan, the SAIL LURA, and the ELIHA, transfer of ownership, and the release and substitution of the guarantors.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the restructure of the first mortgage, assumption and subordination of the SAIL loan, the SAIL LURA, and the ELIHA to the new first mortgage, transfer of ownership, and the release and substitution of guarantors, subject to the conditions provided 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

E. Request Approval of Farmworker Demographic Waiver for Mira Verde (97HR-006/97L-067)

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| Development Name: Mira Verde (“Development”) | Location: Hendry County |
| Developer/Principal: Richman Group (“Developer”); Mira Verde Limited Partnership (“Borrower”) | Set-Aside: HOME 26% @ 50%, 74% @ 60% AMI; HC 15% @ 35% & 85% @ 60% AMI LURA & EUA: 51 years |
| Number of Units: 140 | Allocated Amount: HOME \$1,360,000; HC \$975,000 |
| Demographics: Farmworker/Family | Servicer: First Housing Development Corporation |

1. Background

- a) During the 1997 funding cycle, Florida Housing Finance Corporation awarded a \$1,360,000 Home Investment Partnership Program Loan (“HOME”) to Mira Verde Limited Partnership, a Florida limited partnership (“Borrower”), for the construction of a 140-unit development in Hendry County. The HOME loan closed on December 17, 1997. At the December 2017 Board meeting approval was granted to extend HOME loan maturity one year to December 17, 2018 to allow time for refinancing of the development. An extension of the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding one year to the current 50 years) was also approved. The Development also received a 1997 allocation of low-income housing tax credits (“HC”) of \$975,000.
- b) On June 23, 2000, Florida Housing’s Board approved a permanent reduction of Farmworker set-asides to 60% of total units (reflected in the First LURA Amendment). On February 1, 2013, the Board approved a temporary three-year reduction of Farmworker set-asides from 60% to 0% (reflected in the Second LURA Amendment). The temporary reduction expired as of February 1, 2016 with Farmworker set-asides of 60% (84 units) resuming thereafter.

2. Present Situation

- a) On April 27, 2017, staff received a letter from the Developer requesting approval for the temporary relief of Farmworker set-aside restrictions from 60% to 0%. Management will continue to ensure Farmworkers receive priority for housing as noted in the LURA Amendments. The Developer states that the continued decline in the demand for Farmworker labor directly correlates to the continued Farmworker unit vacancy rates. The Developer also states, as of April 2017, that other various supporting Farmworker agencies, such as the Migrant Head Start Program, have seen a 50% decrease as many farmers communicated in advance the lack of available work for the upcoming harvests.
- b) The Developer referenced a 2009 market study conducted by John Wall & Associates for Greentree South Farm Labor Housing in LaBelle, FL that concluded the decline in the demand for Farmworker housing was due to the numerous agricultural businesses closing or relocating with numerous citrus jobs that no longer existed.
- c) Due to the devastating impact of Hurricane Irma on September 10, 2017, the surrounding Hendry County area crops are expected to experience further

SPECIAL ASSETS

Consent

declines in demand for farmworker labor. The impacts include the lack of crops available for harvesting and significant increases in the deadly greening disease of citrus trees. Farmers in Hendry County and the immediate areas have reported losses of 100% of crops and sales across the berry, vegetable, and citrus sectors with significant repairs needed to land, structures, and equipment.

- d) The property manager provided staff with the marketing efforts undertaken since the last waiver was approved. To boost Farmworker occupancy levels, Management has implemented a referral incentive. The referral incentive includes a \$50 discount to the existing tenant while waiving all application fees for the referred prospect. Management has also implemented a bi-weekly outreach of visiting local farmers and farm-working agencies. Monthly advertisements are published nationwide, as well as routine updates to various social media outlets and the development's main website.
- e) Staff 's analysis shows a continued temporary Farmworker set-aside waiver for three years is warranted due to the hurricane effects on the local farming community and the time it will take the industry to reestablish itself.

3. Recommendation

- a) Approve the temporary Farmworker waiver request for a period of three years, and for the development to meet the following requirements: 1) Continue to ensure farmworkers receive priority for housing during the waiver period; and 2) Add to advertising marketing efforts if opportunities are available; and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

F. Request Approval of Farmworker Demographic Waiver for New Hope Villas of Seville (1999-072S)

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| Development Name: New Hope Villas of Seville (“Development”) | Location: Volusia County |
| Developer/Principal: Florida Non-Profit Housing, Inc. (“Developer”); Seville Farm Family Housing Association, Inc. (“Borrower”) | Set-Aside: SAIL 83% @ 50% AMI; LURA: 51 years |
| Number of Units: 61 (10 market rate) | Allocated Amount: SAIL \$2,877,785 |
| Demographics: Farmworker/Family | Servicer: Seltzer Management Group Inc. |

1. Background

- a) During the 1998/1999 State Apartment Incentive Loan (“SAIL”) Cycle XI, Florida Housing awarded a \$2,877,785 SAIL construction/permanent loan to Seville Farm Family Housing Association, Inc., a Florida not-for-profit corporation (“Borrower”), for the development of a 61-unit development in Volusia County. The SAIL loan closed on June 29, 2000, and will mature on June 1, 2033 (co-terminus with the first mortgage issued by the United States Department of Agriculture/Rural Development (“USDA RD”)).
- b) On June 19, 2015, Florida Housing’s Board approved a temporary relief of Farmworker demographic set-aside requirements from 83% to 50% (51 units to 31 units) for a 2-year period (expiring 6/30/2017). The diminished demand for Farmworker housing in the immediate area had resulted in higher than projected vacancies over significantly longer periods impacting the development’s overall financial viability. The approved set-aside modifications were reflected in the Second Amendment to the Land Use Restriction Agreement (“LURA”).

2. Present Situation

- a) Staff received a letter from the Developer requesting to continue the temporary relief of Farmworker demographic set-aside requirements at 50% for an additional two (2) years, or permanently. Management will continue to ensure Farmworkers receive priority for housing, per USDA RD requirements. New Hope Villas of Seville has been operating for 16 years and has consistently had vacant units available due to the lack of demand for farmworker units. As of the date of the request letter, 89% of the vacant units were farmworker units (8 of 9 vacant units). The Developer states that the continued high vacancy of Farmworker housing due to the diminished demands for Farmworker labor will further adversely impact the rental income resulting in severe financial hardship for the development if the waiver is not approved.

SPECIAL ASSETS

Consent

- b) Due to the devastating impact of Hurricane Irma on September 10, 2017, the surrounding area crops & fergeries are expected to experience further declines in demand for farmworker labor. The impacts include the lack of crops available for harvesting (which typically begin in mid-October) and significant increases in the deadly greening disease of citrus trees. Farmers have reported losses of 50% - 100% of sales in the cut foliage & fergeries industry with significant repairs needed.
- c) The property manager provided staff with the marketing efforts undertaken since the last waiver was approved. To boost occupancy levels, tenant referral incentives have continued (one free month for every referral), as well as rent specials published weekly in the local newspaper. Semi-annual outreach letters are mailed to eleven surrounding farm businesses within 45 miles of the development requesting they refer employees to New Hope Villas of Seville.
- d) Staff 's analysis shows a continued temporary Farmworker set-aside waiver for three years is warranted due to the hurricane effects on the local farming community and the time it will take the industry to reestablish itself.

3. Recommendation

- a) Approve the temporary Farmworker waiver request for a period of three (3) years from the 83% Farmworker demographic set-aside requirement, and for the development to meet the following requirements: 1) Maintain a set-aside of 50% of the units (31 units) for Farmworker households; 2) Maintain the income set-aside of 83% of the units for households with incomes at or below 50% AMI; 3) Continue to ensure farmworkers receive priority for housing during the waiver period; 4) Add to advertising marketing efforts if opportunities are available; and direct staff to proceed with loan document modification activities as needed.