

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
June 15, 2018
Consent Items



DEMONSTRATION LOANS

Consent

I. DEMONSTRATION LOANS

A. Request Approval of RFA Waiver for Emergency Services and Homeless Coalition of St. Johns County, Inc., a not-for-profit entity, for Hope for the Homeless (2016-404D)

DEVELOPMENT NAME (“Development”):	Hope for the Homeless
APPLICANT/DEVELOPER (“Developer”):	Emergency Services and Homeless Coalition of St. Johns County, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	2
LOCATION (“County”):	St. Johns
TYPE:	Homeless
SET ASIDE:	100% for Homeless
FUNDING AMOUNT:	\$485,262

1. Background

- a) On February 3, 2017, the Board preliminarily approved funding to Emergency Services and Homeless Coalition of St. Johns County, Inc. in an amount not to exceed \$600,000 for Hope for the Homeless under RFA 2016-106.
- b) On July 15, 2017, staff approved the development plan submitted by the assigned technical assistance provider.
- c) On December 8, 2017, the Board approved the credit underwriting report with a recommended loan amount of \$485,262.
- d) On April 12, 2018, the loan closed.

2. Present Situation

- a) On May 21, 2018, staff received a request ([Exhibit A](#)) from the Developer requesting a waiver of a requirement in RFA 2016-106 that requires an Umbrella insurance policy for \$2 million in coverage on the development during construction in accordance with the standards in the Florida Housing Finance Corporation Insurance Guide (dated August 30, 2016). The developer will be required to comply with Florida Housing’s \$1 million per occurrence/\$2 million aggregate general liability insurance requirement for the development.
- b) The basis for the request is that the aforementioned requirement is designed to address larger (up to 4 stories) multifamily properties typically funded by Florida Housing. In the case of this development, the construction consists of two single family style homes to be built by a general contractor.
- c) Staff believes that the RFA waiver request is appropriate because the Umbrella policy portion of the insurance on the development is in excess of necessary coverage for two single family homes.

DEMONSTRATION LOANS

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3. Recommendation

- a) Approve the Developer's request for an RFA waiver of the Umbrella policy coverage for \$2 million as required in the Florida Housing Finance Corporation Insurance Guide.

ELDERLY HOUSING COMMUNITY LOAN (EHCL)

Consent

II. ELDERLY HOUSING COMMUNITY LOAN (EHCL)

A. Request Approval of Loan Closing Extension for Oak Park (2016-314E)

Development Name: Oak Park	Location: Alachua County
Applicant/Borrower: Gainesville Housing Development and Management Corporation	Set-Aside: 20% @ 50% AMI & 80% @ 60% AMI
Developer/Principal: Gainesville Housing Development and Management Corporation/Gainesville Housing Authority	Demographic/Number of Units: Elderly/101
Requested Amounts: EHCL \$630,000	Development Category/Type: Rehabilitation/Mid- Rise (5-6 stories)

1. Background/Present Situation

- a) On December 18, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-114 for Elderly Housing Community Loan (EHCL) funding to be used to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older.
- b) On March 18, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 24, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Gainesville Housing Development and Management Corporation, with a loan closing deadline of March 24, 2017.
- d) On February 3, 2017, the Board approved a request to extend the loan closing deadline from March 24, 2017 to March 24, 2018.
- e) On March 16, 2018, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm commitment letter and closing activities. The Board also approved a waiver to extend the closing deadline of the invitation to enter credit underwriting from March 24, 2018 to March 24, 2019.
- f) On March 19, 2018, staff issued a firm commitment letter to the Borrower which states that the loan must close within 120 calendar days of the date of the issuance of the firm commitment, giving them a closing deadline of July 17, 2018. Applicants may request a closing extension of up to 90 calendar days.
- g) On May 23, 2018, staff received correspondence from the Borrower requesting an extension of the firm commitment loan closing deadline ([Exhibit A](#)). The Borrower is always requesting an RFA waiver for an Applicant entity change which is referenced in the item below. If the RFA waiver for the Applicant entity change is denied, the loan closing extension will allow additional time for the Borrower to consult with HUD and determine how to proceed to close the loan. Staff has reviewed this request and finds that the development meets the requirements of the RFA.

ELDERLY HOUSING COMMUNITY LOAN (EHCL)

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2. Recommendation

- a) Approve the request to extend the firm commitment loan closing deadline from July 17, 2018 to October 17, 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.

ELDERLY HOUSING COMMUNITY LOAN (EHCL)

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B. Request Approval of RFA Waiver for Change of Applicant Entity and Subordination for Oak Park (2016-314E)

Development Name: Oak Park	Location: Alachua County
Applicant/Borrower: Gainesville Housing Development and Management Corporation	Set-Aside: 20% @ 50% AMI & 80% @ 60% AMI
Developer/Principal: Gainesville Housing Development and Management Corporation/Gainesville Housing Authority	Demographic/Number of Units: Elderly/101
Requested Amounts: EHCL \$630,000	Development Category/Type: Rehabilitation/Mid- Rise (5-6 stories)

1. Background/Present Situation

- a) On December 18, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-114 for Elderly Housing Community Loan (EHCL) funding to be used to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older.
- b) On March 18, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 24, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Gainesville Housing Development and Management Corporation (GHDMC), with a loan closing deadline of March 24, 2017.
- d) On February 3, 2017, the Board approved a request to extend the loan closing deadline from March 24, 2017 to March 24, 2018.
- e) On March 16, 2018, the Board approved the credit underwriting report and a firm commitment letter was issued on March 19, 2018.
- f) On May 14, 2018 staff received a request for approval of an Applicant Change from GHDMC to the Gainesville Housing Authority (GHA) and a change to the Board of Directors members of GHA ([Exhibit B](#)). GHDMC is an instrumentality of GHA and both are non-profit corporations with the same Board of Directors. The Development is owned by GHA and is encumbered by two U.S. Housing and Urban Development (HUD) Declarations of Trust (DOTs) which would require a transfer of the real property to GHDMC to close on the EHCL loan. The requested change of Applicant Entity to GHA will have no impact on the EHCL loan or the Development and will allow for the closing of the EHCL to proceed more efficiently without the burden of transferring the Development. The changes to the Board of Directors members of GHA are due to normal procedural changes for the nonprofit Board of Director members. The Board of Director changes are for an individual director and have no direct ownership in the Development. The RFA states that Applicant Entity shall be the borrowing entity for the EHCL loan and cannot be changed in any way until after the EHCL loan closing. Therefore, the change of the Applicant Entity and the Board of Directors require an RFA waiver. The HUD DOTs are required by

ELDERLY HOUSING COMMUNITY LOAN (EHCL)

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HUD to remain in senior priority and therefore the Borrower has requested that the EHCL loan be subordinate to the DOT's.

2. Recommendation

- a) Approve the request for RFA waiver for change of Applicant Entity and request for subordination.

HOUSING CREDITS

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III. HOUSING CREDITS

A. Request Approval of RFA Waiver to Change Development Construction Type for Brownsville Manor (RFA 2015-106/2016-093C/2018-067C)

Development Name: Brownsville Manor	Location: Escambia
Applicant/Borrower: Brownsville Manor, LP	Set Aside(s): 10% @ 35% AMI and 90% @ 60% AMI
Developer/Principal: The Paces Foundation, Inc	Demographic/Number of units: Elderly/88
Requested Amounts: \$1,510,000 Housing Credits	Development Category/Type: New Construction / Mid-Rise 4 stories

1. Background/Present Situation

- a) Brownsville Manor (RFA 2015-106/2016-093C/2018-067C) is a Competitive Housing Credit, New Construction Development providing 88 set-aside units in Escambia County, Florida.
- b) The Applicant applied for competitive housing credits under RFA 2015-106. On January 29, 2016, Florida Housing staff reviewed, scored, and ranked all applications based on criteria set out in the RFA. The Applicant was found to be eligible but was not selected for funding. In February 2016, several unsuccessful Applicants challenged RFA 2015-106 recommendations for funding, at which time the Brownsville Manor's application was called into question.
- c) All of the issues went before Administrative Law Judge ("ALJ") D.R. Alexander with the Division of Administrative Hearings on March 23, 2016 and on April 19, 2016 a Recommended Order was entered deeming the Brownsville Manor application ineligible. On May 6, 2016, Florida Housing issued a Final Order that adopted the Recommended Order's Findings of Fact, Conclusions of Law, and the Recommendation.
- d) On June 6, 2016, the Applicant filed a Notice of Appeal with the First District Court of Appeal ("First DCA") to challenge the Final Order. On August 21, 2017, the First DCA issued its Opinion, reversing and remanding the Final Order and on September 13, 2017, the First District Court of Appeal entered a Mandate commanding Florida Housing to comply with the Opinion and reinstate Brownsville's eligibility for funding.
- e) On December 7, 2017, the Board entered an Amended Final Order reestablishing the Applicant's eligibility for funding and selected the Applicant for funding pursuant to the RFA. Subsequently, the Applicant was invited to enter credit underwriting on December 13, 2017 and was issued an allocation of \$1,510,000.00 in Housing Credits on March 13, 2018.

HOUSING CREDITS

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- f) On May 2, 2018, the Applicant submitted a request (provided as [Exhibit A](#)) for an RFA waiver to change the development construction type from concrete to wood. The length of time involved in the appeals process, which inevitably determined that Brownsville Manor's application was eligible for funding, resulted in an extensive amount of time passing before the Development could be invited into credit underwriting. More than two years lapsed between the application submittal date and the date of invitation to credit underwriting. Due to increases in construction costs over those two years, the development as proposed at application is no longer viable. The Applicant asserts that allowing them to switch to wood construction would lower their costs and make the Development financially feasible again.

2. **Recommendation**

- a) Approve the RFA Waiver to change the development construction type from concrete to wood with the stipulation that the Development will be held to the applicable Total Development Cost Per Unit.

HOUSING CREDITS

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B. Request Approval of RFA Waiver for Woodcliff Apartments (RFA 2016-116/2017-194C)

Development Name: Woodcliff Apartments	Location: Lake County
Applicant/Borrower: WCAR LTD	Set Aside(s): 20% @ 40% AMI and 80% @ 60% AMI
Developer/Principal: Flynn Development Corporation	Demographic/Number of units: Elderly Non- ALF / 34
Requested Amounts: \$296,071 Housing Credits	Development Category/Type: Preservation /Garden

1. Background/Present Situation

- a) Woodcliff Apartments (RFA 2016-116/2017-194C) is a Competitive Housing Credit, Preservation Development providing 34 set-aside units in Lake County, Florida. The Applicant was invited to enter credit underwriting on June 19, 2017. Subsequently, Florida Housing issued an allocation of \$296,071 in Housing Credits in September of 2017.
- b) RFA 2016-116 requires Applicants to set aside 25 percent of the development's extremely low income (ELI) units as Link units for Persons with Special Needs and develop and execute a Link Memorandum of Understanding with at least one of the Special Needs Household Referral Agencies, which would refer the Persons with Special Needs households to apply for these specific units.
- c) Woodcliff Apartments receives subsidy from Rural Development under the RHS (Rural Housing Service) Section 515 Program. Under RHS 515 regulations, properties cannot establish preferences for persons with special needs.
- d) The Applicant has submitted a letter ([Exhibit B](#)) requesting a waiver from the RFA requirement for the Persons with Special Needs set-aside units and the Memorandum of Understanding. As stated in their letter, even if this requirement is waived, the development will still serve elderly households of which many are special needs households. However, they are prohibited by the U.S. Department of Agriculture from establishing preferences for the wait list and tenant selection criteria.

2. Recommendation

- a) Approve the request to waive the requirements of RFA 2016-116 to set aside 25 percent of the development's extremely low income (ELI) units as Link units for Persons with Special Needs, and to develop and execute a Memorandum of Understanding with a Special Needs Household Referral Agency.

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IV. LEGAL

A. In re: Resolutions 2018-012 and 2018-013; Signature Authority

1. Background

- a) During the ordinary course of business, situations arise wherein an authorized signature is needed by FHFC II, Inc., and FHFC III, Inc., on routine financial documents. 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 2018-012 ([Exhibit A](#)) and 2017-013 ([Exhibit B](#)) reflect changes in corporate structure, specifically by adding 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.

3. Recommendation

- a) Staff recommends that the Board adopt Resolutions 2018-012 and 2018-013 delegating signature authority and designating staff as described in the respective Resolutions.

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B. In re: SP Downs, LLC - FHFC Case No. 2018-032VW

Developer Name: (“Development”)	Delphin Downs
Developer/Principal: (“Developer”)	SP Downs, LLC
Number of Units: 72	Location: Escambia
Type: Midrise	Set Asides: 4% HC: 100% at 60% AMI SAIL: 10% at 40% AMI 10% at 60% AMI
Demographic: Family	Funding: SAIL: \$4,180,000 4% HC: \$500,000 ELI Gap: \$400,000

1. Background

- a) SP Downs, LLC. (“Petitioner”) successfully applied under Request for Applications 2016-109, for an award of SAIL funding to be used in conjunction with Florida Housing-Issued Non-Competitive Housing Credits and an ELI Loan to assist in the construction of a development serving families in Escambia County. On May 16, 2018, Florida Housing received a “Petition for Waiver or Variance of Rule 67-48.0072(21)(b)” (the Petition) to allow for an additional six (6) months to obtain Credit Underwriting report approval and issuance of a firm loan commitment. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code, provides:

(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial nine (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

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- b) Petitioner has previously requested and was granted a six-month extension of the deadline for credit underwriting and firm loan commitment. Petitioner reports that reduction in equity funding, as well as changes in market pricing that were exacerbated by increased construction costs affected the viability of the development. Florida Housing issued RFA 2018-109, Development Viability Loan funding, to provide additional funding to applicants with active awards. To be eligible for this additional funding, the applicant must not have received a final Credit Underwriting report. Petitioner could not achieve its final underwriting approval until it determined that additional viability funding would be received and finalized. Accordingly Petitioner requests a variance of the above Rule to allow for an additional six-month extension of the deadline for credit underwriting and firm loan commitment.
- c) On May 17, 2018, Notice of the Petition was published in the Florida Administrative register in Volume 44, Number 97. 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 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, and that it would otherwise suffer a substantial hardship.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code, to allow for a six-month extension of the deadline for credit underwriting and firm loan commitment.

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C. West River Phase 1A, LP v. Florida Housing Finance Corporation - FHFC Case No. 2018-034VW

Development Name: (“Development”):	West River Phase 1A
Developer/Principal: (“Developer”)	The Renaissance at West River (formerly Bethune Residences I at West River)
Number of Units: 160	Location: Hillsborough
Type: Midrise	Set Asides: 4% HC: 10% at 40% AMI 4% HC: 90% at 60 AMI SAIL: 10% at 40% AMI SAIL: 90% at 60% AMI
Demographics: Elderly, Family	Funding: SAIL: \$7,000,000 4%: HC \$1,411,259 ELI Gap: \$600,000

1. Background

- a) West River Phase 1A, LP. (“Petitioner”) successfully applied under Request for Applications 2016-109 for an award of SAIL funding to be used in conjunction with Florida Housing-Issued Non-Competitive Housing Credits and an ELI Loan to assist in the construction of a development serving families in Hillsborough County. On May 18, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b). Fla. Admin. Code, to allow for an additional 41 days to achieve Credit Underwriting report approval. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code, provides:

(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial nine (9) month deadline is approved. If, by the end of

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the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner has previously requested and was granted a six-month extension of the deadline for credit underwriting and paid the required fee per the Rule above. This extension requested additional time to submit the final permit package to the City of Tampa, receive final building plan approvals, receive the RAD commitment, and complete the underwriting process. However, Petitioner recently discovered a need for an architect to revise the foundation plans and for a contractor to modify the construction contract to accommodate recommendations contained in third party soil reports. These changes created will increase the Development's Construction Contract costs and increasing the time required for Credit Underwriting. Petitioner requests a waiver of the above Rule to allow for a 41-day extension of the Credit Underwriting report deadline, from July 5, 2018 to August 15, 2018.
- c) On May 21, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 99. 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 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, and that it would otherwise suffer substantial hardship.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code, to allow for a 41-day extension of the deadline for the approved Credit Underwriting report, from July 5, 2018 to August 15, 2018.

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D. In re: Lake Beulah, LTD. - FHFC Case No. 2018-035VW

Development Name: (“Development”)	Twin Lakes Estates - Phase II (f/k/a Lake Beulah View)
Developer/Principal: (“Developer”)	Lake Beulah, LTD.
Number of Units: 132	Location: Polk
Type: Garden Apartments	Set Asides: SAIL 10% at 40% AMI SAIL 90% at 60% AMI MMRB 100% at 60% AMI HC 100% at 60% AMI
Demographics: Family	Funding: SAIL: \$6,000,000 ELI Loan: \$600,000 MMRB: \$16,000,000 HC: \$704,212

1. Background

- a) Lake Beulah, LTD. (“Petitioner”), in a joint venture with a public housing authority, successfully applied under Request for Applications 2016-109 for an award of SAIL funding to be used in conjunction with Florida Housing-Issued Multifamily Mortgage Revenue Bonds (MMRB), Non-Competitive Housing Credits, and an Extremely Low Income (ELI) Loan to assist in the construction of a development serving families in Polk County. On May 18, 2018, Florida Housing received a Petition for Wavier of Rule 67-48.0072(21)(b), Fla. Admin. Code, to allow for an additional 75 days to achieve issuance of a firm loan commitment. A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code, provides:

(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process

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beyond the initial nine (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner has previously requested and was granted a six-month extension of the firm loan commitment deadline to secure appropriate debt and equity that would allow the Development to be financially feasible, and to receive a response on applications for gap funding. Petitioner was unsuccessful in receiving allocations of additional gap funding, although it was able to secure commitments for debt and equity in terms above market conditions. A change of unit mix to provide a better net operating income to allow for such financial feasibility would require additional time for third party providers to adjust their reports to the new unit mix. Accordingly, Petitioner is requesting a 75-day extension of the firm loan commitment deadline.
- c) On May 21, 2018, Notice of the Petition was published in the Florida Administrative register in Volume 44, Number 99. 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 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, and would otherwise suffer a substantial hardship.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code, to allow for a 75-day extension of the deadline to achieve a firm loan commitment.

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E. Ovation Housing, LLLP, v. Florida Housing Finance Corporation - FHFC Case No. 2018-036VW

Development Name: (“Development”):	Citrus Square Apartments
Developer/Principal: (“Developer”):	Ovation Housing, LLLP
Number of Units: 87	Location: Orange County
Type: Duplexes	Set Asides: 100% at 60% AMI
Demographics: Family	Funding: 4% HC \$381,309

1. Background

- a) Ovation Housing, LLLP (Petitioner) successfully applied for an award of 4% Non-Competitive Housing Credits (with local bonds) to assist in the rehabilitation of a development serving families in Orange County. On May 18, 2018, Florida Housing received a "Petition for Waiver of Rule 67-21(1)(b), F.A.C. (the Petition), to allow Ovation Housing to satisfy the 15% equity at closing requirement by June 14, 2018. A copy of the Petition is attached as [Exhibit F](#).

2. Present Situation

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

(1) Applicants shall apply for MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC, and funding from the following Corporation programs will not be considered to be other Corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.

(b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in Rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or NCA (Rev. 08-2016) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-07356>, which shall be completed and submitted to the Corporation in accordance with this rule chapter.

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b) Section 7j of the NCA, provides:

7. 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% of the total proposed equity to be provided (the 15 percent criteria)...

c) Petitioner paid \$455,673 as a part of their first equity installment, amounting to 14.12% of the total equity. The 0.88% difference from the required 15% provided at closing amounts to \$28,445.25. The difference is the result of Petitioner's error, resulting from changes to the development budget. Petitioner is requesting a waiver of the above rules to receive financing necessary to complete the rehabilitation of the development.

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 as a variance would not have a significant impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. 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 variance is granted.

3. **Recommendation**

a) Staff recommends the Board **GRANT** Petitioner a variance of Rule 67-21.003(1)(b), Fla. Admin. Code, to allow the remaining 0.88% of the 15% equity required at closing to be paid by June 14, 2018.

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F. In re: Emerald Villas Phase Two, LLC - FHFC Case No. 2018-037VW

Development Name: (“Development”)	Emerald Villas Phase Two
Developer/Principal: (“Developer”)	Related Group
Number of Units: 96	Location: Orange County
Type: Garden Apartments	Set Asides: 100% at 60% AMI
Demographics: Elderly	Funding: SAIL: \$4,950,000 ELI Loan: \$426,000 MMRB: \$9,000,000 HC: \$874,865

1. Background

- a) Emerald Villas Phase Two, LLC (“Petitioner”) successfully applied under Request for Applications 2016-109 for an award of SAIL funding to be used in conjunction with Florida Housing-Issued Multifamily Mortgage Revenue Bonds (MMRB), Non-Competitive Housing Credits, and an Extremely Low Income (ELI) Loan to assist in the construction of a development serving the elderly in Orange County. On May 18, 2018, Florida Housing received a “Petition for Waiver of Rule 67-48.0072(21)(b)” (the Petition) requesting an extension of the deadline for the issuance of a firm loan commitment. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code, provides:

(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial nine (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

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- b) Petitioner has previously requested and was granted a six-month extension of the firm loan commitment deadline from January 4, 2018 to July 5, 2018, and paid the required fee under the Rule above. Petitioner now request and additional extension of this deadline from July 5, 2018 to November 5, 2018 (4 months). Petitioner expects to complete this process by the end of July, 2018, and to have a completed Credit Underwriting report by the end of August, 2018. Petitioner asserts that the additional extension is necessary due to unanticipated delays in finalizing its construction contract. Petitioner also reports that delays were incurred due to an unanticipated need to restructure the financing of the Development due to the recent uncertainty regarding the potential elimination of Private Activity Bonds. Should this request for a rule waiver be denied, Petitioner reports it would suffer more than \$500,000 in lost investment as well as the loss of the affordable housing units the Development would provide for Orange County.
- c) On May 21, 2018, Notice of the Petition was published in the Florida Administrative register in Volume 44, Number 100. 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 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, and would otherwise suffer a substantial hardship.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code, to grant the requested extension of the firm loan commitment deadline to November 5, 2018.

LEGAL

Consent

G. In re: Phoenix Apartments Venture, LP - FHFC Case No. 2018-044VW

Development Name: (“Development”):	Phoenix Apartments
Developer/Principal: (“Developer”):	Phoenix Apartments Venture, LP
Number of Units: 164	Location: Miami-Dade
Type: Garden Style Apartments	Set Asides: 40% at 50% AMI 60% at 60% AMI (100% Total)
Demographics: Family	Funding: 4% HC: \$687,441 9% HC: \$835,643 HOME: \$2,300,000 MMRB: \$10,500,000

1. Background

- a) Phoenix Apartments Venture, LP. (“Petitioner”) successfully applied under the 1993 Universal Cycle for an award of HOME and 9% Housing Credit funding to be used in conjunction with Florida Housing-Issued MMRB and Non-Competitive Housing Credits to assist in the acquisition and rehabilitation of a development serving families in Miami-Dade County. On May 21, 2018, Florida Housing received a “Petition for Waiver of Rule 67-21.0003(8)(j) of the Florida Administrative Code” (the Petition), to decrease the total set-aside percentage from 100% to 95%. A copy of the Petition is attached as [Exhibit H](#).

2. Present Situation

- a) Rule 67-21.003(8)(j), Fla. Admin. Code, provides:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:

(j) The Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application; notwithstanding the foregoing, the Total Set-Aside Percentage may be increased after the Applicant has been invited to enter Credit Underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant’s request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development;

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- b) Petitioner committed to set aside 100% of units for residents at or below the income levels specified above. All units are currently occupied by tenants who initially qualified, however, seven households are now over income. Petitioner is requesting waiver of the above Rule to amend the total set aside from 100% to 95%, allowing over income tenants to continue residence.
- c) On May 21, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 41, Number 101. 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 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, and that it would otherwise suffer a substantial hardship.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for waiver of Rule 67-21.003(8)(j), Fla. Admin. Code, to permit a reduction in the Development’s total MMRB set-aside percentage from 100% to 95%.

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H. In re: Isles of Pahokee II, LLC - FHFC Case No. 2018-046VW

Developer Name: (“Development”)	Isles of Pahokee Phase II
Developer/Principal: (“Developer”)	HTG Isles of Pahokee II Developer, LLC Pahokee Development Corporation
Number of Units: 129	Location: Palm Beach County
Type: Quadruplex (Preservation)	Set Asides: 20% @ 33% AMI 80% @ 60% AMI
Demographic: Elderly	Funding: \$1,209,190 HC

1. Background

- a) Isles of Pahokee II, LLC (“Petitioner”) successfully applied under Request for Applications 2015-111, for an award of low income housing tax credits to assist in the preservation of the Development described above. On May 29, 2018, Florida Housing received a “Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(95)” (the Petition), requesting a waiver of the Qualified Allocation Plan (QAP) prohibition on return of Petitioner’s 2016 Housing Credit Allocation prior to the last quarter of 2018. A copy of the Petition is attached as [Exhibit I](#).

2. Present Situation

- a) Rule 67-48.002(95), Fla. Admin. Code (2015), provides:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2015 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits.

- b) Section II.K of the QAP further provides:

Notwithstanding any other provisions of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met...

- c) Per its Carryover Allocation Agreement with the Corporation, Petitioner is required to meet the “10% Test” by June 19, 2017 (by which it must incur costs of 10% of its expected basis), and to have the Development placed in service by December 31, 2018. Petitioner requests that it be permitted to return its 2016 HC Allocation now, rather than wait until the last quarter of 2018, and to receive a 2018 Housing Credit Allocation in exchange, in an amount equal to its original 2016 allocation. As grounds for this request, Petitioner reports unanticipated

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delays in the construction of the Development. These delays include awaited approvals from the United States Department of Housing and Urban Development (HUD). Petitioner submitted a Disposition Application to HUD on April 11, 2017, seeking transfer of the subject property from the Pahokee Housing Authority to the Applicant partnership. Disposition approval was finally granted on April 5, 2018. Petitioner still waits for HUD to fund the Tenant Protection Vouchers to begin the relocation of current residents so that construction can commence.

- d) On June 15, 2017 the Corporation granted Petitioner's request to extend the deadline for the 10% Test to December 21, 2017 per guidelines of their Carryover Agreement. Another extension was granted on November 9, 2017 in accordance with IRS Revenue Procedure 2014-49, to June 30, 2018. However, in addition to the above, Petitioner's relocation efforts have also been delayed by the effects of Hurricane Irma, which impacted the Development and the surrounding housing stock. Due to these factors, Petitioner does not believe it can achieve the 10% test by the current required date.
- e) On May 30, 2018, Notice of the Petition was published in the Florida Administrative register in Volume 44, Number 105. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) 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 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, and that it would otherwise suffer a substantial hardship.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of the above Rule and QAP provision, to permit it to return its 2016 Housing Credit Allocation now, and receive a 2018 Housing Credit Allocation in the same amount, rather than wait until the last quarter of 2018.

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I. In re: Quarry Big Coppitt, Ltd. - FHFC Case No. 2018-047VW

Developer Name: (“Development”)	The Quarry
Developer/Principal: (“Developer”)	Vestcor/Ambar3, LLC
Number of Units: 96	Location: Monroe County
Type: Garden	Set Asides: 20% @ 50% AMI 5% @ 25% AMI 75% @ 120% to 140% AMI
Demographic: Workforce	Funding: Workforce SAIL \$3,000,000 9% HC \$898,985

1. Background

- a) Quarry Big Coppitt, Ltd. (“Petitioner”) successfully applied under Request for Applications 2016-112 (Workforce Housing for Monroe and Miami-Dade County), for an award of State Apartment Incentive Loan (SAIL) program and 9% Housing Credits to assist in the construction of the Development described above. On May 29, 2018, Florida Housing received a “Petition for Waiver of Rule 67-21.026(13)(e) and Rule 67-48.0072(17)(f) to Allow a Single Subcontract for Work in Excess of 20% of a Development’s Construction Cost” (the Petition), requesting a waiver of the Rules below. A copy of the Petition is attached as [Exhibit J](#).

2. Present Situation

- a) Rules 67-21.026(13)(e) and 67-48.0072(17)(f) identically provide:

The General Contractor must meet the following conditions:

Ensure that no more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant’s request, inclusive of construction costs and the General Contractor’s fees.

- b) On May 31, 2018, Notice of the Petition was published in the Florida Administrative register in Volume 44, Number 106. To date, Florida Housing has received no comments concerning the Petition.

- c) 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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Consent

- d) The Development will consist of four buildings of three stories each, hence the approval process set forth in the Rule does not apply, necessitating this request for a waiver.
- e) As grounds for the request, Petitioner states that received bids from three unaffiliated shell subcontractors, all of which exceeded the 20% limitation on cost. The subcontractor selected to do the work proposed costs of 29.72% of total construction costs. Under these circumstances, as well as consideration of the difficulty in developing in Monroe County, the Petitioner asserts it would suffer substantial hardship if the above Rules are strictly applied.
- 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. 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, and that it would otherwise suffer a substantial hardship. Additionally, the underwriter has reviewed the request and provided a positive recommendation.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rules, to permit a single subcontractor entity to work in excess of 20% of total construction cost.

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Consent

J. In re: Quarry Big Coppitt II, Ltd. - FHFC Case No. 2018-048VW

Developer Name: (“Development”)	Quarry II
Developer/Principal: (“Developer”)	Vestcor/Ambar3, LLC
Number of Units: 112	Location: Monroe County
Type: Garden	Set Asides: 40% @ 60% AMI 5% @ 25% AMI 55% @ 140% AMI
Demographic: Workforce	Funding: Workforce SAIL \$6,608,000 9% HC \$1,000,000

1. Background

- a) Quarry Big Coppitt, Ltd. (“Petitioner”) successfully applied under Request for Applications 2017-107 (SAIL Workforce Housing), for an award of State Apartment Incentive Loan (SAIL) program funds to assist in the construction of the Development described above. On May 29, 2018, Florida Housing received a “Petition for Waiver of Rule 67-21.026(13)(e) and Rule 67-48.0072(17)(f) to Allow a Single Subcontract for Work in Excess of 20% of a Development’s Construction Cost” (the Petition), requesting a waiver of the Rules below. A copy of the Petition is attached as [Exhibit K](#).

2. Present Situation

- a) Rules 67-21.026(13)(e) and 67-48.0072(17)(f) identically provide:

The General Contractor must meet the following conditions:

Ensure that no more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant’s request, inclusive of construction costs and the General Contractor’s fees.

- b) On May 31, 2018, Notice of the Petition was published in the Florida Administrative register in Volume 44, Number 106. To date, Florida Housing has received no comments concerning the Petition.

- c) 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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Consent

- d) The Development will consist of four buildings of three stories each, hence the approval process set forth in the Rule does not apply, necessitating this request for a waiver.
- e) As grounds for the request, Petitioner states that received bids from three unaffiliated shell subcontractors, all of which exceeded the 20% limitation on cost. The subcontractor selected to do the work proposed costs of 29.7% of total construction costs. Petitioner reports these increased costs are the result, in part, of the continuing effects of Hurricane Irma on the area. Under these circumstances, as well as consideration of the difficulty in developing in lower Monroe County, the Petitioner asserts it would suffer substantial hardship if the above Rules are strictly applied.
- 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. 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, and that it would otherwise suffer a substantial hardship. Additionally, the underwriter has reviewed the request and provided a positive recommendation.

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rules, to permit a single subcontractor entity to work in excess of 20% of total construction cost.

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Consent

K. In re: Coral Bay Cove, LLC - FHFC Case No. 2018-049VW

Developer Name: (“Development”)	Coral Bay Cove
Developer/Principal: (“Developer”)	Landmark Development Corporation
Number of Units: 224	Location: Miami-Dade
Type: Garden	Set Asides: 10% @ 30% AMI 90% @ 60% AMI
Demographic: Family	Funding: SAIL \$6,500,000 ELI \$600,000 4% HC \$2,052,000

1. Background

- a) Coral Bay Cove, LLC (“Petitioner”) successfully applied under Request for Applications 2016-109, for an award of State Apartment Incentive Loan (SAIL) program and Extremely Low Income program funds to assist in the construction of the Development described above. Petitioner also received local bonds and surtax funds. On May 29, 2018, Florida Housing received a “Petition for Waiver of Rule 67-21.026(13)(e) and Rule 67-48.0072(17)(f) to Allow a Single Subcontract for Work in Excess of 20% of a Development’s Construction Cost” (the Petition), requesting a waiver of the Rules below. A copy of the Petition is attached as [Exhibit L](#).

2. Present Situation

- a) Rules 67-21.026(13)(e) and 67-48.0072(17)(f) identically provide:

The General Contractor must meet the following conditions:

Ensure that no more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant’s request, inclusive of construction costs and the General Contractor’s fees.

- b) On May 31, 2018, Notice of the Petition was published in the Florida Administrative register in Volume 44, Number 106. To date, Florida Housing has received no comments concerning the Petition.

- c) 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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Consent

- d) The Development will consist of twelve building of fewer than five stories each, hence the approval process set forth in the Rule does not apply, necessitating this request for a waiver.
- e) As grounds for the request, Petitioner states that it has entered into a guaranteed maximum price general contract for the construction of the Development (the “GC Contract”). This contract includes a shell work component. Due to the size and scope of the construction, the GC received bids from nine unaffiliated shell subcontractors, all of which exceeded the 20% limitation on cost. The GC Contract itself reflects shell construction costs of 23% of the total construction cost. Under these circumstances, the Petitioner asserts it would suffer substantial hardship if the above Rules are strictly applied.
- 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. 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, and that it would otherwise suffer a substantial hardship. Additionally, the underwriter has reviewed the request and provided a positive recommendation.

3. Recommendatoin

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rules, to permit a single subcontractor entity to work in excess of 20% of total construction cost.

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Consent

L. In Re: Osceola Palos Verdes, Ltd. - FHFC Case No. 2018-050VW (2016-380S/2018-333V)

Development Name: (“Development”):	Palos Verdes
Developer/Principal: (“Developer”):	Banyan Development Group, LLC Judd K. Roth
Number of Units: 82	Location: Osceola County
Type: Garden Style Apartments	Set Asides MMRB: 10% at 40% AMI 20% at NR 70% at 60% AMI Set Asides SAIL: 10% at 40% AMI 90% at 60% AMI Set Asides 4%: 10% at 40% AMI 90% at 60% AMI
Demographics: Elderly non-ALF	MMRB: \$10,000,000 SAIL: \$ 5,200,000 4%: \$ 566,696 ELI: \$ 552,300

1. Background

- a) Petitioner was selected to receive SAIL/ELI Financing of Affordable Multifamily Housing Developments and Multifamily Mortgage Revenue Bonds under RFA 2016-109 to assist in the construction of a Development serving low and extremely low-income tenants in Kissimmee, Florida.

2. Present Situation

- a) Rule 67-48.0072(4)(c), Fla. Admin. Code, provides:
 - (c) For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months. 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. . . . In the event the loan does not close by the end of the 12-month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.

- b) Rule 67-48.0072(21)(b), Fla. Admin. Code, provides:
 - (21) Information required by the Credit Underwriter shall be provided as follows:

- (b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan

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commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial nine (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- c) Petitioner was invited to credit underwriting on April 6, 2017 and received a six-month extension of its firm commitment due date until July 6, 2018. Because of construction cost increases that were exacerbated by the 2017 hurricane season, Petitioner applied for a Development Viability Loan in the amount of \$975,000 in the recently conducted RFA 2018-109. Palos Verdes was preliminarily deemed ineligible for funding in that RFA and has timely challenged that determination with a formal written protest. Without the certainty of the requested Development Viability Loan funding, Petitioner cannot complete the credit underwriting process by the current deadline.
- d) Additionally, Petitioner paid a non-refundable one percent extension fee with their initial request for an extension of the loan commitment deadline. The Rules cited above do not require a fee for any subsequent extensions, and Petitioner specifically requests that it not be assessed a further extension fee for extending the firm loan commitment date.
- e) On June 1, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 107. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) 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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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 Rules 67-48.0072(4)(c), and 67-48.0072(21), Fla. Admin. Code, so that the SAIL firm commitment deadline may be extended from July 6, 2018 until January 6, 2019 without an additional one percent extension fee.

MULTIFAMILY BONDS

Consent

V. MULTIFAMILY BONDS

A. Request Approval of Credit Underwriting Report for Regatta Place (2016-390BS/2018-341V)

Development Name: Regatta Place	Location: Miami-Dade County
Applicant/Borrower: Regatta Place Associates, Ltd.	Set Aside(s): 40% @ 60% AMI (MMRB) 100% @ 60% AMI (HC) 10% @ 30% AMI (SAIL and ELI) 90% @ 60% AMI (SAIL)
Developer/Principal: Cornerstone Group Partners, LLC	Demographic/Number of units: Family / 108
Requested Amounts: \$12,250,000 Multifamily Mortgage Revenue Bonds (MMRB) \$992,000 Developmental Viability Loan (Viability) \$3,000,000 State Apartment Incentive Loan (SAIL) \$600,000 ELI Gap Funding (ELI) \$813,991 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 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 RFA 2016-109, 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) On December 8, 2017, the Board approved a request to extend the firm loan commitment deadline from January 2, 2018 to July 2, 2018.
- f) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes.

MULTIFAMILY BONDS

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- g) On May 4, 2018, the Board approved the final scores and recommendations for the RFA 2018-109, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on May 25, 2018.
- h) Staff received a final credit underwriting report with a positive recommendation for MMRB, Viability, 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 and RFA 2018-109.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing Staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of Credit Underwriting Report for Redland Crossings (2017-163BS)

Development Name: Redland Crossings	Location: Miami-Dade County
Applicant/Borrower: Redland Crossings, LLC	Set Aside(s): 5% @ 30% AMI (MMRB, Workforce SAIL, and HC) 40% @ 60% AMI (MMRB, Workforce SAIL, and HC) 55% @ 80% AMI (Workforce SAIL)
Developer/Principal: RS Development Corp. / Lewis V. Swezy	Demographic/Number of units: Family / 134
Requested Amounts: \$14,500,000 Multifamily Mortgage Revenue Bonds (MMRB) \$7,488,000 State Apartment Incentive Loan (Workforce SAIL) \$476,841 Housing Credits (HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On October 21, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-112 for SAIL Financing for the Construction of Workforce Housing in Miami-Dade County and Monroe County.
- b) On February 3, 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 April 24, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- d) On December 8, 2017, the Board approved a request to extend the firm loan commitment deadline from January 26, 2018 to July 26, 2018.
- e) Staff received a final credit underwriting report with a positive recommendation for a MMRB and Workforce SAIL funding ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-112.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing Staff.

MULTIFAMILY BONDS

Consent

C. Request Approval of the Method of Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of a Recommended Professional

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the construction of the proposed Developments referenced below, the final credit underwriting reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals for the transactions and approval of the recommended method of sales. A brief description of the Developments are 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 structures by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond/note sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendations for the method of bond sale for the Developments. The recommendation letters are attached as Exhibit [C](#) & [D](#).

2. Present Situation

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

3. Recommendation

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

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Regatta Place	Miami-Dade County	108	Private Placement	RBC Capital Markets, LLC	Exhibit C
Redland Crossings	Miami-Dade County	134	Private Placement	RBC Capital Markets, LLC	Exhibit D

MULTIFAMILY BONDS

Consent

D. Request Approval of the Transfer of Ownership for Grande Court at North Port (2004 Series E / 2003-536S)

Development Name: Grande Court at North Port	Location: Sarasota County
Applicant/Borrower: Grande Court North Port Associates, Ltd.	Set Aside(s): 40% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Developer/Principal: Courtelis Company	Demographic/Number of units: Family / 128 units
Requested Amounts: \$6,100,000 Multifamily Mortgage Revenue Bond (MMRB) \$322,757 Non-Competitive Housing Credits (HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 2004 with \$6,100,000 in tax exempt MMRB designated as 2004 Series E. In addition, \$322,757 in Housing Credits was allocated to this Development.
- b) Grande Court North Port Associates, Ltd. has requested Florida Housing's consent to the transfer of ownership to FF north Port LLC. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption and subordination of the Land Use Restriction Agreements ("LURA") and Extended Low Income Housing Agreement ("ELIHA") ([Exhibit E](#)).

2. Recommendation

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

MULTIFAMILY BONDS

Consent

E. Request Approval for Subordination of the LURA and ELIHA and Extension of the ELIHA for Villas de Mallorca (2000 Series H / 2000-527C)

Development Name: Villas de Mallorca	Location: Broward County
Applicant/Borrower: Mallorca Partners Ltd.	Set Aside(s): 50% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Developer/Principal: Royal Castle Development	Demographic/Number of units: Family / 252 units
Funded Amounts: \$14,550,000 Multifamily Mortgage Revenue Bond (MMRB) \$701,859 Non-Competitive Housing Credits (HC)	Development Category/Type: New Construction / Garden

1. Background/Present Situation

- a) Florida Housing financed the construction of the above referenced Development in 2000 with \$12,200,000 in tax-exempt MMRB designated as 2000 Series H-1 and \$2,350,000 in taxable MMRB designated as 2000 Series H-2. In addition, \$701,859 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in December 2011.
- b) Mallorca Partners Ltd. (“Owner”) is refinancing the Development with a loan from Greystone Servicing Corporation to be insured by the U.S. Department of Housing and Urban Development and requests Florida Housing’s consent to subordinate the MMRB Land Use Restriction Agreement (“LURA”) and the Housing Credits Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The Owner also requests Florida Housing’s consent to extend the ELIHA extended use period to such period that the ELIHA is outstanding for a total of 15 years past the HUD loan closing. The ELIHA’s extended use period currently terminates on or about December 30, 2032.

2. Recommendation

- a) Approve the subordination of the LURA and ELIHA, along with the extension of the ELIHA’s extended use period, with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

F. Request Approval of the Transfer of Ownership for Riverside Apartments (2011 Series A / 2001-119S)

Development Name: Riverside Apartments	Location: Pinellas County
Applicant/Borrower: Riverside Partners, Ltd.	Set Aside(s): 85% @ 60% AMI (MMRB) 85% @ 60% AMI (SAIL)
Developer/Principal: CED Companies	Demographic/Number of units: Family / 304 units
Requested Amounts: \$11,650,000 Multifamily Mortgage Revenue Bond (MMRB) \$2,500,000 State Apartment Incentive Loan (SAIL) \$659,168 Non-Competitive Housing Credits (HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 2000 with \$14,200,000 in tax exempt MMRB designated as 2000 Series I, SAIL funding in the amount of \$2,500,000 and \$659,168 in Non-Competitive Housing Credits. The Development was rehabilitated in 2011 and the MMRB loan was refunded with \$11,650,000 in tax exempt MMRB designated as 2011 Series A. Subsequently, the bonds were redeemed in April of 2016 and the Housing Credits were terminated, along with the Extended Low-Income Housing Agreement, under a Qualified Contract in June of 2017.
- b) Riverside Partners, Ltd. has requested Florida Housing's consent to the transfer of ownership interest in Riverside Apartments to Waypoint Residential Services, LLC. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption and subordination of the Land Use Restriction Agreements "LURAs" ([Exhibit F](#)).

2. Recomendatoin

- a) Approve the transfer of ownership interest, the assignment, assumption, and subordination of the LURAs, subject to the conditions in the credit underwriting report with 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 Waive the IRS form 8821 Requirement for all Non-Profit Partner Board Members for Marty's Place (RFA2018-107/2018-307CS)

Development Name: Marty's Place	Location: Monroe County
Applicant/Borrower: Marty's Place Associates, Ltd.	Set-Asides: 10% @ 25% AMI and 90% @ 60% AMI
Developers/Principals: AH Housing Services, LLC/Ambar3, LLC	Demographic/Number of Units: Family/47
Requested Amounts: SAIL \$2,200,000; 9% HC \$1,300,000	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) Marty's Place (RFA2018-107/2018-307CS) applied for and was awarded an allocation of \$2,200,000 in SAIL funding and \$1,300,000 in Competitive Housing Credits. The funds are being utilized to finance a 47-unit Family development in Monroe County. On March 28, 2018, staff issued an invitation to enter credit underwriting to Marty's Place Associates, Ltd.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On April 26, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an 8821. The letter is provided as [Exhibit A](#). The Applicant purports that the board members will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

2. Recommendation

- a) Approve the RFA waiver, exempting the non-profit board members from having to submit the IRS form 8821, provided they each submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Credit Underwriting Report for The Commons at Speer Village Phase I (2017-278G)

Development Name: The Commons at Speer Village Phase I	Location: Pasco County
Applicant/Borrower: Youth and Family Alternatives, Inc.	Set Aside(s): 50% @ 40% AMI and 50% at 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Units
Requested Amounts: \$412,000 Grant Funding	Development Category/Type: New Construction/SLU

1. Background/Present Situation

- a) On April 4, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-101 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 16, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 27, 2017, staff issued a Letter of Preliminary Award and subsequently, on September 28, 2017, staff issued an invitation to enter credit underwriting to Youth and Family Alternatives, Inc.
- d) On May 18, 2018, staff received a positive recommendation for a grant amount of \$412,000 to be allocated to the Development ([Exhibit B](#)).

2. Recommendation

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

C. Request Approval of Credit Underwriting Report for Sunset Group Home (2017-279G)

Development Name: Sunset Group Home	Location: Highlands County
Applicant/Borrower: Ridge Area Arc, Inc.	Set Aside(s): 33% @ 45% and 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents
Requested Amounts: \$126,000 Grant Funding	Development Category/Type: Renovation/CRH

1. Background/Present Situation

- a) On April 4, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-101 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 16, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 27, 2017, staff issued a Letter of Preliminary Award and subsequently, on July 14, 2017, staff issued an invitation to enter credit underwriting to Ridge Area Arc, Inc.
- d) On May 24, 2018, staff received a positive recommendation for a grant amount of \$126,000 to be allocated to the Development ([Exhibit D](#)).

2. Recommendation

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

D. Request Approval of Credit Underwriting Report for Nunn Group Home (2017-270G)

Development Name: Nunn Group Home	Location: Volusia County
Applicant/Borrower: Duvall Homes, Inc.	Set Aside(s): 33% @ 40% AMI and 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents
Requested Amounts: \$417,000 Grant Funding	Development Category/Type: New Construction/CRH

1. Background/Present Situation

- a) On April 4, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-101 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 16, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 27, 2017, staff issued a Letter of Preliminary Award and subsequently, on September 29, 2017, staff issued an invitation to enter credit underwriting to Duvall Homes, Inc.
- d) On May 22, 2018, staff received a positive recommendation for a grant amount of \$417,000 to be allocated to the Development ([Exhibit C](#)).

2. Recommendation

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VII. PREDEVELOPMENT LOAN PROGRAM (PLP)

- A. Request Approval of Credit Underwriting Report for West Augustine Historical Community Development Corporation, Inc., a not-for-profit entity, for Villages of New Augustine (2017-003P-09)**

DEVELOPMENT NAME (“Development”):	Villages of New Augustine
APPLICANT/DEVELOPER (“Developer”):	West Augustine Historical CDC
CO-DEVELOPER:	Ability Housing, Inc.
NUMBER OF UNITS:	60 Rental
LOCATION (“County”):	St. Johns
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$731,350
ADDITIONAL COMMENTS: Original PLP loan approval was for \$750,000. The acquisition portion of the loan amount has been reduced by the credit underwriter.	

1. Background

- a) On April 24, 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 May 29, 2018, staff received a credit underwriting report ([Exhibit A](#)) recommending a PLP loan in the amount of \$731,350. 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 based on the appraised value of the parcels being acquired for the development. Under the reduced loan amount, \$296,900 will be used for the land acquisition. A revised PLP budget is included in the credit underwriting report.

3. Recommendation

- a) Approve the credit underwriting report for West Augustine Historical Community Development Corporation, Inc for Villages of New Augustine with a revised loan amount of \$731,350 and allow staff to commence with the loan closing process on site acquisition funds.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VIII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Contract Renewal – Energy Consumption Provider Services

1. Background

a) At the October 2014 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the following firms for Energy Consumption Provider Services:

- (1) Diamond Property Consultants, Inc.;
- (2) Florida Solar Energy Center;
- (3) KN Consultants, LLC; and
- (4) Matern Professional Engineering, Inc.

b) The initial three-year term for this contract began in January 2015 for each of these firms. Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice for an additional one-year period. There is one optional renewal term remaining for all four firms.

2. Present Situation

a) Florida Housing staff supports a renewal to extend the term of the contract for the final one-year renewal period for all four firms.

3. Recommendation

a) Staff recommends the Board direct staff to proceed with final one-year renewal option for all four Energy Consumption Providers.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

B. Contract Renewal – Management Company Services

1. Background

- a) At the September 2015 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Royal American Management, Inc. and WRH Realty Services, Inc., for Management Company services.
- b) Current contract information is as follows:

Contract Number	Vendor	Initial Term Start Date	Current Expiration Date
019-2015	Royal American Management, Inc.	12/24/2015	12/23/2018
020-2015	WRH Realty Services, Inc.	3/26/2016	3/25/2019

- c) Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed three times for an additional one-year period. All three renewal options remain.

2. Present Situation

- a) Florida Housing staff supports using the first one-year renewal option for both contracts.

3. Recommendation

- a) Staff recommends the Board direct staff to proceed with the first one-year renewal option.

C. Single Source Procurement for Affordable Housing Catalyst Program Services

1. Background

- a) Florida Housing is authorized to administer the Affordable Housing Catalyst Program (Catalyst) under chapter 2004-243, Laws of Florida, amending Section 420.531, F.S.
- b) The Affordable Housing Catalyst Program provides training and technical assistance mainly to local governments and community based organizations on state and federal housing programs. The training and technical assistance includes administration and implementation of the State Housing Initiatives Partnership (SHIP) Program, the HOME Investment Partnerships (HOME) Program, the Florida Hardest Hit Fund (HHF) and other affordable housing programs. Typically, the Catalyst program is funded through the annual state legislative appropriations process.
- c) The technical assistance provided through Catalyst allows local governments, not-for-profit organizations and other stakeholders engaged in the development/preservation of affordable housing to access expertise in a variety of subjects and formats. Subjects may include, but not be limited to: specific program management for SHIP, HOME and other housing programs; housing

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

developer specific topics; and housing for persons with special needs. Technical assistance and trainings are provided through onsite direct technical assistance, in-person workshops, webinars and email and phone. A major focus of Catalyst is providing these services to local government staff engaged in the management of the SHIP program.

- d) Section 420.531, F.S., also outlines the requirements for the entity providing technical assistance, stating in pertinent part, “To the maximum extent feasible, the entity to provide the necessary expertise must be recognized by the Internal Revenue Service as a nonprofit tax-exempt organization. It must have as its primary mission the provision of affordable housing training and technical assistance, an ability to provide training and technical assistance statewide, and a proven track record of successfully providing training and technical assistance under the Affordable Housing Catalyst Program.”
- e) The only firm that meets all of these statutory requirements is the Florida Housing Coalition, Inc.

2. Present Situation

- a) The current contract provides the following services:
 - Monthly telephonic and e-mail assistance that is available to all stakeholders;
 - On-site technical assistance visits (primarily for local governments and non-profit developers);
 - Statewide in-person one/two day workshops;
 - Webinars; and
 - Regional Clinics.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

- b) Rule 67-49.0032, F.A.C., allows the Board to exempt contractual services from competitive solicitation requirements upon a determination by the Executive Director that such services are most readily available from a single source. The Board approved this approach last year, and the current contract for these services with the Florida Housing Coalition, Inc. expires on June 30, 2018. Florida Housing has a continuing need for these services, and the Legislature appropriated funding for this program for the next fiscal year.

3. **Recommendation**

- a) Authorize staff to enter into a one-year single source contract with the Florida Housing Coalition, Inc., to deliver affordable housing training and technical assistance under the Catalyst program, subject to funding availability.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Loan Closing Extension for The 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. with a firm loan commitment issuance deadline of February 12, 2018.
- e) January 26, 2018, the Board approved a request to extend the firm loan commitment issuance deadline from February 12, 2018, to August 13, 2018.
- f) On March 16, 2018, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm commitment letter and closing activities.
- g) On March 19, 2018, staff issued a firm commitment letter to the Borrower which states that the loan must close within 120 calendar days of the date of the issuance of the firm commitment, giving them a closing deadline of July 17, 2018. Applicants may request a closing extension of up to 90 calendar days.
- h) On May 22, 2018, staff received correspondence from the Borrower requesting a six-month extension of the firm commitment loan closing deadline ([Exhibit A](#)). The extension is requested in an abundance of caution in the event of unforeseen delays. Staff has reviewed this request and finds that the development meets the requirements of the RFA for a 90-day extension.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

- a) Grant the allowable extension of 90 calendar days which will extend the firm commitment loan closing deadline from July 17, 2018 to October 17, 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 Credit Underwriting Report for Coral Bay Cove (2016-394S)

Development Name: Coral Bay Cove	Location: Miami-Dade County
Applicant/Borrower: Coral Bay Cove, LLC	Set-Aside(s): 10% @ 30% AMI & 90% @ 60% AMI
Developer/Principal: Landmark Development Corp.	Demographic/Number of Units: Family/224
Requested Amounts: SAIL \$6,500,000 ELI \$600,000 Annual HC \$1,806,809	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 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 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 resolving all pending litigation pertaining to RFA 2016-109, allowing staff to proceed with all necessary credit underwriting activities.
- d) On March 31, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Coral Bay Cove, LLC with a firm loan commitment issuance deadline of January 2, 2018.
- e) On December 8, 2017, the Board approved a request to extend the January 2, 2018 firm loan commitment issuance deadline to July 2, 2018. The Board also approved a waiver to allow the use of bonds issued by Miami-Dade County instead of Corporation issued-issued bonds.
- f) On May 31, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). 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

C. Request Approval to Change Financing Structure for Woodlawn Trail (2016-385S)

Development Name: Woodlawn Trail	Location: Pinellas County
Applicant/Borrower: SP Trail LLC	Set-Aside(s): 10% @ 40% AMI & 90% @ 60% AMI
Developer/Principal: Southport Development, Inc., a Washington Corporation, DBA Southport Development Services, Inc.	Demographic/Number of Units: Family/80
Requested Amounts: SAIL \$4,100,000 ELI \$410,400 Annual 4% HC \$607,708	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 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 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 resolving all pending litigation pertaining to RFA 2016-109, allowing staff to proceed with all necessary credit underwriting activities.
- d) On March 31, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to SP Trail LLC, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting giving them a firm loan commitment issuance deadline of January 5, 2018. On December 8, 2017, the Board approved a request to extend the firm loan commitment deadline from January 5, 2018 to July 5, 2018.
- e) On March 16, 2018, the Board approved a final credit underwriting report with a positive recommendation for funding. Staff issued a firm commitment to the Applicant on March 19, 2018. The SAIL and ELI loans closed on May 24, 2018.
- f) On May 30, 2018, staff received a positive recommendation of the Borrower’s request for the financing structure change ([Exhibit C](#)). The additional superior debt will consist of the First Mortgage permanent loan with Citibank, N.A. being increased from \$3,115,018 to \$3,749,863. The increase is due to an updated appraisal to include the 2018 maximum Low Income Housing Tax Credit rents effective 4/1/2018. 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 and direct staff to amend the loan closing documents, as applicable.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Credit Underwriting Report for Arbor Village (2017-255CSN)

Development Name: Arbor Village	Location: Sarasota County
Applicant/Borrower: Blue CASL, LLC	Set-Aside(s): 10% @ 35% (SAIL/ELI) 90% @ 60% (SAIL/HC) 10% @ 20% (NHTF)
Developer/Principal: CASL Developer, LLC; Blue AV Developer, LLC	Demographic/Number of Units: Homeless / Persons with Disabling Condition / 80
Requested Amounts: SAIL \$3,500,000, NHTF \$1,386,572, Annual 9% HC \$1,510,000	Development Category/Type: New Construction / Mid-Rise, 4-stories

1. Background/Present Situation

- a) On March 22, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-103 for Housing Credit and SAIL Financing to Develop Housing in Medium and Large Counties for Homeless Households and Persons with a Disabling Condition. National Housing Trust Fund (NHTF) funding was also awarded to proposed Developments selected for funding.
- b) On June 16, 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 an invitation to enter credit underwriting at risk to the Applicant on October 9, 2017 and the Applicant accepted on October 10, 2017.
- c) On December 8, 2017, the Board approved the Final Order allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On May 4, 2018, the Board approved the RFA waiver request to make a change to the Applicant Entity, (Blue CASL, LLC) and for both Co-Developers (CASL Developer, LLC and Blue Sky Communities III, LLC). The Applicant Entity changes for the nonprofit Board of Director members of Community Assisted and Supported Living, Inc. were due to normal procedural changes and the individual directors and officers and have no direct ownership in the Development. The Co-Developer, CASL Developer, LLC, had the same changes as the Applicant Entity. The Co-Developer, Blue Sky Communities III, LLC changed the name and structure to Blue AV Developer, LLC.
- e) On May 30, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit D](#)). 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

E. Request Approval of Credit Underwriting Report for The Quarry (2016-168CS/2018-339V)

Development Name: The Quarry	Location: Monroe County
Applicant/Borrower: Quarry Big Coppitt, Ltd.	Set-Aside(s): 5% @ 25%, 40% @ 60%, 55% @ 120% AMI
Developer/Principal: Ambar3, LLC	Demographic/Number of Units: Family/96
Requested Amounts: SAIL \$3,000,000 Viability Loan \$2,250,000 Annual 9% HC \$898,985	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On October 21, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-112 for the SAIL Financing for the Construction of Workforce Housing in Miami-Dade County and Monroe County.
- b) On February 3, 2017, the Board approved the final scores and recommendations for the RFA 2016-112, and directed staff to proceed with all necessary credit underwriting activities.
- c) On April 24, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Quarry Big Coppitt, Ltd., which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting giving them a firm loan commitment issuance deadline of January 28, 2018. On December 8, 2017, the Board approved a request to extend the firm loan commitment deadline from January 28, 2018 to July 28, 2018.
- d) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding (Viability Loan) for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes.
- e) On May 4, 2018, 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 the Applicant on May 25, 2018.
- f) On May 31, 2018, staff received a final credit underwriting report with a positive recommendation for SAIL, Viability Loan and Housing Credit funding ([Exhibit E](#)). Staff has reviewed this report and finds that it meets all requirements of RFA 2016-112 and RFA 2018-109.

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

F. Request Approval of Credit Underwriting Report for The Quarry II (2018-065CS/2018-338V)

Development Name: The Quarry II	Location: Monroe County
Applicant/Borrower: Quarry Big Coppitt II, Ltd.	Set-Aside(s): 5% @ 25%, 40% @ 60%, 55% @ 140% AMI
Developer/Principal: Ambar3, LLC	Demographic/Number of Units: Family/112
Requested Amounts: SAIL \$6,608,000 Viability Loan \$950,000 Annual 9% HC \$1,000,000	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On August 22, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) RFA 2017-107 for the SAIL Financing for the Construction of Workforce Housing.
- b) On December 8, 2017, the Board approved the final scores and recommendations for the RFA 2017-107, and directed staff to proceed with all necessary credit underwriting activities.
- c) On January 18, 2018, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Quarry Big Coppitt II, Ltd., which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting giving them a firm loan commitment issuance deadline of October 24, 2018.
- d) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding (Viability Loan) for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes.
- e) On May 4, 2018, 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 the Applicant on May 25, 2018.
- f) On May 31, 2018, staff received a final credit underwriting report with a positive recommendation for SAIL, Viability Loan and Housing Credit funding ([Exhibit F](#)). Staff has reviewed this report and finds that it meets all requirements of RFA 2017-107 and RFA 2018-109.

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 to Restructure the First Mortgage for PC Sundance Pointe I, LLC, a Delaware limited liability company and PC Sundance Pointe II, LLC, a Delaware limited liability company, for Sundance Pointe Apartments (MR2000N1&2/ELI 2010-16-08/ELI 2012-04-12)

Development Name: Sundance Pointe Apartments (“Development”)	Location: Duval County
Developer/Principal: Peak Capital Partners (“Developer”)/ PC Sundance Pointe I, LLC and PC Sundance Pointe II, LLC (“Borrower”)	Set-Aside: MMRB 50% @ 60%; ELI 29.1% @ 30% AMI LURA: through 2027; ELIs: 15/15 years
Number of Units: 288	Allocated Amount: MMRB \$10,010,000, \$6,275,000; ELIs \$4,200,000, \$2,100,000
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$10,010,000 and taxable bonds in the original amount of \$6,275,000 to Sundance Pointe Associates, Ltd., a Florida limited partnership (“Original Borrower”), for the development of a 288-unit apartment complex in Duval County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on December 12, 2000. The Development received a 2000 allocation of low-income housing tax credits (“HC”) of \$676,819.
- b) The Development also received a second mortgage under the Subordinate Mortgage Initiative (“SMI”) in the original amount of \$859,713.55 which closed on July 22 2009. Additional funds were provided to the Development through a SAIL ELI loan in the amount of \$4,200,000 that closed on March 28, 2011, and matures on March 28, 2026. A second SAIL ELI loan was awarded in the amount of \$2,100,000 that closed on June 19, 2013, and matures on June 19, 2028.
- c) The MMRB loan was paid off in October 2015, along with the SMI loan as well as termination of the then-existing Guarantee Program credit enhancement. The development was sold to an affiliate of Peak Capital Partners at that time. An Extended Low-Income Housing Agreement on the development was terminated January 25, 2018 when the one-year qualified contract period expired.

2. Present Situation

- a) The Borrower requested consent from the Board to refinance the existing first mortgage. After discussions with staff, the Borrower has agreed to provide capital improvements in the amount of \$1,000,000 to the property which will be paid from refinance proceeds.

SPECIAL ASSETS

Consent

- b) Staff has received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the restructure of the first mortgage and subordination of the SAIL ELI loans to the new first mortgage.

3. **Recommendation**

- a) Approve the negotiated restructure that will provide \$1,000,000 in capital improvements to the development, and subordination of the SAIL ELI loans 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 to Transfer the Managing Member Interest for Villa Patricia Phase III, LLC, a Florida Limited Liability Company, for Villa Patricia III Apartments (RFP 2006-348CHR/2007-014C)

Development Name: Villa Patricia III (“Development”)	Location: Miami Dade County
Developer/Principal: Biscayne Housing Group, LLC (“Developer”)/ Villa Patricia Phase III, LLC (“Borrower”)	Set-Aside: RRLP 1st 20 years 15% @ 33%, 85% @ 60%, Remaining 30 years 100% @ 60%; HC 100% @ 60%; LURA: 50 years; EUA: 50 years
Number of Units: 89	Allocated Amount: RRLP \$3,070,301, Supplemental \$910,000; HC \$2,435,000
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2006 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a Rental Recovery Loan Program loan (“RRLP”) in the original amount of \$3,070,301 and a corresponding Supplemental loan (“Supplemental”) in the original amount of \$910,000 to Villa Patricia Phase III, LLC, a Florida Limited Liability Company (“Borrower”), for the development of an 89-unit apartment complex in Miami-Dade County, Florida. The RRLP and Supplemental loans closed on February 26, 2009. The RRLP loan matures on February 26, 2059. The Supplemental loan matures on February 26, 2029. The Development received a 2007 allocation of low-income housing tax credits (“HC”) of \$2,435,000.

2. Present Situation

- a) The Borrower requests approval to transfer the managing member interest from MM Villa Patricia Phase III, LLC, a Florida limited liability company, to an entity affiliated with Royal American Development, Inc., a Florida corporation (“RAD”).
- b) The Borrower also requests the release of the existing guarantors with the substitution of new guarantors affiliated with RAD.
- c) Staff received a credit underwriting report from Seltzer Management Group ([Exhibit B](#)) providing a positive recommendation for approval of the transfer of managing member interest, and the release and substitution of the guarantors.

3. Recommendation

- a) Approve the transfer of the managing member interest, 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 to Refinance the First Mortgage for Northwest Properties I, Ltd., a Florida Limited Partnership, for Northwest Gardens I Apartments fka Alan Apartments (2009-057X)**

Development Name: Northwest Gardens I Apartments (“Development”)	Location: Broward County
Developer/Principal: Housing Authority of the City of Fort Lauderdale (“Developer”)/ Northwest Properties I, Ltd. (“Borrower”)	Set-Aside: TCEP: 40% @ 60% AMI; ELIHA: 20% @ 28%, 80% @ 60% TCEP: 15 years; ELIHA: 50 years
Number of Units: 143	Allocated Amount: TCEP \$18,232,500
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 amount of \$18,232,500 to Northwest Properties I, Ltd., a Florida limited partnership (“Borrower”), for the development of a 143-unit apartment complex in Broward County, Florida. The loan was closed on June 3, 2010. A 2008 allocation of low-income housing tax credits were returned.

2. **Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage, and subordinate the TCEP loan, TCEP documents, and Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage.
- b) Staff has received a credit underwriting report ([Exhibit C](#)) from Seltzer Management Group with a positive recommendation for approval of the refinancing of the first mortgage and subordination of the TCEP loan, TCEP documents, and ELIHA to the new first mortgage.

3. **Recommendation**

- a) Approve the refinancing of the first mortgage loan, and subordination of the TCEP loan, TCEP documents, and ELIHA 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 Short Sale for Little Haiti Housing Association, Inc., a Florida not-for-profit Corporation for Villa Jardin III (PLP 05-087)

Development Name: Villa Jardin III (“Development”)	Location: Miami-Dade County
Developer/Principal: Little Haiti Housing Association, Inc. (“Borrower”)	Set-Aside: 100% @ 80% AMI
Number of Units:	Allocated Amount: PLP \$435,450
Demographics: Family	Servicer: NA

1. Background

- a) Little Haiti Housing Association, Inc., applied for Pre-Development Loan Program (PLP) funds in 2005 and was awarded a PLP loan in the amount of \$435,450 for predevelopment expenses of a 24-unit homeownership development in Miami-Dade County. The PLP loan closed on May 4, 2006 and matured on May 4, 2010. The Borrower drew \$218,526.40 of PLP funds but was unable to complete the Development.

2. Present Situation

- a) The Borrower has signed a contract to sell the land at a price of \$303,750 to a non-profit entity for the development of housing for residents or buyers whose income is at or below 120% of Area Median Income. After payment of the first mortgage and closing costs, Staff negotiated a payment of \$125,000 which is more than half of the outstanding principal balance remaining on the loan. The Borrower requests that Florida Housing approve the sale and provide a satisfaction of the mortgage and release of the Land Use Restriction Agreement (“LURA”) upon payment of \$125,000 to be applied to the balance of the PLP loan at the time of the closing. Staff proposes that the \$125,000 offer be accepted allowing Florida Housing to recover a portion of the PLP loan amount.

3. Recommendation

- a) Approve the short sale for the Villa Jardin III property and direct staff to release the mortgage and LURA upon payment of \$125,000 subject to a review and approval by staff and legal counsel and direct staff to proceed with loan document modification activities as needed.