

**BEFORE THE STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

KINNERET, INC.

Petitioner,
Vs.

FHFC Case No. 2016-003VW
FHFC No. 2015-115
Application No. 2016-209M

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

PETITION FOR WAIVER AND VARIANCE

Petitioner, KINNERET, INC. (“Kinneret”), pursuant to sections 120.542, Florida Statutes (“F.S.”), and Rule 28-104 and 67-60, Florida Administrative Code (“FAC”) hereby files this Petition requesting a variance from the Florida Housing Finance Corporation’s (“Florida Housing”) definition of “Non-Profit” found in Request for Application RFA 2015-115, Multifamily Energy Retrofit Program for Affordable Housing Developments located in Medium and Small Counties (“RFA”). Additionally, Kinneret seeks a waiver of the two Non-Profit funding goal of the RFA. In support Kinneret provides as follows:

PETITIONER

1. Kinneret is a Non-Profit, Florida Corporation in the business of providing affordable housing. Kinneret is located at 5300 W. Cypress Street, Suite 200, Tampa, FL 33607. For the purposes of this proceeding, Kinneret’s phone number is that of its undersigned attorneys.

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FLORIDA HOUSING FINANCE CORPORATION

THE DEVELOPMENT

2. On October 23, 2015, Florida Housing issued the RFA to award \$7,533,084 in loan funds to applicants proposing the retrofit of existing multifamily rental developments that meet certain listed conditions.

3. On November 13, 2015, Kinneret submitted an Application in Response to the RFA which included information concerning a 168 unit apartment complex in Orange County, Florida, named Kinneret Apartments. Through the Application, Kinneret was eligible for \$2,500,000 in funding assistance for its proposed project.

4. On December 11, 2015, Florida Housing's Board of Directors approved the recommendation to award Kinneret funding as an eligible Applicant but not as an Applicant qualified as a "Non-Profit". (See Attachment A)

5. On December 15, 2015, Kinneret timely filed a Notice of Intent to Protest Florida Housing's decision and a timely Formal Written Protest was filed on December 28, 2015, which will be abated pending the outcome of this request.

6. At page 19 the RFA lists the selection process which includes the goal of funding two (2) Non-Profit Applications.

7. Specifically, the RFA indicates that the two (2) highest ranked eligible Applications **that qualify as Non-Profit will be selected for funding**. If funding remains after meeting this goal then the next highest eligible applicants **regardless of the Non-Profit status will be funded**. (emphasis added)

8. As it relates to achieving Non-Profit status, the RFA as an additional incentive allows for forgiveness of a certain percentage of the loan amount awarded. Specifically, the RFA at Section Four (B)(2) provides as follows:

To qualify for up to 15 percent of the MERP award to be forgiven, the Applicant must, as of the Application submission date, qualify as a Non-Profit Applicant, or be certified by the Department of Management Services as a Women, Veteran or Minority-Owned Business. All other Applicants will qualify for up to 10 percent of the MERP award to be forgiven. The forgivable portion of the loan is further explained in Section Five, G.4.

Is the Applicant a Non-Profit Applicant as of Application submission date?

Yes

No

If “Yes”, in order to be considered to be a Non-Profit entity for purposes of this RFA, the Applicant must meet the definition of Non-Profit as set out in Section Two, answer the following questions, and provide the required information.

(1) Provide the following information to each Non-Profit entity as **Attachment 2:**

- (a) The IRS determination letter;
- (b) A description/explanation of how the Non-Profit entity is substantially and materially participating in the management and operation of the Development (i.e., the role of the Non-Profit);
- (c) The names and addresses of the members of the governing board of the Non-Profit entity; and
- (d) The articles of incorporation demonstrating that one of the purposes of the Non-Profit entity is to foster low-income housing.

9. The RFA defines Non-Profit as follows:

“Non-Profit” means a qualified Non-Profit entity as defined in Section 42(h)(5)(C), subsection 501(c)(3) or 501(c)(4) of the IRC and organized under Chapter 617, F.S., if a Florida Corporation, or organized under similar state law if organized in a jurisdiction other than Florida, **to provide housing and other services on a not-for-profit basis**, which owns at least 51 percent of the ownership interest in the Development held by the general partner or managing member entity and which entity is acceptable to federal and state agencies and financial institutions as a Sponsor for affordable housing where **the purpose of the Non-Profit must be, in part, to foster low-income housing and such purpose must be reflected in the Articles of Incorporation of the Non-Profit entity.** A Non-Profit entity shall own an interest in the Development, either directly or indirectly; shall not be affiliated with or controlled by a for-profit Corporation; and shall materially participate in the development and

operation of the Development throughout the total affordability period as stated in the Land Use Restriction Agreement and the Extended Use Agreement.

(emphasis added)

10. In response to Section 4(b)(2) Kinneret responded that “yes” it was a Non-Profit Applicant as of the Application submission date and submitted various documents including Articles of Incorporation. (See Attachment B) However in reviewing the documents provided by Kinneret, Florida Housing staff concluded as follows:

“The Articles of Incorporation do not demonstrate that one of the purposes of the Non-Profit to foster low –income housing.”

Apparently Florida Housing was not satisfied that Kinneret demonstrated that it was a Non-Profit with a purpose of fostering low-income housing..

11. Based on this strict interpretation of the definition of Non-Profit, Florida Housing did not consider Kinneret as a Non-Profit entity for funding purposes and did not award Kinneret funding as one of the two designated Non-Profit Applicants. Accordingly Kinneret will not qualify for the 15% forgiveness of the loan amount pursuant to Section 4(b)(2), but instead may only have 10% of its loan forgiven. The result of this decision by Florida Housing will cause a financial impact to Kinneret of over \$100,000. Kinneret now asks for a variance from the strict interpretation of the definition of Non-Profit and a waiver of the two Non-Profit goal forgiveness limitation.

FACTS DEMONSTRATING ENTITLEMENT TO WAIVER AND VARIANCE

12. For the reasons set forth below a strict interpretation of the definition of Non-Profit will create a substantial financial hardship to Kinneret and would violate principles of fairness for several reasons. First the Articles of Incorporation submitted by Kinneret are

acceptable and do indeed demonstrate that one of the purposes of Kinneret is to foster low income housing

13. While "foster" is not defined the Kinneret Articles of Incorporation provide in relevant part as follows:

THIRD: The purpose for which the corporation is formed, and the business and objects to be carried on, and promoted by it, are as follows:

- (a) To provide for elderly families and elderly persons **on a non-profit basis, rental housing and related facilities**, and services especially designed to meet the physical, social, and psychological needs of the elderly, and contribute to their health, security, happiness and usefulness in longer living.
- (b) **To plan, construct, operate maintain, and improve rental housing, and related facilities and services for elderly families and elderly persons.**
- (c) To acquire by give or purchase, hold, sell, convey, assign, mortgage, or lease any property, real or personal, necessary or **incident to the provision of rental housing and related facilities and services for elderly families and elderly persons.**
- (d) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; and, to secure loans by mortgage, deed of trust, pledge, or other lien.
- (e) To apply for, obtain, and contract with any Federal agency for a direct loan or loans, or other financial aid in the form of mortgage insurance, or otherwise, **for the provision of rental housing and related facilities and services for elderly families and elderly persons.**
- (f) To engage in any kind of activity, and to enter into, person, and carry out contracts of any kind, necessary or in connection with, or incidental to the accomplishment of any one or more of the non-profit purposes of the corporation.

FOURTH: The Corporation formed hereby is also authorized to enter into a Regulatory Agreement **with the Secretary of Housing and Urban Development to carry out the provisions of Section 202 of the Housing Act of 1959, and any amendments thereto.** Upon execution, the Regulatory Agreement shall be binding upon the corporation, its successors and assigns so long as any loan under Section 202 of the Housing Act of 1959, as amended, is outstanding, and for such further period of time as may be agreed to by the corporation.

14. Clearly the Section 202 Program like those offered by Florida Housing provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, and provides rent subsidies for the projects to help make them affordable. The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. The above language of the Articles of Incorporation show that one of the purposes of Kinneret is to not only “foster” the provision of but actually provide rental housing for the elderly.

15. Indeed Florida Housing has previously determined that Kinneret is a Non-Profit entity. Specifically in 2008 Kinneret was awarded funding as a Non-Profit entity in response to an Application for funding pursuant to the Elderly Housing Community Loan Program (“EHCL”). (See Attachment C)

16. The purpose of the EHCL Program was to grant loans to Non-Profit organizations to make substantial improvements to elderly housing. To be eligible for funding the ECHL Application similar to the RFA required as follows:

Non-Profit Status

a. Is the Applicant applying as a non-profit organization?

Yes

(1) If “Yes”, provide the following documentation for each Non-Profit entity:

(a) IRS determination letter behind a tab labeled “**Exhibit 2**”; and

(b) description/explanation of the role of the Non-Profit entity behind a tab labeled “**Exhibit 3**”; and

(c) names and addresses of the members of the governing board of the Non-Profit entity behind a tab labeled “**Exhibit 4**”; and

- (d) the articles of incorporation demonstrating that one of the purposes of the Non-Profit entity is to foster low-income housing behind a tab labeled “**Exhibit 5**”.

(See Attachment D)

17. In response to this requirement Kinneret responded that “Yes” it was a Non-Profit and provided documents including the Articles of Incorporation attached as Exhibit D. As a review indicates the Articles of Incorporation submitted in 2008, are identical to the Articles of Incorporation submitted in response to the RFA. (See Attachment E)

18. In reviewing the response to the EHCL Application submitted by Kinneret, Florida Housing failed to raise any issues concerning the Articles of Incorporation. Indeed Kinneret was awarded funding for the same development it seeks additional funding through the RFA currently. Accordingly Kinneret had no reason to believe that the same Articles of Incorporation would not be acceptable in response to the RFA. Had Kinneret been advised of this current issue in 2008, it could have and certainly amended the Articles to address the concern. The opportunity was never provided.

19. Kinneret relied on Florida Housing’s previous determination and it would be unfair to now reach a different conclusion based on a review of the same documents using the same review criteria.

STATUTES IMPLEMENTED

20. The RFA among other things implements, sections of Florida Housing Finance Corporation Act.

21. Florida Housing has authority pursuant to Section 120.542(1), Florida Statutes and Chapter 28-104, F.A.C. to grant waivers to its requirements when strict application of such requirements would lead to unreasonable, unfair and unintended consequences in particular instances. Waivers should be granted when the person subject to the rule demonstrates that the

application of the rule would (1) create a substantial hardship or violate principals of fairness, and (2) the purpose of the underlying statute has been or will be archived by other means by the person. Section 120.542(2), Florida Statutes. In the instant case as indicated above to not consider Kinneret as a Non-Profit would violate the principles of fairness based on Florida Housing's prior determination that Kinneret did indeed qualify as a Non-Profit.

**VARIANCE AND WAIVER
WILL SERVE THE UNDERLYING PURPOSE OF THE STATUTE**

22. Florida Housing's approval of the requested variance and waiver will serve the purpose of the underlying Florida Statute, as well as the MERP. The purpose of both the Statute and the program is to facilitate and stimulate the development and/or preservation of multifamily rental housing that is affordable in this case housing for the elderly.

TYPE OF WAIVER AND VARIANCE REQUESTED

23. The waiver and variance being sought is permanent in nature.

CONCLUSION

24. Controlling statutes and Florida Housing's Rules are designed to allow the flexibility necessary to provide relief from rule and RFA requirements when strict application, in particular circumstances, would lead to unreasonable, unfair, or unintended results. Waivers and variances should be granted when (a) the applicant subject to the rule or RFA requirements demonstrates that strict application would create a substantial hardship or violate principles of fairness; and (b) the purpose of the underlying statute has been or will be achieved by other means.

25. The requested variance and waiver will not adversely impact the Kinneret Development, any other party that sought or received an allocation of funds under the RFA, or Florida Housing.

26. A denial of the requested variance and waiver would result in a substantial hardship for Kinneret which would lose the forgiveness opportunity offered by the RFA for Non-Profit entities.

27. Finally, by granting the requested variance and waiver, Florida Housing would recognize the realities and principles of fundamental fairness in the development of affordable rental housing. This recognition would promote participation by experienced developers to further Florida Housing's purposes through construction of projects for elderly residents in an economically viable manner.

28. Granting of the requested variance and waiver will serve the underlying purpose of Chapter 420, Part V, Florida Statutes by facilitating the development of multifamily housing that is affordable to elderly residents.

29. Should Florida Housing require additional information, Kinneret is available to answer questions and to provide all information necessary for consideration of this Petition.

30. WHEREFORE, based on the above Petitioner respectfully requests that Florida Housing provide the following relief.

A. Grant the Petition and all relief requested herein including allowing Kinneret to qualify for the 15% forgiveness of its MERP award.

B. Grant such further relief as may be deemed appropriate.

Respectfully submitted this 14th day of January 2016.

/s/ Michael P. Donaldson

MICHAEL P. DONALDSON
Florida Bar No. 0802761
CARLTON, FIELDS, P.A.
Post Office Drawer 190
215 S. Monroe St., Suite 500
Tallahassee, Florida 32302

Telephone: 850/224-1585
Facsimile: 850/222-0398

Attorney for Petitioner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing document was served Electronically and by Hand-Delivery upon the Agency Clerk for Florida Housing Finance Corporation and via Hand-Delivery to Joint Administrative Procedures Committee, Holland Building, Room 120, Tallahassee, FL 32399-1300, this 14th day of January, 2016.

/s/ Michael P. Donaldson
MICHAEL P. DONALDSON

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
December 11, 2015
Action Items



we make housing affordable

MULTIFAMILY PROGRAMS

Action

D. Request for Applications (RFA) 2015-115 – Multifamily Energy Retrofit Program (MERP)

1. Background

- a) On October 23, 2015, Florida Housing staff issued RFA 2015-115, offering \$7,533,084 in Multifamily Energy Retrofit Program (MERP) loans to Applicants that commit to making retrofit improvements to qualified multifamily rental Developments that result in measurable energy savings and water conservation; providing ongoing property management, staff education, and resident outreach to maximize the benefits of the retrofit; and submitting reports on energy use/savings.
- b) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Friday, November 13, 2015.

2. Present Situation

- a) Florida Housing received 33 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Elizabeth Thorp, Multifamily Programs Manager (Chair), Elizabeth O'Neill, Multifamily Programs Manager; Kevin McCarthy, Policy Administrator. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its December 2, 2015 Review Committee meeting, the individual committee members presented their scores, and the Committee carried out the funding selection process in accordance with Section Five of the RFA.
- c) The RFA 2015-115 All Applications chart (provided as Exhibit G) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) are listed in assigned Application number order. There was one (1) ineligible Application.
- d) The Review Committee considered the following motions:
 - (1) A motion to adopt the scoring results, as set out on Exhibit G;
 - (2) A motion to tentatively select the Applications set out on Exhibit H for funding and invite the Applicants to enter credit underwriting.
- e) The motions passed unanimously.
- f) As outlined in Section Five, G. of the RFA, at the completion of all litigation and approval by the Board of all Recommended Orders with regard to this RFA, Florida Housing shall offer all Applicants within the funding range a Corporation letter of preliminary award.

MULTIFAMILY PROGRAMS

Action

- g) An unallocated balance of \$263,084 remains. As provided in Section Five, F. of the RFA, the total of any unreserved funding and all Returned Funding will be distributed to additional eligible Applications on the Waiting List, in the order they were ranked as approved by the Board, also subject to the continuation of the County Award Tally and 75% Funding Test.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 33 Applications (set out on Exhibit G), and authorize the tentative selection of the seven (7) Applications (set out on Exhibit H) for preliminary award.
- b) Delegate Staff authority to distribute the unreserved funding and all Returned Funding that may become available to additional eligible Applications on the Waiting List, in the order they were ranked as approved by the Board, also subject to the continuation of the County Award Tally and 75% Funding Test as outlined in the RFA.
- c) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue Corporation letters of preliminary award to the Applicants set out on Exhibit H.
- d) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation, staff will present all Recommended Orders for Board approval prior to issuing Corporation letters of preliminary award to those Applicants in the funding range.

RFA 2015-115 Recommendations

MERP Funding Available	\$ 7,533,064.00
MERP Funding Awarded	\$ 7,270,000.00
MERP Funding Balance	\$ 263,064.00

Application Number	Name of proposed Development	County	Contact Name	Name Of Applicant	Non-Profit?	Total Existing Units	Maximum Eligible Funding Amount	75% of Maximum Funding Amount	Applicant Meets the 75% Funding Test?	Eligible for Funding	Age of Development Preference?	Florida Job Creation Preference?	Lottery
Non-Profit Applications Recommended													
2016-212M	Middletowne Apartments	Clay	Rodger L Brown	POAH Middletowne Apartments, LLC	Y	100	1,500,000.00	1,125,000.00	Y	Y	Y	Y	5
2016-195M	New Hope Community	Martin	Donna M. Carman	Indiantown Non Profit Housing, Inc.	Y	60	900,000.00	675,000.00	Y	Y	Y	Y	8
Other Applications Recommended													
2016-209M	McPines Apartments	DeSoto	William A Gilson	Pines-Cypress, Ltd.	N	64	960,000.00	720,000.00	Y	Y	Y	Y	1
2016-209M	Kinneret Apartments	Orange	Laurel C. Macdonald	KINNERET, INC.	N	168	2,500,000.00	1,875,000.00	Y	Y	Y	Y	2
2016-197M	Wildwood Townehomes	Sumter	William A Gilson	Wildwood Townehomes, Ltd.	N	30	450,000.00	337,500.00	Y	Y	Y	Y	4
2016-218M	North Grove Apartments	Hillsborough	Thomas F. Flynn	North Grove Associates, Ltd.	N	31	465,000.00	348,750.00	Y	Y	Y	Y	12
2016-219M	Forest Glen Apartments	Palm Beach	Thomas F. Flynn	Forest Glen Associates, Ltd.	N	33	495,000.00	371,250.00	Y	Y	Y	Y	14

On December 11, 2015, the Board of Directors of Florida Housing Finance Corporation approved the Review Committee's motion and staff recommendation to select the above Applications for funding and proceed to issue Corporation letters of preliminary award to the Applicants.

Any unsuccessful Applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat., Rule Chapter 28-110, F.A.C., and Rule 67-60.009, F.A.C. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

Attachment

2

State of Florida



Office of Secretary of State

I, Tom Adams, Secretary of State of the State of Florida, do hereby certify that the above and foregoing is a true and correct copy of

CERTIFICATE OF INCORPORATION

OF

KINNERET, INC.,

a corporation not for profit organized and existing under the Laws of the State of Florida, filed on the 8th day of February, A. D., 1967, as shown by the records of this office.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capital, this the 8th day of February, A. D. 1967.



Tom Adams
Secretary of State

SECRET
TAX EXEMPT
STATE OF FLORIDA

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FILED

ARTICLES OF INCORPORATION

FIRST: This is to certify that we,

<u>Name</u>	<u>Address</u>
ROBERT WEINREICH	135 E. Colonial Dr., Orlando, Fla.
BERNARD SOMMERS	1751 Tonto Trail, Maitland, Fla.
NATHAN LOEB	26 Wall Street, Orlando, Fla.

all being of full legal age, do, under and by virtue of the laws of the State of Florida, associate ourselves with the intention of forming a Non-Profit Corporation to provide rental housing and related facilities and services for use and occupancy by elderly families and elderly persons, under the conditions hereinafter set forth.

SECOND: The name of the corporation is: KINNERET, INC. The corporation shall commence business with the filing of these Articles. The principal office of the corporation shall be located at 125 South Court Avenue, Orlando, Florida. The resident agent of the corporation is JEROME J. BORNSTEIN, whose post office address is 125 South Court Avenue, Orlando, Florida.

THIRD: The purpose for which the corporation is formed, and the business and objects to be carried on, and promoted by it, are as follows:

(a) To provide for elderly families and elderly persons on a non-profit basis, rental housing and related facilities, and services especially designed to meet the physical, social, and psychological needs of the elderly, and contribute to their health, security, happiness and usefulness in longer living.

(b) To plan, construct, operate, maintain, and improve rental housing, and related facilities and services for elderly families and elderly persons.

(c) To acquire by gift or purchase, hold, sell, convey, assign, mortgage, or lease any property, real or personal, necessary or incidental to the provision of rental housing and related facilities and services for elderly families and elderly persons.

(d) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; and, to secure loans by mortgage, deed of trust, pledge, or other lien.

(e) To apply for, obtain, and contract with any Federal agency for a direct loan or loans, or other financial aid in the form of mortgage insurance, or otherwise, for the provision of rental housing and related facilities and services for elderly families and elderly persons.

(f) To engage in any kind of activity, and to enter into, perform, and carry out contracts of any kind, necessary or in connection with, or incidental to the accomplishment of any one or more of the non-profit purposes of the corporation.

FOURTH: The corporation formed hereby is also authorized to enter into a Regulatory Agreement with the Secretary of Housing and Urban Development to carry out the provisions of Section 202 of the Housing Act of 1959, and any amendments thereto. Upon execution, the Regulatory Agreement shall be binding upon the corporation, its successors and assigns so long as any loan under Section 202 of the Housing Act of 1959, as amended, is outstanding, and for such further period of time as may be agreed to by the corporation.

FIFTH: The affairs of the corporation shall be managed by a board of directors, consisting of not less than seven directors, elected by the members of the corporation, in the manner provided

by the By-Laws. The qualifications of the directors together with their terms of office, manner of election, removal, change of number, filling of vacancies and of newly created directorships, powers, duties and liabilities shall, except as otherwise provided in these Articles or by the laws of the State of Florida, be as prescribed by the By-Laws.

The names and post office addresses of the persons who shall serve as directors for the term indicated, or until their successors are duly qualified as follows:

<u>TERM</u>	<u>NAMES</u>	<u>ADDRESSES</u>
1 year	HYMEN LAKE	7388 Chancery Lane Orlando, Florida
3 years	ROBERT WEINREICH	135 East Colonial Drive Orlando, Florida
3 years	NATHAN LOEB	26 Wall Street Orlando, Florida
1 year	ERNEST LEFKOWITZ	924 Texas Avenue Orlando, Florida
2 years	SIG GOLDMAN	1670 Huron Trail Maitland, Florida
2 years	DOLLY SHOFF	1314 Radcliff Road Orlando, Florida
2 years	ESOP POSKANZER	336 Pickfair Avenue Orlando, Florida
1 year	BERNARD SOMMERS	1751 Tonto Trail Maitland, Florida
3 years	FLORENCE B. GLUCKMAN	One North Orange Avenue Orlando, Florida.

The directors shall elect the regular officers of the corporation in the manner provided in the By-Laws. The directors and officers shall serve without compensation.

SIXTH: The affairs of the corporation shall be managed by a president, one or more vice-presidents, a secretary and a treasurer, and they shall be elected in September of each year as provided in the By-Laws. The following officers shall serve until the election in

September, 1967, or until their successors are elected and qualified.

<u>NAMES</u>	<u>OFFICE</u>	<u>ADDRESS</u>
FLORENCE B. GLUCKMAN	President	One North Orange Ave. Orlando, Florida
DOLLY SHOFF	Vice President	1341 Radcliff Road Orlando, Florida
BERNARD SOMMERS	Secretary- Treasurer	1751 Tonto Trail Maitland, Florida.

SEVENTH: The subscribers to this Certificate of Incorporation shall be the initial members of the corporation. ~~In addition, all~~ directors of the Central Florida Jewish Community Council, ~~the Florida corporation, not for profit, shall be eligible for membership in this corporation upon their individual written application therefor.~~ Other individuals may be admitted by the Board of Directors to membership in this corporation, from time to time, provided that written application for membership thereto is made to the corporation by such individuals subscribing thereby to the purposes and functions of the corporation, as more specifically provided in the By-Laws. Officers and directors shall not be required to be members.

EIGHTH: By-Laws of the corporation shall be adopted by the members and may be amended only as provided therein, provided that such By-Laws and amendments thereto shall not conflict with the provisions of these Articles of Incorporation or of the Regulatory Agreement.

NINTH: These Articles of Incorporation, except Articles Fourth, Seventh, and Tenth, hereof, may be amended by a vote of two-thirds of the members of the corporation at any annual meeting, or at a special meeting called for that purpose.

TENTH: The duration of this corporation shall be perpetual.

ELEVENTH: No part of the net earnings of this corporation shall be distributed to, or inure to the benefit of, any member, director or officer of this corporation, contributor or private individual. In the event of dissolution, winding up, or other liquidation of the assets of this corporation, its assets shall be distributed to non-profit and charitable corporations or institutions which have qualified for exemption under Section 501 (c)(3) of the Internal Revenue Code as may be designated by the directors to be used for purposes similar to those of this corporation.

INCORPORATORS:

Robert Weinreich
ROBERT WEINREICH

Bernard Sommers
BERNARD SOMMERS

Nathan Loeb
NATHAN LOEB

STATE OF FLORIDA
COUNTY OF ORANGE:

I HEREBY CERTIFY that on this day in the next above named State and County before me, an officer duly authorized and acting, personally appeared ROBERT WEINREICH, BERNARD SOMMERS AND NATHAN LOEB, to me well known and known to me to be the individuals described in and who executed the foregoing Articles of Incorporation.

WITNESS my hand and official seal this 6th day of February, 1967.

(NOTARY SEAL)

Jessie J. Bonstein
NOTARY PUBLIC

My commission expires:

Notary Public, State of Florida At Large
My Commission Expires April 13, 1968
Printed by American Surety Co. of N. Y.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Action

II. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

A. Request Approval of 2008 Elderly Housing Community Loan (EHCL) Program Review Committee's Recommendation of Final Rankings

1. Background/Present Situation

- a) The EHCL Program provides loans of up to \$750,000 to developers who are making substantial improvements to Elderly housing for life safety, building preservation, health, sanitation, or security related issues.
- b) The EHCL Application Cycle opened on January 28, 2008 and closed March 10, 2008, with an estimated \$1,200,000 available for funding. Four applications were received for this cycle.
- c) The EHCL Review Committee (comprised of Jody Bedgood, Derek Helms, Heather Boyd, Jean Salmonsens and Bill Aldinger of Florida Housing) met on April 16, 2008. The Review Committee recommends the attached final ranking (Exhibit A).

2. Recommendation

Approve the EHCL Review Committee's recommendation for final ranking and direct staff to issue preliminary commitment letters to Applicants that fall within funding range and proceed with all necessary credit underwriting activities.

FINAL RANKING
2008 Elderly Housing Community Loan (EHCL) Program

4/16/2008

						1st sort	2nd sort	3rd sort	4th sort	
ELIGIBLE APPLICATIONS										
2008-003E	Winter Haven Baptist Manor, Inc.	Polk	Winter Haven Baptist Manor	\$265,306.50	30	Y	Y	N	Y	3
2008-001E	Kinneret, Inc.	Orange	Kinneret I Apartments	\$661,500.00	25	Y	Y	N	Y	2
2008-002E	MBCDC: The Allen	Miami-Dade	The Allen	\$750,000.00	20	Y	Y	N	Y	1
	TOTAL			\$1,676,806.50						
INELIGIBLE APPLICATIONS										
* 2008-004E	Mary K. Sittman	Jackson	Chipola Apartments	\$190,215.00	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL			\$190,215.00						

* Applicant failed to provide the Application fee as required by the Application Instructions and as such the Application was rejected.

1st sort - Applicant with the highest score
 2nd sort - tie-breaker #1 "Preference will be given to the Application from an Applicant that has not been previously funded through the Florida Housing EHCL Program.
 3rd sort - tie-breaker #2 "Preference will be given to the Application from an Applicant that is 100% non-profit".
 4th sort - tie-breaker #3 "Preference will be given to the Application with the lowest lottery number.



**2008 ELDERLY HOUSING
COMMUNITY LOAN (EHCL) PROGRAM**

APPLICATION

Florida Housing Finance Corporation
City Centre Building
227 North Bronough St., Suite 5000
Tallahassee, Florida 32301-1329
(850) 488-4197
(850) 921-6060 Fax

COPY

Elderly Housing Community Loan (EHCL) Program

THE APPLICATION DEADLINE IS March 10, 2008

SECTION A. APPLICANT AND DEVELOPMENT INFORMATION:

1. Provide the Applicant Certification and Acknowledgment form behind a tab labeled "Exhibit 1".
2. Name of Applicant: KINNERET, INC.
Legal Name of Applicant (If different from above)

3. Non-Profit Status
 - a. Is the Applicant applying as a non-profit organization?
 Yes No
 - (1) If "Yes", provide the following documentation for each Non-Profit entity:
 - (a) IRS determination letter behind a tab labeled "Exhibit 2"; and
 - (b) description/explanation of the role of the Non-Profit entity behind a tab labeled "Exhibit 3"; and
 - (c) names and addresses of the members of the governing board of the Non-Profit entity behind a tab labeled "Exhibit 4"; and
 - (d) the articles of incorporation demonstrating that one of the purposes of the Non-Profit entity is to foster low-income housing behind a tab labeled "Exhibit 5".
 - b. Is the Applicant applying as a 100% non-profit entity?
 Yes No
3. Contact Information:
Contact Person: James M. Chadwick

Exhibit 5

**ARTICLES OF INCORPORATION
OF
KINNERET, INC.**

Attachment E

State of Florida



Office of Secretary of State

J. Tom Adams, Secretary of State of the State of Florida
do hereby certify that the above and foregoing is a true and correct copy of

CERTIFICATE OF INCORPORATION

OF

KINNERET, INC.,

a corporation not for profit organized and existing under
the Laws of the State of Florida, filed on the 8th day
of February, A. D., 1967, as shown by the records of
this office.

*Given under my hand and the Great Seal of
the State of Florida at Tallahassee, the Capital,
this the 8th day of February,
A. D. 1967.*



J. Tom Adams
Secretary of State

ARTICLES OF INCORPORATION

FILED
1967 FEB - 8 AM 11:13
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FIRST: This is to certify that we,

<u>Name</u>	<u>Address</u>
ROBERT WEINREICH	135 E. Colonial Dr., Orlando, Fla.
BERNARD SOMMERS	1751 Tonto Trail, Maitland, Fla.
NATHAN LOEB	26 Wall Street, Orlando, Fla.,

all being of full legal age, do, under and by virtue of the laws of the State of Florida, associate ourselves with the intention of forming a Non-Profit Corporation to provide rental housing and related facilities and services for use and occupancy by elderly families and elderly persons, under the conditions hereinafter set forth.

SECOND: The name of the corporation is: KINNERET, INC. The corporation shall commence business with the filing of these Articles. The principal office of the corporation shall be located at 125 South Court Avenue, Orlando, Florida. The resident agent of the corporation is JEROME J. BORNSTEIN, whose post office address is 125 South Court Avenue, Orlando, Florida.

THIRD: The purpose for which the corporation is formed, and the business and objects to be carried on, and promoted by it, are as follows:

- (a) To provide for elderly families and elderly persons on a non-profit basis, rental housing and related facilities, and services especially designed to meet the physical, social, and psychological needs of the elderly, and contribute to their health, security, happiness and usefulness in longer living.
- (b) To plan, construct, operate, maintain, and improve rental housing, and related facilities and services for elderly families and elderly persons.

(c) To acquire by gift or purchase, hold, sell, convey, assign, mortgage, or lease any property, real or personal, necessary or incidental to the provision of rental housing and related facilities and services for elderly families and elderly persons.

(d) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; and, to secure loans by mortgage, deed of trust, pledge, or other lien.

(e) To apply for, obtain, and contract with any Federal agency for a direct loan or loans, or other financial aid in the form of mortgage insurance, or otherwise, for the provision of rental housing and related facilities and services for elderly families and elderly persons.

(f) To engage in any kind of activity, and to enter into, perform, and carry out contracts of any kind, necessary or in connection with, or incidental to the accomplishment of any one or more of the non-profit purposes of the corporation.

FOURTH: The corporation formed hereby is also authorized to enter into a Regulatory Agreement with the Secretary of Housing and Urban Development to carry out the provisions of Section 202 of the Housing Act of 1959, and any amendments thereto. Upon execution, the Regulatory Agreement shall be binding upon the corporation, its successors and assigns so long as any loan under Section 202 of the Housing Act of 1959, as amended, is outstanding, and for such further period of time as may be agreed to by the corporation.

FIFTH: The affairs of the corporation shall be managed by a board of directors, consisting of not less than seven directors, elected by the members of the corporation, in the manner provided

by the By-Laws. The qualifications of the directors together with their terms of office, manner of election, removal, change of number, filling of vacancies and of newly created directorships, powers, duties and liabilities shall, except as otherwise provided in these Articles or by the laws of the State of Florida, be as prescribed by the By-Laws.

The names and post office addresses of the persons who shall serve as directors for the term indicated, or until their successors are duly qualified as follows:

<u>TERM</u>	<u>NAMES</u>	<u>ADDRESSES</u>
1 year	HYMEN LAKE	7388 Chancery Lane Orlando, Florida
3 years	ROBERT WEINREICH	135 East Colonial Drive Orlando, Florida
3 years	NATHAN LOEB	26 Wall Street Orlando, Florida
1 year	ERNEST LEFKOWITZ	924 Texas Avenue Orlando, Florida
2 years	SIG GOLDMAN	1670 Huron Trail Maitland, Florida
2 years	DOLLY SHOFF	1314 Radcliff Road Orlando, Florida
2 years	ESOP POSKANZER	335 Pickfair Avenue Orlando, Florida
1 year	BERNARD SOMMERS	1751 Tonto Trail Maitland, Florida
3 years	FLORENCE B. GLUCKMAN	One North Orange Avenue Orlando, Florida.

The directors shall elect the regular officers of the corporation in the manner provided in the By-Laws. The directors and officers shall serve without compensation.

SIXTH: The affairs of the corporation shall be managed by a president, one or more vice-presidents, a secretary and a treasurer, and they shall be elected in September of each year as provided in the By-Laws. The following officers shall serve until the election in

September, 1967, or until their successors are elected and qualified.

<u>NAMES</u>	<u>OFFICE</u>	<u>ADDRESS</u>
FLORENCE B. GLUCKMAN	President	One North Orange Ave. Orlando, Florida
DOLLY SHOFF	Vice President	1341 Radcliff Road Orlando, Florida
BERNARD SOMMERS	Secretary- Treasurer	1751 Tonto Trail Maitland, Florida.

SEVENTH: The subscribers to this Certificate of Incorporation shall be the initial members of the corporation. ~~In addition, all~~ directors of the Central Florida Jewish Community Council, ~~a Florida corporation, not for profit, shall be eligible for membership in this corporation upon their individual written application therefor.~~ Other individuals may be admitted by the Board of Directors to membership in this corporation, from time to time, provided that written application for membership thereto is made to the corporation by such individuals subscribing thereby to the purposes and functions of the corporation, as more specifically provided in the By-Laws. Officers and directors shall not be required to be members.

EIGHTH: By-Laws of the corporation shall be adopted by the members and may be amended only as provided therein, provided that such By-Laws and amendments thereto shall not conflict with the provisions of these Articles of Incorporation or of the Regulatory Agreement.

NINTH: These Articles of Incorporation, except Articles Fourth, Seventh, and Tenth, hereof, may be amended by a vote of two-thirds of the members of the corporation at any annual meeting, or at a special meeting called for that purpose.

TENTH: The duration of this corporation shall be perpetual.

ELEVENTH: No part of the net earnings of this corporation shall be distributed to, or inure to the benefit of, any member, director or officer of this corporation, contributor or private individual. In the event of dissolution, winding up, or other liquidation of the assets of this corporation, its assets shall be distributed to non-profit and charitable corporations or institutions which have qualified for exemption under Section 501 (c)(3) of the Internal Revenue Code as may be designated by the directors to be used for purposes similar to those of this corporation.

INCORPORATORS:

Robert Weinreich
ROBERT WEINREICH

Bernard Sommers
BERNARD SOMMERS

Nathan Loeb
NATHAN LOEB

STATE OF FLORIDA
COUNTY OF ORANGE:

I HEREBY CERTIFY that on this day in the next above named State and County before me, an officer duly authorized and acting, personally appeared ROBERT WEINREICH, BERNARD SOMMERS AND NATHAN LOEB, to me well known and known to me to be the individuals described in and who executed the foregoing Articles of Incorporation.

WITNESS my hand and official seal this 6th day of February, 1967.

(NOTARY SEAL)

Jessie J. Bonstein
NOTARY PUBLIC

My commission expires:

Notary Public, State of Florida at Large
My Commission Expires April 13, 1968
Secured by American Surety Co. of N. Y.