

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
May 10, 2019
Consent Items



HOUSING CREDITS

Consent

I. HOUSING CREDITS

A. Request Approval of Partial Release of Land for Martin Fine Villas, LLC, a Florida Limited Liability Company for Martin Fine Villas (2015-532C)

Development Name: Martin Fine Villas	Location: Miami-Dade County
Applicant/Borrower: Martin Fine Villas, LLC	Set Aside(s): 100% @ 60% AMI
Developer/Principal: Martin Fine Villas Developer, LLC/Tony Del Pozzo	Demographic/Number of units: Elderly Non-ALF/104 Units
Requested Amounts: 4% HC: \$793,184	Development Category/Type: Redevelopment/High Rise

1. Background/Present Situation

- a) During the 2015 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) received an application for non-competitive, low-income housing tax credits in the amount of \$767,109 from Martin Fine Villas, LLC, a Florida limited liability company (“Applicant”), for the redevelopment of a 104-unit apartment complex in Miami-Dade County, Florida.
- b) On May 25, 2017, Florida Housing received an update to the final Credit Underwriting Report (dated December 21, 2016) which recommended an allocation of \$793,184 in 4% Housing Credits.
- c) On June 2, 2017, a Preliminary Determination was issued to the Applicant for said amount of Housing Credits.
- d) On September 24, 2018, staff received a letter from the Applicant ([Exhibit A](#)) requesting to modify the legal description provided within the Extended Low-Income Housing Agreement (EUA). The Borrower requests approval of the Board to release approximately 3.46 acres of vacant land from the Development and to modify the legal description of the Extended Low-Income Housing Agreement (“EUA”) so that the vacant land can be developed into an affordable workforce housing development.
- e) On April 11, 2019, staff received a credit underwriter recommendation ([Exhibit B](#)) from AmeriNat with a positive recommendation for the partial release of land and the modification of the legal description.

2. Recommendation

- a) Approve the partial release of land, and the modification of the legal description in the Extended Low-Income Housing Agreement (EUA), subject to the conditions provided in the credit underwriter’s report (Exhibit B) and further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with Extended Low-Income Housing Agreement (EUA) modification activities, as needed.

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II. LEGAL

A. In Re: Woodland Grove Apartments, LLC - FHFC Case No. 2019-039VW (2018-044BS)

Development Name: (“Development”):	Woodland Grove
Developer/Principal: (“Developer”):	RS Development Corp/Lewis Swezy
Number of Units: 190	Location: Miami-Dade County
Type: Garden	Set Asides: 90% @ 60% AMI 10% @ 28% AMI
Demographics: Family	SAIL: \$7,000,000 ELI: \$600,000 NHTF: \$1,047,895.88 MMRB: \$27,500,000 4% HC: \$1,847,162

1. Background

- a) Petitioner was selected to receive State Apartment Incentive Loan (“SAIL”) funding under RFA 2017-108 (SAIL/MMRB/4% HC) to assist in the construction of Woodland Grove (the “Development”).
- b) On April 16, 2019, Florida Housing received a Petition for Waiver of Rules 67-48.0072(4)(c) and 67-48.0072(21)(b) (2017), to extend the SAIL firm commitment loan deadline, a copy of which is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-48.0072(21)(b)(2017), Fla. Admin. Code, provides:
 - (1) 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 Board 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.
- b) Petitioner was invited into Credit Underwriting on May 4, 2018, and had an initial firm loan commitment deadline for the loan financing (SAIL, ELI, NHTF

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or “the Loans”) of February 9, 2019. Petitioner received a 6-month extension per the Rule provision above, paying the applicable fee and setting a new firm loan commitment deadline of August 9, 2019.

- c) Petitioner now requests a waiver of the above Rules to extend the firm commitment deadline of the Loans to December 31, 2019. In support of this request, Petitioner asserts that the Credit Underwriting process has been delayed by difficulty in obtaining site plan approval and permits from local regulating authorities. Petitioner reports it has timely submitted all requests and information, and that further delays in the process are outside of Petitioner’s control.
- d) On April 18, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 76. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- f) 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 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)(b), Fla. Admin. Code, so that the SAIL/ELI/NHTF firm commitment loan deadline may be extended from August 9, 2019 to December 31, 2019. Petitioner’s request for a waiver of Rule 67-48.0072(4)(c) is **DENIED** as inapplicable, as Petitioner does not yet have a closing date.

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B. In re: Lake Beulah, LTD - FHFC Case No. 2019-026VW (2016-369BS)

Development (“Development”)	Name:	Twin Lakes Estates - Phase II (f/k/a Lake Beulah View)
Developer/Principal: (“Developer”)		Lake Beulah, Ltd. & Polk County Housing Developers, Inc. (Matt Rieger)
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: \$11,100,000 HC: \$875,090

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 April 5, 2019, Florida Housing received a Petition for Wavier of Rule 67-48.0072(4)(c) and (26), Fla. Admin. Code, requesting an extension of the SAIL closing deadline to November 30, 2019. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.0072, Fla. Admin. Code (2016), provides, in pertinent part:

(4) If the invitation to credit underwriting is accepted:

(c) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, the credit underwriting process must be completed within the time frame outlined in subsection 67-48.0072(21), F.A.C., below and the loan must close within the time frame outlined in subsection 67-48.0072(26), F.A.C., below...

(26) For SAIL, EHCL, and HOME, that is not in conjunction with Competitive HC, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s).

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Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above beyond the applicable 120 Calendar Day or 180 Calendar Day period outlined above. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

- b) Per the above Rules Petitioner previously requested, paid the required fee, 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 initially unable to secure commitments for debt and equity in terms above market conditions. Petitioner changed the unit mix of the Development to provide better net operating income, and in June 2018 was granted extra time via a Rule waiver (FHFC Case No. 2018-035VW) to allow for these changes, as well as to permit time to update the rents and to redesign the Development to accommodate the changes, and to extend the credit underwriting accordingly. Based on the above, the Board approved the waiver and extended the firm loan closing deadline 75 days, through September 18, 2018. The Board approved the Credit Underwriting report on July 27, 2018 and directed staff to proceed with loan closing activities.
- c) Subsequently, Petitioner also received an extension of the loan closing deadline from January 28, 2019, to April 29, 2019, per the Rules above and again with the payment of the required fee, to allow additional time to obtain HUD's Mixed Finance Approval, which has not yet been received from HUD. This delay has been caused, in part, due to the shutdown of the Federal government between December 22, 2018 and January 25, 2019. HUD approved the Demolition and Disposition of the existing public housing structures, but the HUD Mixed Finance approval is still pending.
- d) Additionally, the Development's Construction Contract ("GC Contract") was originally executed on March 23, 2018. Because of the delay in obtaining HUD's approvals, the guaranteed minimum price on the GC Contract can no longer be maintained. As a result Petitioner was required to re-bid the Development to the original general contractor and another contractor. Both resulting bids were significantly higher, with more than a 15% increase over the underwritten Construction Cost of the original GC Contract. Petitioner continues to work with other contractors and estimates that, after value-engineering, the increase will be reduced to 10%. To address this additional cost, Petitioner must: underwrite the increased rents; update the appraisal and the Plan & Cost Review report; obtain a new Credit Underwriting Report reflecting these changes; obtain Corporation approval of the new CUR; and obtain a new State Board of Administration (SBA) approval of the bond amounts.
- e) Based on the circumstances above, Petitioner now requests a waiver of the above Rules to extend the closing date.

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- f) On April 9, 2019, Notice of the Petition was published in the Florida Administrative register in Volume 45, Number 69. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) 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 Rules 67-48.0072(4)(c) and (26), Fla. Admin. Code (2016) to extend the loan closing deadline from April 29, 2019 to November 30, 2019.

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C. **In Re: Society of St. Vincent De Paul South Pinellas, Inc. - FHFC Case No. 2019-035VW (2017-169S)**

Development Name: (“Development”):	Ozanam Village III
Developer/Principal: (“Developer”):	Society of St. Vincent De Paul South Pinellas, Inc./GHD Construction Services, Inc.
Number of Units: 30	Location: Pasco County
Type: Garden	Set Asides: 75% PSN units 20% @ 40% ELI 100% @ 60% AMI
Demographics: Persons with Special Needs (SSDI)	SAIL: \$5,000,000

1. **Background**

- a) Petitioner was selected to receive State Apartment Incentive Loan (“SAIL”) funding under RFA 2016-115 (SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs) to assist in the construction of Ozanam Village III (the “Development”).
- b) On April 12, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b)(2016), to extend the SAIL firm loan commitment deadline, a copy of which is attached as [Exhibit C](#).

2. **Present Situation**

- a) Rule 67-48.0072(21)(b)(2016), Fla. Admin. Code, provides:
 - (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 Board 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) In January 2018, Petitioner received a 6-month extension on its SAIL loan until August 12, 2018. Petitioner received an additional extension in July 2018 to set a SAIL firm commitment loan deadline of June 12, 2019.
- c) Petitioner now requests a waiver of the above Rule to extend the SAIL firm commitment loan deadline, for a third time, by sixty (60) days, or to August 11, 2019. In support of this request, Petitioner asserts that the original design of the Development can no longer be used, and the site must be reconfigured to avoid encroachment on protected wetlands. This has resulted in permitting delays as well. Accordingly, Petitioner asks for a short (60-day) extension to accomplish these required changes.
- d) On April 12, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 72. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- f) 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 development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code, so that the SAIL firm commitment loan deadline may be extended from June 12, 2019 to August 11, 2019.

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D. In re: Resolution 2019-010, Signature Authority (Bond Documents)

1. Background

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

2. Present Situation

- a) Draft Resolution 2019-010 ([Exhibit D](#)) updates Angie Sellers' title to Chief Financial Officer so that she may continue to execute all documents necessary to effectuate the issuance of the Bonds and the closing transactions.

3. Recommendation

- a) Staff recommends that the Board adopt Resolution 2019-010 delegating signature authority as described.

MULTIFAMILY BONDS

Consent

III. MULTIFAMILY BONDS

A. Request Approval of Credit Underwriting Report for Parrish Oaks (2018-041BS)

Development Name: Parrish Oaks	Location: Manatee County
Applicant/Borrower: SP Oaks LLC	Set Aside(s): 100% @ 60% AMI (MMRB & 4% HC) 10% @ 33% AMI (SAIL/ELI) 90% @ 60% AMI (SAIL)
Developer/Principal: Southport Development, Inc. / J. David Page	Demographic/Number of units: Family / 120
Requested Amounts: \$14,000,000 Multifamily Mortgage Revenue Note (MMRN) \$6,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,028,468 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 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 8, 2017, the Board approved the final scores and recommendations for RFA 2017-108 and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order allowing staff to proceed with invitations to credit underwriting and closing activities.
- d) On May 9, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On April 25, 2019, staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL and ELI funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2017-108.

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 Pembroke Tower (2018-040BS)

Development Name: Pembroke Tower	Location: Broward County
Applicant/Borrower: SP Tower, LLC	Set Aside(s): 100% @ 60% AMI (MMRB & 4% HC) 10% @ 28% AMI (SAIL & ELI) 90% @ 60% AMI (SAIL & ELI)
Developer/Principal: Southport Development, Inc. / J. David Page	Demographic/Number of units: Elderly / 100
Requested Amounts: \$11,000,000 Multifamily Mortgage Revenue Note (MMRN) \$3,200,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$689,046 Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation / Mid-Rise Apartments

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 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 8, 2017, the Board approved the final scores and recommendations for RFA 2017-108 and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order allowing staff to proceed with invitations to credit underwriting and closing activities.
- d) On April 10, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On April 25, 2019, staff received a final credit underwriting report with a positive recommendation for MMRN, SAIL and ELI funding ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2017-108.

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 Credit Underwriting Report for Daytona Gardens Apartments (2018-100B)

Development Name: Daytona Gardens Apartments	Location: Volusia County
Applicant/Borrower: SP Daytona LLLP	Set Aside(s): 100% @ 60% AMI (MMRB and 4% HC)
Developer/Principal: Southport Community Development, Inc. / J. David Page	Demographic/Number of units: Family / 230
Requested Amounts: \$20,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$1,257,306 Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation / Garden Apartments

1. Background/Present Situation

- a) On November 1, 2018, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$16,000,000 and non-competitive Housing Credits in the amount of \$1,000,000. The Applicant subsequently requested to increase the MMRB request amount to \$20,000,000. This request was approved by staff on April 1, 2019.
- b) On February 13, 2019, staff issued an invitation to enter credit underwriting to the Applicant.
- c) Staff reviewed the credit underwriting report, giving a positive recommendation for a MMRB loan in the amount of \$20,000,000 ([Exhibit C](#)). Staff finds that the development meets all the requirements of the Non-Competitive Application.

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 appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

D. 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 MMRB to finance the construction/rehabilitation 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 methods of sale. A brief description of the Developments are detailed below, along with staff's recommendations.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the methods of bond sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the methods of bond sale for the Developments. The recommendation letters are attached as Exhibit D through F.

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 methods 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
Parrish Oaks	Manatee County	120	Negotiated Public Offering	RBC Capital Markets, LLC	Exhibit D
Pembroke Tower	Broward County	100	Negotiated Public Offering	RBC Capital Markets, LLC	Exhibit E
Daytona Gardens Apartments	Volusia County	230	Negotiated Private Placement	RBC Capital Markets, LLC	Exhibit F

MULTIFAMILY BONDS

Consent

E. Request Approval of Change in the General Contractor and Credit Underwriting Update Letter for Mary Bethune Highrise (2016-104B)

Development Name: Mary Bethune Highrise	Location: Hillsborough County
Applicant/Borrower: WRDG Mary Bethune, LP	Set Aside(s): 100% @ 60% AMI (MMRB and 4% HC)
Developer/Principal: WRDG Mary Bethune Developer, LLC / Alberto Milo, Jr.	Demographic/Number of units: Elderly / 150
Requested Amounts: \$18,400,000 Multifamily Mortgage Revenue Bonds (MMRB) \$1,263,394 Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation / High Rise

1. Background/Present Situation

- a) On May 24, 2017, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$14,000,000 and non-competitive Housing Credits in the amount of \$808,543. The Applicant subsequently requested to increase the MMRB request amount to \$15,500,000. This request was approved by staff on September 13, 2018.
- b) On February 6, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- c) On November 2, 2018, the Board approved the final credit underwriting report, giving a positive recommendation for a MMRB loan in the amount of \$15,500,000.
- d) WRDG Mary Bethune, LP requests Florida Housing's consent to change the general contractor from Fortune Urban Construction, LLC to Hennessey Construction Services Corp. Due to this being a single project in Hillsborough County for the developer, it is more efficient to utilize an unaffiliated third-party contractor that currently has a presence in the Hillsborough County market than their related party contractor. In addition, the Applicant requests to increase the MMRB amount from the previously approved amount of \$15,500,000 to \$18,400,000 due to increased development costs. Seltzer Management Group, Inc. has reviewed these requests and provided a positive recommendation ([Exhibit G](#)).

2. Recommendation

- a) Approve the change in the general contractor and increase MMRB amount and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

F. Request Approval to Amend the Trust Indenture for Northbridge Apartment Homes on Millenia Lake I and II (2007 Series G-1 and G-2)

Development Name: Northbridge Apartment Homes on Millenia Lake I and Northbridge Apartment Homes on Millenia Lake II	Location: Orange County
Applicant/Borrower: NorthBridge at Millenia Partners, Ltd. and NorthBridge at Millenia Partners II, Ltd.	Set Aside(s): 20% @ 50% AMI (MMRB) 20% @ 50% AMI (SAIL)
Developer/Principal: Waterton Associates, LLC/Erin Ankin	Demographic/Number of units: Family / 396 and 211
\$48,500,000 Tax Exempt Multifamily Mortgage Revenue Bond (MMRB) \$21,500,000 Taxable MMRB \$2,000,000 State Apartment Incentive Loan (SAIL)	Development Category / Type: Rehabilitation / Garden Apartments

1. Background/Present Situation

- a) Florida Housing issued bonds for Northbridge Apartment Homes on Millenia Lake I fka Northbridge at Millenia (Phase I) in 2003 in the amount of \$30,020,000 in Tax Exempt Multifamily Mortgage Revenue Bonds designated as 2003 Series V-1 and \$3,300,000 of Taxable Multifamily Mortgage Revenue Bonds designated as 2003 Series V-2. In addition, \$2,000,000 State Apartment Incentive Loan was issued for this development.
- b) Northbridge Apartment Homes on Millenia Lake II fka Northbridge at Millenia II (Phase II) was financed with \$16,500,000 of Orange County Housing Finance Authority Tax Exempt Multifamily Housing Revenue Bonds designated as 2003 Series A and \$2,320,000 of Orange County Housing Finance Authority Taxable Multifamily Housing Revenue Bonds designated as 2003 Series B.
- c) In 2007, Both Phase I and Phase II were refunded through one Florida Housing Bond Issuance. The refunding consisted of \$70,000,000 in tax-exempt/taxable bonds that included: \$48,500,000 in tax-exempt bonds (2007 Series G-1) and \$21,500,000 in taxable bonds (2007 Series G-2). An existing SAIL loan on Phase I, in the amount of \$2,000,000, was subordinated at the time of the refunding and both Phase I and Phase II serve as collateral for the SAIL loan. This change provided additional security to the existing SAIL mortgage. Although both Developments were refunded through one Bond Issue, separate Bond and SAIL LURAs have remained intact.
- d) At the June 21, 2013 Board meeting, the Florida Housing Board approved the merger of the Phase II ownership into the Phase I ownership.
- e) At the January 31, 2014 Board meeting, the Board approved the transfer of General and Limited Partnership interest from CED Capital Holdings to Waterton Associates, LLC.

MULTIFAMILY BONDS

Consent

- f) In a letter dated April 3, 2019 ([Exhibit H](#)), NorthBridge at Millenia Partners, Ltd. and NorthBridge at Millenia Partners II, Ltd. have requested Florida Housing's consent to extend the current reset period stated in the Supplemental Trust Indenture for up to one year. The Supplemental Trust Indenture currently states the reset period is June 25, 2019. This extension will allow time for the sell of the development to occur.

2. **Recommendation**

- a) Approve the extension of the current reset period as stated in the Supplemental Trust Indenture, allowing for the loan documents to be amended, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

G. Request Approval of the Transfer of Ownership for Taylor Pointe Apartments II (2002 Series I-1 and I-2 / 2001-523C)

Development Name: Taylor Pointe Apartments II fka Fountains of Indian River II fka Lindsey Gardens II	Location: Indian River County
Applicant/Borrower: Lindsey Gardens II, Ltd.	Set Aside(s): 80% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developer/Principal: Dominion Development and Acquisition, LLC / Mark Moorhouse	Demographic/Number of units: Family / 72
Requested Amounts: \$2,885,000 Multifamily Mortgage Revenue Bond (MMRB) \$233,090 Non-Competitive Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 2002 with \$2,800,000 in tax exempt MMRB designated as 2002 Series I-1 and \$85,000 in taxable MMRB designated as 2002 Series I-2. In addition, \$233,090 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in October 2014.
- b) On September 19, 2014, the Board approved the Borrower's request to transfer general partner ownership interest from Columbia Housing SLP, Corp. to Vero Beach Leased Housing Associates II, LLC (an affiliate of Dominion). The limited partner interest was also acquired by Vero Beach Leased Housing Associates LP II, LLC.
- c) Lindsey Gardens II, Ltd. has requested Florida Housing's consent to the transfer of the Development to Vero Beach Leased Housing Associates III, LLLP, which is an affiliated entity of Dominion. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption of the Land Use Restriction Agreement (LURA) and Extended Low Income Housing Agreement (ELIHA), and the subordination of the LURA and ELIHA to the new first mortgage lender ([Exhibit I](#)).

2. Recommendation

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

MULTIFAMILY BONDS

Consent

H. Request Approval of the Change in the Developer Ownership Structure for Emerald Villas Phase Two (RFA 2016-109 / 2016-367BS)

Development Name: Emerald Villas Phase Two	Location: Orange County
Applicant/Borrower: Emerald Villas Phase Two, LLC	Set Aside(s): 10% @ 40% AMI (MMRB, SAIL, ELI, and 4% HC) 90% @ 60% AMI (MMRB, SAIL and 4% HC)
Developer/Principal: Emerald Villas Phase Two Developer, LLC / Alberto Milo, Jr.	Demographic/Number of units: Elderly / 96
Requested Amounts: \$9,200,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,950,000 State Apartment Incentive Loan (SAIL) \$426,200 Extremely Low Income (ELI) \$727,167 Housing Credits (4% 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 September 14, 2018 the Board approved the final credit underwriting report containing a positive recommendation for MMRB, SAIL, and ELI Funding.
- f) On February 27, 2018, the Borrower closed on the loans for MMRB in the amount of \$9,200,000, SAIL in the amount of \$4,950,000, and ELI in the amount of \$426,200.
- g) Emerald Villas Phase Two, LLC requests Florida Housing's consent to change the Co-Developer from ONIC-Emerald Villas Phase Two, LLC to Orlando Neighborhood Improvement Corporation, Inc., which is currently the sole member of ONIC-Emerald Villas Phase Two, LLC. RUDG, LLC, an affiliate of Related Urban Development Group, will remain as the other Co-Developer. This request is due to there being tax implications to the non-profit under the original ownership structure.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the change to the Developer ownership structure, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

I. Request Approval to Extend Maturity Date and Construction Completion Deadline for Lake Mangonia Apartments (2018 Series B)

Development Name: Lake Mangonia Apartments	Location: Palm Beach County
Applicant/Borrower: Palm Grove Affordable, LLC	Set Aside(s): 90% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Developer/Principal: Southport Development, Inc. / J. David Page	Demographic/Number of units: Family / 150
Requested Amounts: \$14,000,000 Multifamily Mortgage Revenue Bond (MMRB) \$898,838 Non-Competitive Housing Credits (HC)	Development Category/Type: Acquisition and Rehabilitation / Mid-Rise (4 Stories)

1. Background/Present Situation

- a) On May 3, 2017, the Borrower submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$14,000,000 and non-competitive Housing Credits in the amount of \$719,000.
- b) On December 8, 2017, the Board approved the final credit underwriting report with a positive recommendation for funding.
- c) The Borrower closed on the MMRB loan on February 27, 2018. The short term bonds are cash collateralized in conjunction with a FHA insured 221(d)(4) loan from Prudential Huntoon Paige Associates, LLC. They carry a stated maturity date of July 1, 2019.
- d) Staff received a request from the Borrower to extend the maturity date of the Bonds from July 1, 2019 to January 1, 2020 and to extend the construction completion date from February 28, 2019 to January 1, 2020 ([Exhibit J](#)). Due to construction delays, the Development will not be placed in service prior to the stated maturity date of the Bonds and was not completed by the construction completion deadline. The extension is needed to allow additional time to complete construction of the Development and maintain compliance with Section 42 requirements for the Bonds and Housing Credits.

2. Recommendation

- a) Approve amendments to the Bond Documents to extend the maturity date of the Bonds and the construction completion date, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

J. Request Approval of Additional Subordinate Debt for Caribbean Village (2018 Series E / 2014-418S)

Development Name: Caribbean Village	Location: Miami-Dade County
Applicant/Borrower: Caribbean Village, Ltd.	Set Aside(s): 85% @ 60% AMI (MMRN) 5% @ 33% AMI (SAIL & ELI) 95% @ 60% AMI (SAIL) 100% @ 60% AMI (HC)
Developer/Principal: Pinnacle Housing Group, LLC/ David O. Deutch	Demographic/Number of units: Elderly / 123
Requested Amounts: \$16,500,000 Multifamily Mortgage Revenue Note (MMRN) \$5,000,000 State Apartment Incentive Loan (SAIL) \$362,400 ELI Gap Funding (ELI) \$1,316,455 Non-Competitive Housing Credits (HC)	Development Category/Type: New Construction / High Rise

1. Background/Present Situation

- a) On August 22, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) As required in RFA 2014-111, the Applicant submitted a Non-Competitive Application package requesting MMRB in the amount of \$10,000,000 (which request was subsequently increased to \$16,500,000) and non-competitive Housing Credits in the amount of \$673,000.
- c) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-111 and directed Staff to proceed with all necessary credit underwriting activities.
- d) On December 19, 2014, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On May 4, 2018, the Board approved the final credit underwriting report.
- f) On June 27, 2018, the Borrower closed on the loans for MMRN in the amount of \$16,500,000, SAIL in the amount of \$5,000,000, and ELI in the amount of \$362,400.
- g) Caribbean Village, Ltd. request Florida Housing’s consent to obtain additional subordinate debt from Miami-Dade Surtax Funds in the amount of \$808,964. This additional funding will be in addition to the existing \$1,928,973 Miami-Dade County Public Housing and Community Development loan. First Housing Development Corporation of Florida has reviewed this request and provided a positive recommendation for the proposed additional subordinate ([Exhibit K](#)).

MULTIFAMILY BONDS

Consent

This funding will be subordinate to the current loans from Citibank, SAIL, ELI, and the Miami-Dade County Surtax and HOME loans.

2. **Recommendation**

- a) Approve the additional subordinate debt from Miami-Dade County, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

K. Request Approval of the Transfer of Ownership for Chapel Trace (2003 Series C-1 and C-2 / 2001-536C)

Development Name: Chapel Trace	Location: Orange County
Applicant/Borrower: Chapel Trust, Ltd.	Set Aside(s): 50% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developer/Principal: Dominion Development and Acquisition, LLC / Mark Moorhouse	Demographic/Number of units: Family / 312
Requested Amounts: \$16,220,000 Multifamily Mortgage Revenue Bond (MMRB) \$838,543 Non-Competitive Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 2003 with \$12,165,000 in tax exempt MMRB designated as 2003 Series C-1 and \$4,055,000 in taxable MMRB designated as 2003 Series C-2. In addition, \$838,543 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in January 2014.
- b) On December 15, 2006, the Board approved the Borrower's request to transfer general partner ownership interest from HTG properties to an entity affiliated with the Shelter Corporation.
- c) On December 13, 2013, the Board approved the Borrower's request to transfer ownership interest of the general partner and limited partner to Orlando Leased Housing Associates III, LLC and Orlando Leased Housing Associates LP III, LLC.
- d) Chapel Trust, Ltd. has requested Florida Housing's consent to the transfer of the Development to Orlando Leased Housing Associates XI, LLLP, which is an affiliated entity of Dominion. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption of the Land Use Restriction Agreement (LURA) and Extended Low Income Housing Agreement (ELIHA), and the subordination of the LURA and ELIHA to the new first mortgage lender ([Exhibit L](#)).

2. Recommendation

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

MULTIFAMILY PROGRAMS

Consent

IV. MULTIFAMILY PROGRAMS

A. Request Approval to Exceed the 20% Subcontractor Limitation for Orchid Estates (RFA 2014-111/2014-437S/2015-529C)

Development Name: Orchid Estates	Location: Miami-Dade County
Applicant/Borrower: Orchid Estates, Ltd.	Set Aside(s): HC: 100% @ 60% AMI; SAIL: 10% @ 33% AMI and 90% @ 60% AMI
Developer/Principal: RS Development Corp./Lewis Swezy	Demographic/Number of units: Family/74 units
Requested Amounts: \$516,427 Housing Credits; \$4,250,000 SAIL; \$296,400 ELI	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Orchid Estates, Ltd. ("Applicant") applied for and was awarded SAIL/ELI funding from Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. The Applicant also submitted a non-competitive application for 4% Housing Credits following their SAIL/ELI award. The funds are being utilized to finance the construction of a 74-unit Family development in Miami-Dade County. On February 6, 2015, Loan staff issued an invitation to the Applicant to enter credit underwriting for their competitive funding and, on February 22, 2016, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting for the non-competitive funding. On March 3, 2016, staff received a credit underwriting report giving a positive recommendation for a SAIL Loan in the amount of \$4,250,000, an ELI Gap Loan in the amount of \$296,400 and a 4% Housing Credit Allocation of \$516,427, which was approved at the May 6, 2016 Board meeting.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontract to exceed the 20% limitation in Rules 67-21.026(13)(e), F.A.C. and 67-48.0072(17)(f), F.A.C. See [Exhibit A](#) for Applicant's request.
- c) Pursuant to Rules 67-21.026(13)(e), F.A.C. and 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:

Ensure that not 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 Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)

MULTIFAMILY PROGRAMS

Consent

- d) At the request of Florida Housing staff, First Housing reviewed the Applicant's request, Rule Chapters 67-21 and 67-48, Request for Variance Letter from the Developer, Explanation Letter from General Contractor, Subcontract Agreement between General Contractor and Subcontractor and other bids received. After review and analysis, First Housing, in conjunction with the Construction Consultant, On Solid Ground, found that the subcontract is reasonable. First Housing recommends that Florida Housing approve the General Contractor's use of a subcontractor, which will provide work at a cost that exceeds 20% of the total construction cost for the Development. See [Exhibit B](#) for First Housing's recommendation.
- e) Since this information was first discovered by FHFC during review of the General Contractor's Cost Certification, after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rules 67-21.026(13)(e), F.A.C. and 67-48.0072(17)(f), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

2. **Recommendation**

- a) Approve the request to exceed the 20% subcontractor limitation under the workout scenario proposed above.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval to Exceed the 20% Subcontractor Limitation for Marcia Gardens (2015-107B/2016-503C/2016-106H)

Development Name: Marcia Gardens	Location: Miami-Dade County
Applicant/Borrower: Marcia Gardens, LLC	Set Aside(s): HC and MMRB: 15% @ 50% AMI and 85% @ 60% AMI HOME: 20% @ 50% AMI and 80% @ 60% AMI
Developer/Principal: RUDG-Vanguardian Developer, LLC/Alberto Milo, Jr.	Demographic/Number of units: Elderly Non-ALF/134 units
Requested Amounts: \$922,858 Housing Credits; \$15,500,000 MMRB; \$4,500,000 HOME	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Marcia Gardens, LLC (“Applicant”) applied for and was awarded HOME funding from Request for Applications (RFA) 2015-110 for the Financing of Affordable Multifamily Housing Developments with HOME Funding to be Used in Conjunction with Florida Housing-Issued Multifamily Mortgage Revenue Bond Financing and Non-Competitive Housing Credits. The funds are being utilized to finance the construction of a 134-unit Elderly Non-ALF development in Miami-Dade County. On January 13, 2015, Loan staff issued an invitation to the Applicant to enter credit underwriting for their competitive funding and, on January 13, 2016, Bond staff issued an invitation to enter credit underwriting for the non-competitive funding. On April 20, 2016, staff received a credit underwriting report giving a positive recommendation for a HOME loan in the amount of \$4,500,000, \$15,500,000 in Tax-Exempt MMRB and a 4% Housing Credit Allocation of \$922,858, which was approved at the May 6, 2016 Board meeting.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontract to exceed the 20% limitation in Rules 67-21.014(r)(6), F.A.C., 67-21.026(13)(e), F.A.C. and 67-48.0072(17)(f), F.A.C. See [Exhibit C](#) for Applicant's request.
- c) Pursuant to Rules 67-21.014(r)(6), F.A.C, 67-21.026(13)(e), F.A.C. and 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:

Ensure that not 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 Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)

MULTIFAMILY PROGRAMS

Consent

- d) At the request of Florida Housing staff, First Housing reviewed the Applicant's request, Rule Chapters 67-21 and 67-48, explanation letters from the Applicant and General Contractor, proposal from Net Construction, Inc. (subcontractor), Subcontract Agreement between General Contractor and Subcontractor, Pay Application 9 from subcontractor, Final Pay Application from the subcontractor and other bids received from shell contractors. After review and analysis, First Housing, in conjunction with the Construction Consultant, On Solid Ground, found that the subcontract is reasonable. First Housing recommends that Florida Housing approve the General Contractor's use of a subcontractor, which will provide work at a cost that exceeds 20% of the total construction cost for the Development. See [Exhibit D](#) for First Housing's recommendation.
- e) Since this information was first discovered by FHFC during review of the General Contractor's Cost Certification, after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rules 67-21.014(r)(6) F.A.C., 67-21.026(13)(e), F.A.C. and 67-48.0072(17)(f), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

2. Recommendation

- a) Approve the request to exceed the 20% subcontractor limitation under the workout scenario proposed above.

MULTIFAMILY PROGRAMS

Consent

C. Request Approval of Extension to Closing for Marlberry CRH Renovations (RFA 2016-107/2016-412G)

Development Name: Marlberry CRH Renovations	Location: Martin County
Applicant/Borrower: ARC of Martin County, Inc./Keith W. Muniz	Set Aside(s): 33% @ 40% AMI 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents
Requested Amounts: \$173,000 Grant Funding	Development Category/Type: Renovation/Community Residential Home

1. Background/Present Situation

- a) On October 26, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-107 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On February 3, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 14, 2017, staff issued a Letter of Preliminary Award and subsequently, on March 16, 2017, staff issued an invitation to enter credit underwriting to ARC of Martin County, Inc.
- d) On August 24, 2018, staff received a positive recommendation for a grant amount of \$173,000 to be allocated to the Development. Subsequently, on September 14, 2018, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities. Staff issued a firm commitment for Grant funding for \$173,000 on September 17, 2018.
- e) Pursuant to RFA 2016-107 grant funding must close within twelve (12) months of the date of invitation to enter credit underwriting. Applicants may extend the closing up to twelve (12) months with staff approval. Staff approved a final extension to March 16, 2019 on January 3, 2019.
- f) On February 1, 2019, in lieu of de-obligation of funds, the Board approved a six (6) week closing extension from the March 16, 2019 deadline to April 26, 2019.
- g) On April 16, 2019, FHFC legal counsel checked a title report as part of closing and notified the credit underwriter that the development was subject to mortgages that would not be paid off prior to closing. As such, the bank would need to consent to FHFC's grant financing by subordinating their loan to the Restrictive Covenant and Grant Agreement. Subsequently, on April 24, 2019, the credit underwriter notified staff that the bank would not agree to subordinate to the Restrictive Covenant and Grant Agreement. In its place, the bank would agree to sign a Recognition Agreement in which they will recognize the Restrictive Covenant and Grant Agreement in the event of a default on the mortgage. As a result, FHFC legal counsel must draft a Recognition Agreement to be reviewed, approved, and signed by all parties. Because this extension is

MULTIFAMILY PROGRAMS

Consent

beyond the closing deadline outlined in the RFA, staff recommends the Board approve an additional six (6) week extension in lieu of de-obligation of funds.

2. Recommendation

- a) Staff recommends that the Board approve the six (6) week extension from the current April 26, 2019 deadline to June 7, 2019.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

V. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of Extension to PLP Loan Maturity for Habitat for Humanity of Lee and Hendry Counties, Inc., a not-for-profit entity, for Harlem Heights I (2015-005P-09)

DEVELOPMENT NAME (“Development”):	Harlem Heights I
APPLICANT/DEVELOPER (“Developer”):	Habitat for Humanity of Lee and Hendry Counties, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	82 Homeownership units
LOCATION (“County”):	Lee County
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI, 50% @ 120% AMI
PLP LOAN AMOUNT:	\$750,000
ADDITIONAL COMMENTS:	

1. Background

- a) On December March 18, 2016, the Board approved a loan in the amount of \$750,000 for Harlem Heights I.
- b) On July 5, 2016, the Developer closed on the PLP loan. The maturity date was established as July 5, 2019. To date, the Developer has drawn \$690,425 in PLP funds.
- c) The PLP rule allows for up to two one-year extensions to the maturity date under the following section:

67-38.007 (7) The Corporation shall extend the term of the PLP Loan for an additional period if circumstances exist and if such extension would not jeopardize the Corporation’s security interest.

2. Present Situation

- a) On April 16, 2019, staff received a letter from the assigned technical assistance provider ([Exhibit A](#)) recommending approval of a one-year extension based on a written request from the Developer ([Exhibit B](#)). The issues preventing this development from moving forward include permitting, development orders, plat/title, and the site work bid process. The developer is making progress in resolving these issues and believes they will be able to develop the 82 single family homes as planned.
- b) This is the first extension request for this development.

3. Recommendation

- a) Approve a one-year extension to the PLP Loan for Habitat for Humanity of Lee and Hendry Counties, Inc. for Harlem Heights I and allow staff to commence with revising closing documents.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Community of Hope, Inc., a not-for-profit entity, for Hope Village (2019-003P-09)

DEVELOPMENT NAME (“Development”):	Hope Village
APPLICANT/DEVELOPER (“Developer”):	Community of Hope, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	9
LOCATION (“County”):	Brevard County
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$163,000
ADDITIONAL COMMENTS:	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On February 21, 2019, the Developer submitted a PLP application for Hope Village.
- c) On February 25, 2019, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 15, 2019, staff received a development plan and a letter ([Exhibit C](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$163,000.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$163,000 to Community of Hope for Hope Village and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of PLP Loan for University Area Community Development Corporation, a not-for-profit entity, for Uptown Sky (2019-002P-09)

DEVELOPMENT NAME (“Development”):	Uptown Sky
APPLICANT/DEVELOPER (“Developer”):	University Area CDC
CO-DEVELOPER:	Blue Sky Communities LLC
NUMBER OF UNITS:	118
LOCATION (“County”):	Hillsborough County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	750,000
ADDITIONAL COMMENTS:	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On February 6, 2019, the Developer submitted a PLP application for Uptown Sky.
- c) On February 6, 2019, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 17, 2019, staff received a development plan and a letter ([Exhibit D](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$750,000. Of this loan amount, \$500,000 is being requested for site acquisition which is required to be reviewed by a credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$750,000 to University Area CDC for Uptown Sky and allow staff to commence with the loan closing process for the non-site acquisition funds and assign the development to a credit underwriter to review the site acquisition portion of the loan.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of PLP Loan for Preservation of Affordable Housing, Inc. (POAH), a not-for-profit entity, for CM II (2019-004P-09)

DEVELOPMENT NAME (“Development”):	CM II
APPLICANT/DEVELOPER (“Developer”):	POAH, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	120
LOCATION (“County”):	Miami-Dade County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000
ADDITIONAL COMMENTS:	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On March 8, 2019, the Developer submitted a PLP application for CM II.
- c) On March 8, 2019, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 18, 2019, staff received a development plan and a letter ([Exhibit E](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$750,000. Of this loan amount, \$500,000 is being requested for site acquisition which is required to be reviewed by a credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$750,000 to POAH, Inc. for CM II and allow staff to commence with the loan closing process for the non-site acquisition funds and assign the development to a credit underwriter to review the site acquisition portion of the loan.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

E. Request Approval of PLP Loan for Greater Lake City Community Development Corporation (GLCCDC), a not-for-profit entity, for Sweetwater Apartments (2017-001P-09)

DEVELOPMENT NAME (“Development”):	Sweetwater Apartments
APPLICANT/DEVELOPER (“Developer”):	GLCCDC
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	56
LOCATION (“County”):	Columbia County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	

1. Background

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

b) On January 5, 2017, the Developer submitted a PLP application for Sweetwater Apartments.

c)

2. Present Situation

a) On April 19, 2019, staff received a development plan and a letter ([Exhibit F](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$500,000.

b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

a) Approve the PLP Loan in the amount of \$500,000 to Greater Lake City Community Development Corporation for Sweetwater Apartments and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

F. Request Approval of PLP Loan for Struggle for Miami’s Affordable and Sustainable Housing, Inc. (SMASH), a not-for-profit entity, for SMASH Expedited Housing Project (2017-001P-09)

DEVELOPMENT NAME (“Development”):	SMASH
APPLICANT/DEVELOPER (“Developer”):	SMASH Expedited Housing Project
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	3
LOCATION (“County”):	Miami-Dade County
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$75,000
ADDITIONAL COMMENTS:	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On January 5, 2017, the Developer submitted a PLP application for SMASH Expedited Housing Project.
- c) On January 7, 2017, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 19, 2019, staff received a development plan and a letter ([Exhibit G](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$75,000.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$75,000 to Struggle for Miami’s Affordable and Sustainable Housing, Inc. for SMASH Expedited Housing Project and allow staff to commence with the loan closing process.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VI. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Final Credit Underwriting Report for The Waves (2018-039S)

Development Name: The Waves	Location: Duval County
Applicant/Borrower: The Waves of Jacksonville, Ltd.	Set-Aside(s): 10% @ 33% AMI (SAIL,4% HC), 90% @ 60% AMI (SAIL, 4% HC), 4.7% @ 22% AMI (NHTF)
Developer/Principal: Jax Urban Initiatives Development, LLC / John D. Rood	Demographic/Number of Units: Family/127
Requested Amounts: SAIL \$7,000,000 ELI \$600,000, NHTF \$1,075,037.10 Annual 4% HC \$1,092,660	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. National Housing Trust Funds (NHTF) were also awarded to the proposed Developments selected for funding.
- b) On December 8, 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 4, 2018, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on May 9, 2018, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 9, 2018, giving them a firm loan commitment issuance deadline of February 11, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment..
- d) On July 27, 2018, Florida Housing Board of Directors approved a RFA waiver, exempting the non-profit board members/officers from having to submit the IRS Form 8821, provided each board member/officer submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.
- e) On February 1, 2019, the Board approved extending the firm loan commitment issuance deadline from February 11, 2019 to August 11, 2019.
- f) On April 25, 2019, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

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

B. Request Approval of Final Credit Underwriting Report for Venetian Walk II (2018-017S)

Development Name: Venetian Walk II	Location: Sarasota County
Applicant/Borrower: Venetian Walk Partners II, LLLP	Set-Aside(s): 10% @ 33% AMI & 90% @ 60% AMI
Developer/Principal: Norstar Development USA, LP; Venetian Walk Developers, LLC / Richard L. Higgins	Demographic/Number of Units: Family/52
Requested Amounts: SAIL \$2,290,000, ELI \$464,200 Annual 4% HC \$486,713	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 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 8, 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 March 8, 2018, staff issued an at risk preliminary commitment letter and invitation to enter credit underwriting to Venetian Walk Partners II, LLLP, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 12, 2018, giving them a firm loan commitment issuance deadline of December 12, 2018. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On May 4, 2018, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- e) On November 2, 2018, the Board approved extending the firm loan commitment issuance deadline from December 12, 2018 to June 12, 2019, and approved the change to the Developer principal. The principal Norstar Investment USA, Inc., was removed from the Developer, Norstar Development USA, LP.
- f) On April 25, 2019, 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

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 of Applicant Entity and Developer Change for Citadelle Village (2018-033BS)

Development Name: Citadelle Village	Location: Miami-Dade County
Applicant/Borrower: Citadelle Village, LLC	Set-Aside(s): 10% @ 28% AMI (SAIL, MMRB, 4% HC) 90% @ 60% AMI (SAIL, MMRB, 4% HC)
Developer/Principal: Stone Soup Development, Inc./ Douglas R. Mayer; Little Haiti Housing Association, Inc./ Samuel Diller	Demographic/Number of Units: Family/96
Requested Amounts: MMRB \$12,050,000, SAIL \$3,600,000 ELI \$600,000, Annual 4% HC \$754,301	Development Category/Type: New Construction/High Rise

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 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 8, 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 4, 2018, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on May 4, 2018, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 4, 2018, giving them a firm loan commitment issuance deadline of February 4, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On July 27, 2018, Florida Housing Board of Directors approved a RFA waiver, exempting the non-profit board members/officers from having to submit the IRS Form 8821, provided each board member/officer submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.
- e) On February 1, 2019, the Board approved a firm loan commitment issuance extension from February 4, 2019 to August 4, 2019.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- f) On April 25, 2019, staff received a request from the Applicant to change the Applicant Entity and Developer structure (Exhibits [C](#) & [D](#)). The Manager & Member, HACDC Citadelle Village, LLC, is adding Member, HACDC CV Manager, LLC, and Manager & Member, Waddell Plantation, Inc. The co-Developers, Little Haiti Housing Association, Inc., & Stone Soup Development, Inc., are being replaced with Citadelle Village Developer, LLC whose membership is comprised of Little Haiti Housing Association, Inc. as the 40% Member and Royal American Development, Inc. as the 60% Manager & Member. The Applicant needs to partner with a strong developer with experience to complete a large development and with the financial strength to provide acceptable completion, as well as loan and operating guarantees that underwriting requires, otherwise the Applicant will be unable to receive a positive recommendation from the credit underwriter. Per the RFA, the Applicant entity shall be the recipient of the Housing Credits, and the borrowing entity for the SAIL loan(s) and, if applicable, the MMRB loan, and cannot be changed in any way until after the closing of the loan(s). Therefore, the change of the Applicant Entity requires an RFA waiver. The Principals of each Developer, identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. Staff has reviewed this request and finds that it meets all the requirements of the RFA.

2. **Recommendation**

- a) Approve the request to change the Applicant Entity and Developer as described above.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Loan Closing Extension for Woodland Park Phase I (2016-008CS/2017-299CS/2018-363CS/2018-335V)

Development Name: Woodland Park Phase I	Location: Alachua County
Applicant/Borrower: Woodland Park Redevelopment I, LLC	Set-Aside(s): 30% @ 33% AMI & 70% @ 60% AMI
Developer/Principal: Pinnacle Housing Group, LLC and GHA Development, LLC / David O. Deutch	Demographic/Number of Units: Family/96
Requested Amounts: SAIL \$3,840,000, 9% HC \$1,155,000 Viability Loan \$1,250,000	Development Category/Type: Redevelopment/Garden Apartments

1. Background/Present Situation

- a) On September 3, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-106 for Housing Credit and SAIL Financing for Affordable Housing Developments Located in Medium and Small Counties. On May 6, 2016, the Board approved the Final Order(s) allowing staff to proceed with all necessary credit underwriting activities, and staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Applicant with a loan closing deadline of May 6, 2017.
- b) On September 8, 2017, the Board approved the Applicant’s request to extend the loan closing deadline from May 6, 2017 to May 6, 2018.
- c) 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.
- d) On May 4, 2018, the Board approved the final scores and recommendations for RFA 2018-109, and directed staff to proceed with all necessary credit underwriting activities.
- e) On June 6, 2018, staff issued a notice of preliminary award to the Applicant. The Board also approved a Rule Waiver for an additional loan closing deadline extension from May 6, 2018 to November 6, 2018.
- f) On July 27, 2018, the Board approved a Rule Waiver of Chapters 67-48.0072(28)(e) and 67-48.0075(3) Fla. Admin. Code (2014) to exclude demolition and relocation costs from the Total Development Cost.
- g) On November 2, 2018, the Board approved a Rule Waiver to extend the loan closing deadline from November 8, 2018 to May 1, 2019.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- h) On February 1, 2019, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm commitment and closing activities. The Borrower was issued a firm commitment on February 4, 2019, giving them a loan closing deadline of June 4, 2019. A request for an extension of the loan closing deadline may be considered by the Board for an extension term of up to 90 Calendar Days. An extension fee of one-half of one percent of each loan amount will be required if the Board approves the extension request.
- i) On April 15, 2019, the Borrower requested a loan closing deadline extension from June 4, 2019 to September 2, 2019 ([Exhibit E](#)). The extension is needed to finalize all necessary HUD approvals since the recent government shutdown has resulted in processing delays at the federal level. Staff has reviewed this request and finds that it meets all the requirements of RFA 2015-106 and RFA 2018-109.

2. Recommendation

- a) Approve the request for a loan closing deadline extension from June 4, 2019 to September 2, 2019, subject to payment of the required non-refundable extension fee of one-half of one percent of the loan amount, pursuant to the requirements of the RFA.

SPECIAL ASSETS

Consent

VII. SPECIAL ASSETS

- A. Request Approval to Refinance the First Mortgage and renegotiate the SAIL loan terms for Pinnacle Palms, Ltd., a Florida limited partnership for Pinnacle Palms Apartments (2001-052S/2002-506C)

Development Name: Pinnacle Palms Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Pinnacle Housing Group (“Developer”); Pinnacle Palms, Ltd. (“Borrower”)	Set-Aside: SAIL & HC: .66% @ 25%, 99.34% @ 60% AMI LURA: 50 years; EUA 50 years
Number of Units: 152	Allocated Amount: SAIL: \$1,529,000; HC \$481,660
Demographics: Elderly	Servicer: Seltzer

1. **Background**

- a) During the 2001 funding cycle, Florida Housing awarded a \$1,529,000 SAIL loan to Pinnacle Palms, Ltd., a Florida limited partnership (“Borrower”), for the development of a 152-unit apartment complex in Palm Beach County, Florida. The SAIL loan closed on June 26, 2002, and will mature on June 1, 2042. The Development also received a 2002 allocation of low-income housing tax credits of \$481,660.

2. **Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage, and subordinate the SAIL loan, SAIL documents, and Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The Borrower also requests consent for renegotiation of the SAIL loan with a payment of \$500,000.
- b) Staff has received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the refinancing of the first mortgage, renegotiation of the SAIL loan and subordination of the SAIL loan, SAIL documents, and ELIHA to the new first mortgage.

3. **Recommendation**

- a) Approve the refinancing of the first mortgage loan, renegotiation of the SAIL loan with a payment of \$500,000 and subordination of the LURA, SAIL loan, SAIL 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

B. Request Approval of Modification to HOME Land Use Restriction Agreement for Coral Village Acquisition, LLLP, a Florida Limited Partnership for Coral Village (97HR-002/97L-047)

Development Name: Coral Village (fka Sterling Manor) (“Development”)	Location: Lee County
Developer/Principal: National Development Properties of Florida Bay, Inc. (“Developer”) Coral Village, Ltd. (“Borrower”) Purchaser: Coral Village Acquisition, LLLP	Set-Aside: HOME 40% @ 50% & 60% @ 60%; HC 15.63% @ 35% & 25% @ 50% & 59.37% @ 60% AMI HOME: 15 years; EUA 50 years
Number of Units: 64	Allocated Amount: HOME \$830,000; HC \$327,308
Demographics: Elderly	Servicer: First Housing Development Corporation

1. Background

- a) During the 1997 HOME cycle Florida Housing Finance Corporation (“Florida Housing”) awarded an \$830,000 construction/permanent loan to Coral Village, Ltd (“Borrower”), a Florida limited partnership, for the development of a 64-unit development in Lee County. The HOME loan closed on March 20, 1998 and will mature on March 20, 2028. The Development also received a 1997 allocation of low-income housing tax credits of \$327,308.

2. Present Situation

- a) The development is under contract to sell and as part of the acquisition and refinancing the Purchaser (Coral Village Acquisition, LLLP, an affiliate of Smith & Henzy Advisory Group) has partnered with the Lee County Housing Authority. The Purchaser requests a modification to the existing HOME Land Use Restriction Agreement (“HOME LURA”). The existing HOME LURA requires at least forty percent (40%) of the development units (26 units) to be Low HOME Rent Units and sixty percent (60%) of the units to be High HOME Rent Units (38 units); for a 100% HOME Assisted Set-Aside.
- b) The Applicant requests an increase of twelve (12) Low HOME Rent Units for a revised Low HOME Rent set-aside of thirty-eight (38) units and the reduction of High HOME Rent units by twelve (12) for a revised High HOME Rent set-aside of twenty-six (26). The requested modification does not impact the overall HOME Assisted Units or overall HOME set-aside requirement. The Purchaser agrees to pay off the existing HOME loan balance in the amount of \$830,000 at the time of acquisition closing.

3. Recommendation

- a) Staff recommends that the Board approve the modification of the HOME LURA restrictions subject to the payoff of the HOME loan and direct staff to proceed with loan document modification activities as needed.