

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
January 23, 2020
Consent Items



HOUSING CREDITS

Consent

I. HOUSING CREDITS

A. Request Approval to Exceed the 31% Subcontractor Limitation for Heritage at Pompano Station (RFA 2014-115/2015-111C/2017-198C)

Development Name: Heritage at Pompano Station	Location: Broward County
Applicant/Borrower: Heritage at Pompano Housing Partners, LP	Set Aside(s): 10% @ 30% AMI 90% @ 60% AMI
Developer/Principal: NuRock Development Partners, Inc / Robert Hoskins	Demographic/Number of units: Elderly Non-ALF/116 units
Requested Amounts: \$2,561,000 9% Housing Credits	Development Category/Type: New Construction/High Rise

1. Background/Present Situation

- a) Heritage at Pompano Housing Partners, LP applied for and was awarded funding from Request for Applications (RFA) 2014-115 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. The funds are being utilized to finance the construction of a 116-unit Elderly development in Broward County. The Applicant was invited to enter credit underwriting on November 2, 2015. A 2015 Carryover Allocation Agreement was finalized/executed on December 21, 2015. Subsequently, the Board approved the Applicant's request to exchange their 2015 credits for 2017 credits at the February 3, 2017 board meeting, and a 2017 Carryover Allocation Agreement was finalized/executed on February 15, 2017. The credit underwriting report was finalized on May 30, 2017.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 31% limitation in Rule 67-48.0072(17)(f) F.A.C. See [Exhibit A](#) for Applicant's Request.
- c) Pursuant to Rule 67-48.0072(17)(f) F.A.C., the General Contractor must meet the following conditions:
- d) "Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception for 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."
- e) At the request of Florida Housing staff, First Housing Development Corporation of Florida (First Housing) reviewed the Applicant's request, bid from the shell subcontractor, Division III Group, Corp (Division III) along with bids from four other shell subcontractors, a Shell Bid Letter from On Solid Ground, Construction Draw, as of October 25, 2019 and Accounts Payable to Division III. After review and analysis, First Housing, in conjunction with the Construction Consultant, On Solid Ground, LLC, found the proposed cost to be

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appropriate for the proposed scope of work. First Housing recommends that Florida Housing approve the General Contractor's use of a subcontractor which will deliver the building shell of a building of at least five (5) stories at a cost which exceeds 31 percent of the construction cost in a subcontract. See [Exhibit B](#) for First Housing's recommendation.

- f) Historically, when violation of Rule 67-48.0072(17)(f) is not disclosed to Florida Housing, but rather discovered by staff as part of the cost certification process, Florida Housing staff makes a positive recommendation to the Board under the condition that no General Contractor Fee or Developer Fee be taken on the subcontracted amounts that surpass the maximum subcontract amounts allowed under the Rule. In the case of Heritage at Pompano Station, the Applicant disclosed the excess costs to Florida Housing prior to submitting their cost certification but after the Development had completed construction and received their Temporary Certificate of Occupancy. Since the Applicant disclosed the violation to Florida Housing, staff recommends approval without a reduction in fees. However, the Applicant is now on notice that for any future Developments, a violation of Rule 67-48.0072(17)(f), as amended, will be required to be disclosed prior to the finalization of the credit underwriting report or in the case of violation occurring by change orders, prior to the overage being realized. If adequate notice is not provided to Florida Housing, the Applicant will be subject to consequences, which may include decreases to maximum General Contractor and Developer Fees.

2. Recommendation

- a) Approve the request to exceed the 31% subcontractor limitation to deliver the shell of a building greater than five (5) stories. As stated above, for all future Developments, the Principals of this Applicant entity must disclose violation of Rule 67-48.0072(17)(f) prior to the finalization of the credit underwriting report or in the case of violation via change orders, prior to the overage being realized, or risk having the maximum General Contractor and Developer Fees reduced.

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B. Request Approval of Addition of Co-Developer for Norton Commons (RFA 2018-110/2019-345C)

Development Name: Norton Commons	Location: Seminole County
Applicant/Borrower: Norton Commons, Ltd.	Set-Asides: 10.29% @ 35% AMI and 89.71% @ 60% AMI
Developers/Principals: Norton Commons Developer, LLC; James E. Dyal	Demographic/Number of Units: Elderly/68 units
Requested Amounts: \$1,360,000.00 Housing Credits (HC)	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Norton Commons, Ltd. ("Applicant") applied for and was awarded funding from Request for Applications (RFA) 2018-110 for Housing Credit Financing for Affordable Housing Developments Located in Medium Counties. The funds are being utilized to finance the construction of a 68-unit Elderly development in Seminole County. The Applicant was invited to enter credit underwriting on July 23, 2019. A 2019 Carryover Allocation Agreement was executed on December 20, 2019.
- b) On December 19, 2019, staff received a written request from the Applicant for permission to assign a 33% interest in the General Partner to Jonathan Wolf who will also become the managing member. This is a non-material change and was approved by staff. The letter is provided as [Exhibit C](#).
- c) The letter also requested permission to add a co-developer. Currently, the developer is Norton Commons Developer, LLC, whose sole member is James Dyal. The request is to add Norton Wendover Developer, LLC as a co-developer. The structure of Norton Wendover Developer, LLC is Jonathan L. Wolf (88%); Jonathan and Nancy Wolf Family Trust I dated August 6, 2018, Trust (5%); Glen F. Bamberger (2.50%); Ryan S. Von Weller (2.50%); Sara E. Wolf (1.00%) and Harrison F. Wolf (1%) as members. The Current and Proposed organizational charts are provided as [Exhibit D](#).
- d) Per RFA 2018-110, 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 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. James Dyal satisfied the experience requirements in the original Application and will remain a Principal of the co-developer, Norton Commons Developer, LLC.
- e) Staff has reviewed this request and finds the development meets all the requirements of RFA 2018-110.

2. Recommendation

- a) Approve the request for a change in the Addition of Co-Developer.

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II. LEGAL

A. In Re: HTG Village View, LLC - FHFC Case No. 2019-099VW (RFA 2017-113/App. 2018-303C)

Development Name: (“Development”):	Village View
Developer/Principal: (“Developer”):	HTG Village View Developer, LLC Matt Rieger
Number of Units: 96	Location: Broward
Type: High Rise	Set Asides: 10% @ 28% AMI 90% @ 60% AMI
Demographics: Elderly (non-ALF)	Funding: \$2,561,000 Competitive HC

1. Background

- a) Petitioner successfully applied for an allocation of competitive housing credits in RFA 2017-113 to assist in the construction of Village View, a 96-unit, Family demographic, affordable housing development in Broward County, Florida (the “Development”). On December 19, 2019, Florida Housing received a Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(95), Florida Administrative Code (2017), to exchange its 2018 housing credits for 2020 housing credits. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-48.002(95), Florida Administrative Code (2017), adopts the Qualified Allocation Plan (“QAP) and incorporates the QAP by reference.
- b) Section II.K of the 2016 QAP, in relevant part, provides:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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(Emphasis supplied).

- c) Pursuant to rule 67-48.028(1), if an Applicant cannot complete its development by the end of the year in which the preliminary allocation of housing credits is issued, the applicant must enter into a carryover allocation agreement with Florida Housing by December 31 of the year in which the preliminary allocation is issued. Petitioner and Florida Housing entered into the carryover allocation agreement on December 27, 2018, which required the Development to be placed in service by December 31, 2020. In response to these delays, Petitioner requested an extension to the deadlines regarding site control, 10% test, notice of commencement, credit underwriting report and tax credit partnership agreement. The Corporation approved these requests and established a new deadline of December 31, 2019, but the placed-in-service date remained December 31, 2020.
- d) Petitioner asserts that it is unable to meet the December 31, 2020 placed-in-service deadline due to delays outside of Petitioner's control. According to Petitioner, during the design and planning process, Petitioner discovered that a sewer main would have to be removed, a process taking nearly a year but now complete. Additionally, Florida Power and Light (FPL) planned to remove and replace overhead power transmission lines. Petitioner reports FPL took over one year to complete the design, planning and permitting process, which is expected to be completed in January 2020. In August 2019, worked to close on the financing by December 2019, but by August 20 it became evident that fully permitted construction documents could not be obtained without significant delay due to the sewer and power line issues.
- e) Based on the foregoing, Petitioner is unable to commence construction and requests an exchange of its 2018 housing credits for an allocation of 2020 housing credits now, rather than wait until the last quarter of 2020, which would effectively extend the placed-in-service date of the Development until December 31, 2021.
- f) On December 24, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 248. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

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3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver from Subsection II.K of the 2016 QAP which is incorporated by reference into rule 67-48.002(95), Fla. Admin. Code (2017), to allow Petitioner return its 2018 housing credit allocation and immediately receive an allocation of 2020 housing credits with a placed-in-service date of December 31, 2021.

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B. In Re: HTG Paradise, LLC - FHFC Case No. 2019-100VW (RFA 2017-112/App. 2017-102C)

Development Name: (“Development”):	Paradise Lakes Apartments
Developer/Principal: (“Developer”):	HTG Paradise Developer, LLC Matt Rieger
Number of Units: 76	Location: Miami-Dade
Type: Garden	Set Asides: 10% @ 28% AMI 90% @ 60% AMI
Demographics: Family	Funding: \$1,517, 634 Competitive HC

1. Background

- a) Petitioner successfully applied for an allocation of competitive housing credits in RFA 2017-112 to assist in the construction of Paradise Lakes Apartments, a 76-unit, Family demographic, affordable housing development in Miami-Dade County, Florida (the “Development”). On December 20, 2019, Florida Housing received a Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(95), Florida Administrative Code (2017), to exchange its 2018 housing credits for 2020 housing credits. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.002(95), Florida Administrative Code (2017), adopts the Qualified Allocation Plan (“QAP) and incorporates the QAP by reference.
- b) Section II.K of the 2016 QAP, in relevant part, provides:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

(Emphasis supplied).

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- c) Pursuant to rule 67-48.028(1), if an Applicant cannot complete its development by the end of the year in which the preliminary allocation of housing credits is issued, the applicant must enter into a carryover allocation agreement with Florida Housing by December 31 of the year in which the preliminary allocation is issued. Petitioner and Florida Housing entered into the carryover allocation agreement on November 9, 2018, which required the Development to be placed in service by December 31, 2020.
- d) Petitioner asserts that it is unable to meet the December 31, 2020 placed-in-service deadline due to delays outside of Petitioner's control. According to Petitioner, progress on the development is currently delayed by an Environmental Review and Clearance from the U.S. Department of Housing and Urban Development (HUD) related to Housing Development Action Grant (HODAG) funding. Petitioner was unable to commence this process until Miami-Dade County approved the subordinate HODAG financing, which was eventually approved on July 23, 2019. Petitioner expects final Environmental Review approval on or about December 30, 2019.
- e) Based on the foregoing, Petitioner is unable to commence construction and requests an exchange of its 2018 housing credits for an allocation of 2020 housing credits now, rather than wait until the last quarter of 2020, which would effectively extend the placed-in-service date of the Development until December 31, 2021.
- f) On December 24, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 248. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver from Subsection II.K of the 2016 QAP which is incorporated by reference into rule 67-48.002(95), Fla. Admin. Code (2017), to allow Petitioner return its 2018 housing credit allocation and immediately receive an allocation of 2020 housing credits with a placed-in-service date of December 31, 2021.

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C. In Re: HTG Rainbow Housing, Ltd. - FHFC Case No. 2019-101VW (RFA 2018-102/App. 2018-320C)

Development Name: (“Development”):	Father Marquess-Barry Apartments
Developer/Principal: (“Developer”):	HTG Rainbow Developer, LLC Matt Rieger
Number of Units: 60	Location: Miami-Dade
Type: Garden	Set Asides: 10% @ 28% AMI 80% @ 60% AMI
Demographics: Elderly (non-ALF)	Funding: \$955,000 Competitive HC

1. **Background**

- a) Petitioner successfully applied for an allocation of competitive housing credits in RFA 2018-102 to assist in the construction of Father Marquess-Barry Apartments, a 60-unit elderly non-ALF, affordable housing development in Miami-Dade County, Florida (the “Development”). On December 20, 2019, Florida Housing received a Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(95), Florida Administrative Code (2017), to exchange its 2018 housing credits for 2020 housing credits. A copy of the Petition is attached as [Exhibit C](#).

2. **Present Situation**

- a) Rule 67-48.002(95), Florida Administrative Code (2017), adopts the Qualified Allocation Plan (“QAP) and incorporates the QAP by reference.
- b) Section II.K of the 2016 QAP, in relevant part, provides:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

(Emphasis supplied).

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- c) Pursuant to rule 67-48.028(1), if an Applicant cannot complete its development by the end of the year in which the preliminary allocation of housing credits is issued, the applicant must enter into a carryover allocation agreement with Florida Housing by December 31 of the year in which the preliminary allocation is issued. Petitioner and Florida Housing entered into the carryover allocation agreement on December 17, 2018, which required the Development to be placed in service by December 31, 2020.
- d) Petitioner asserts that it is unable to meet the December 31, 2020 placed-in-service deadline due to delays outside of Petitioner's control. According to Petitioner, it cannot meet the deadline above for several reasons. During the design and planning process, Petitioner discovered title and site-related matters involving Miami-Dade County government, Florida Power and Light (FPL), and the U.S. Department of Housing and Urban Development (HUD). Miami-Dade County was involved in the release of restrictive covenants involving a dissolved homeowner's association and county utilities, which took more than a year to resolve. FPL had multiple recorded easements on the property which required Petitioner to obtain partial releases, and HUD had multiple declarations of trust on the property which required six months to revise and update. Activity with Miami-Dade regarding these issues continues.
- e) On May 14, 2019, Petitioner requested an extension to the site control, 10% test, notice of commencement, credit underwriting report and tax credit partnership agreement deadlines. In addition, HTG Rainbow, Ltd., requested an applicant entity change from HTG Rainbow, LLC, to HTG Rainbow Housing, Ltd., approved by the Board June 21, 2019.
- f) Petitioner further asserts that since the submission of its Application, developments costs have increased by approximately \$7 million. This deficit is to be offset by a HOME program award from Miami-Dade County, for which the Petitioner successfully applied. Unfortunately, this process took longer than anticipated for reasons beyond Petitioner's control, and the initial award of funds to Petitioner was not approved until July 23, 2019, with a conditional loan commitment issued on September 4, 2019. This delay also resulted in a delayed commencement of the County's HUD-compliant environmental review process, which is not expected to be completed until January 2020. Petitioner has been unable to commence construction under these circumstances.
- g) Based on the foregoing, Petitioner requests an exchange of its 2018 housing credits for an allocation of 2020 housing credits now, rather than wait until the last quarter of 2020, which would effectively extend the placed-in-service date of the Development until December 31, 2021.
- h) On December 24, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 248. To date, Florida Housing has received no comments concerning the Petition.

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- i) 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.

- j) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver from Subsection II.K of the 2016 QAP which is incorporated by reference into rule 67-48.002(95), Fla. Admin. Code (2017), to allow Petitioner return its 2018 housing credit allocation and immediately receive an allocation of 2020 housing credits with a placed-in-service date of December 31, 2021.

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D. In Re: Reflections Preservation, LP - FHFC Case No. 2019-110VW

Development Name: (“Development”):	Colonial Park
Developer/Principal: (“Developer”):	Reflections Developer, LLC
Number of Units: 160	Location: Broward County
Type: Mid-rise 4 stories, Acquisition and Rehabilitation	Set Asides: 100% at 60% AMI
Demographics: Elderly, non-ALF	4% HC \$ 776,733 MMRB \$15,200,000

1. Background

- a) On August 14, 2019, Petitioner applied for non-competitive housing tax credits in conjunction with Multifamily Mortgage Revenue Bonds (MMRB) to assist in the acquisition and rehabilitation of a Development serving elderly persons in Broward County, Florida. Petitioner was invited into credit underwriting on September 26, 2019. On December 30, 2019, Florida Housing received a petition for waiver of Rule 67-21.003(1)(b) (the “Petition”) requesting to change some of the principals of the Applicant. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-21.003(1)(b), Fla. Admin. Code (2019) incorporates by reference the Non-Competitive Application Package (NCA). The NCA includes the following requirement:

(2) For Applicants requesting MMRB, with or without Non-Competitive Housing Credits:

The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and the borrowing entity for the MMRB Loan and cannot be changed in any way (materially or non-materially) until after the MMRB Loan closing. After loan closing, (a) any material change will require review and approval of the Credit Underwriter, as well as Board approval prior to the change, and (b) any non-material change will require review and approval of the Corporation, as well as Board approval prior to the change. Changes to the Applicant entity (material or non-material) prior to the loan closing or without Board approval after the loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation.

- b) In its Application, Petitioner listed SMR Holdings, LLC, as one of the Principals of the Applicant at the second disclosure level. Stephen M. Ross was incorrectly listed as the sole member of SMR Holdings LLC at the third disclosure level. SMR Holdings LLC is owned by SMR Revocable Trust u/a/d/ 12/12/2013, of which Stephen M. Ross is the sole beneficiary. Petitioner requests permission to correct the ownership structure with SMR Revocable Trust as the sole member of SMR Holdings LLC at the third disclosure level,

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and to add Stephen M. Ross as the sole beneficiary of SMR Revocable Trust u/a/d/ 12/12/2013 at the fourth disclosure level. Disclosure of natural person beneficiaries of a trust at the fourth disclosure level has been allowed by Rule 67-21.0025(7)(d) since July 11, 2019. Had Petitioner submitted its Principal disclosure form to include SMR Revocable Trust at the time of Application, it would have been in compliance with the rule.

c) On, January 3, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 02. To date, Florida Housing has received no comments concerning the Petition.

d) Section 120.542(2), Florida Statutes provides in pertinent part:

Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation**

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-21.003(1)(b), Fla. Admin. Code, so that some of the Principals of the Applicant may be changed before the MMRB loan closing.

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E. In Re: Meridian Preservation, LP - FHFC Case No. 2019-111VW

Development Name: (“Development”):	Meridian Apartments
Developer/Principal: (“Developer”):	Meridian Developer, LLC
Number of Units: 160	Location: Broward County
Type: High-rise, Acquisition and Rehabilitation	Set Asides: 100% at 60% AMI
Demographics: Elderly	4% HC \$730,340 MMRB \$15,300,000

1. Background

- a) On August 14, 2019, Petitioner applied for non-competitive housing tax credits in conjunction with Multifamily Mortgage Revenue Bonds (MMRB) to assist in the acquisition and rehabilitation of a Development serving elderly persons in Broward County, Florida. Petitioner was invited into credit underwriting on September 26, 2019. On December 30, 2019, Florida Housing received a petition for waiver of Rule 67-21.003(1)(b) (the “Petition”) requesting to change some of the principals of the Applicant. A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-21.003(1)(b), Fla. Admin. Code (2019) incorporates by reference the Non-Competitive Application Package (NCA). The NCA includes the following requirement:

(2) For Applicants requesting MMRB, with or without Non-Competitive Housing Credits:

The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and the borrowing entity for the MMRB Loan and cannot be changed in any way (materially or non-materially) until after the MMRB Loan closing. After loan closing, (a) any material change will require review and approval of the Credit Underwriter, as well as Board approval prior to the change, and (b) any non-material change will require review and approval of the Corporation, as well as Board approval prior to the change. Changes to the Applicant entity (material or non-material) prior to the loan closing or without Board approval after the loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation.

- b) In its Application, Petitioner listed SMR Holdings, LLC, as one of the Principals of the Applicant at the second disclosure level. Stephen M. Ross was incorrectly listed as the sole member of SMR Holdings LLC at the third disclosure level. SMR Holdings LLC is owned by SMR Revocable Trust u/a/d/ 12/12/2013, of which Stephen M. Ross is the sole beneficiary. Petitioner requests permission to correct the ownership structure with SMR Revocable Trust as the sole member of SMR Holdings LLC at the third disclosure level,

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and to add Stephen M. Ross as the sole beneficiary of SMR Revocable Trust u/a/d/ 12/12/2013 at the fourth disclosure level. Disclosure of natural person beneficiaries of a trust at the fourth disclosure level has been allowed by Rule 67-21.0025(7)(d) since July 11, 2019. Had Petitioner submitted its Principal disclosure form to include SMR Revocable Trust at the time of Application, it would have been in compliance with the rule.

c) On, January 3, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 02. To date, Florida Housing has received no comments concerning the Petition.

d) Section 120.542(2), Florida Statutes provides in pertinent part:

Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation**

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-21.003(1)(b), Fla. Admin. Code, so that some of the Principals of the Applicant may be changed before the MMRB loan closing.

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F. In Re: Citadelle Village, LLC - FHFC Case No. 2020-002VW

Development Name: (“Development”):	Citadelle Village
Developer/Principal: (“Developer”):	Royal American Development Jeannette Chapman
Number of Units: 96	Location: Miami-Dade County
Type: New Construction/High Rise	Set Asides: 10% at 28% AMI 90% at 60% AMI
Demographics: Family	SAIL: \$3,600,000 ELI: \$600,000 Annual 4% HC: \$754,301 MMRB: \$12,050,000

1. Background

- a) Petitioner Citadelle Village, LLC was selected to receive State Apartment Incentive Loan (SAIL) and Extremely Low Income (ELI) funding under Request for Applications (RFA) 2017-108, to assist in the construction of a Development serving low-income families in Miami-Dade County, Florida. On January 7, 2020, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2017) (the “Petition”) requesting to extend the SAIL/ELI firm loan commitment issuance deadline from January 31, 2020 to July 31, 2020. A copy of the Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-48.0072(21), Fla. Admin. Code (2017), 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.
- b) Petitioner was invited to credit underwriting on May 4, 2018, and received a 6-month extension of firm loan commitment issuance deadline to August 4, 2019. On August 2, 2019, the Board granted Petitioner’s waiver request and extended the deadline to January 31, 2020. Petitioner now requests and additional deadline extension until July 31, 2020. Petitioner alleges that increased construction costs have required Petitioner to pursue financing from several local government sources and that more time is needed to confirm this financing.

LEGAL

Consent

- c) On January 8, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 05. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. 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(21)(b), Fla. Admin. Code (2017), so that the firm loan commitment deadline may be extended from January 31, 2020 to July 31, 2020.

MULTIFAMILY BONDS

Consent

III. MULTIFAMILY BONDS

A. Request Approval of Credit Underwriting Report, Renegotiation of SAIL Loan, Transfer and Assumption of Ownership for Meridian Apartments (2019-101B / 2002-110S / 2002-543C)

Development Name: Meridian Apartments	Location: Broward County
Applicant/Borrower: Meridian Preservation, L.P.	Set Aside(s): 40% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developer/Principal: Meridian Developer, LLC / Long J. Ha	Demographic/Number of units: Elderly / 160
Requested Amounts: \$15,300,000 Multifamily Mortgage Revenue Bonds (MMRB) \$790,340 Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation / High Rise

1. Background/Present Situation

- a) During the 2002 State Apartment Incentive Loan (SAIL) funding cycle Florida Housing awarded a SAIL loan in the amount of \$2,000,000 to Meridian Housing Limited Partnership for the development of a 160-unit property in Broward County. The Development also received a 2003 allocation of low-income housing tax credits (HC) of \$547,037 in 4% Housing Credits, in conjunction with local bonds.
- b) On August 14, 2019, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$15,300,000 and non-competitive Housing Credits in the amount of \$791,264.
- c) On September 26, 2019, staff issued an invitation to enter credit underwriting for the Non-Competitive MMRB and 4% HC application to the Applicant.
- d) The Applicant is purchasing the Development from Meridian Housing Limited Partnership. The Borrower intends to obtain a loan from Regions Bank through their Fannie Mae MTEB Program and will utilize a new issuance of MMRB and Housing Credits to rehabilitate the property. The Applicant requests approval for renegotiation of the SAIL loan terms and pay down of the SAIL loan in the amount of \$1,000,000, transfer and subordination of the existing SAIL Loan and Land Use Restriction Agreement (LURA) and the HC Extended Low-Income Housing Agreements (ELIHA) to the new first mortgage and to amend or modify the documents as determined by Florida Housing and legal counsel.
- e) Staff reviewed the credit underwriting report, giving a positive recommendation for MMRB funding, renegotiation of the SAIL loan and the assignment, assumption and subordination of the SAIL loan, LURA and ELIHA ([Exhibit A](#)). Staff finds that the Development meets all the requirements of the Non-Competitive Application.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the final credit underwriting report, renegotiation of the SAIL loan and the assignment, assumption, subordination, and modification as necessary of the SAIL loan, LURA, and ELIHA, 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

B. Request Approval of Credit Underwriting Report, Renegotiation of SAIL Loan, Transfer and Assumption of Ownership for Colonial Park (2019-102B / 2002-111S / 2002-542C)

Development Name: Colonial Park	Location: Broward County
Applicant/Borrower: Reflections Preservation, L.P.	Set Aside(s): 40% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developer/Principal: Reflections Developer, LLC / Long J. Ha	Demographic/Number of units: Elderly / 160
Requested Amounts: \$15,200,000 Multifamily Mortgage Revenue Bonds (MMRB) \$776,733 Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation / Mid- Rise, 4 Stories

1. Background/Present Situation

- a) During the 2002 State Apartment Incentive Loan (SAIL) funding cycle Florida Housing awarded a SAIL loan in the amount of \$2,000,000 to Reflections Housing Limited Partnership for the development of a 160-unit property in Broward County. The Development also received a 2003 allocation of low-income housing tax credits (HC) of \$378,470 in 4% Housing Credits, in conjunction with local bonds.
- b) On August 14, 2019, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$15,200,000 and non-competitive Housing Credits in the amount of \$780,561.
- c) On September 26, 2019, staff issued an invitation to enter credit underwriting for the Non-Competitive MMRB and 4% HC application to the Applicant
- d) The Applicant is purchasing the Development Colonial Park from Reflections Housing Limited Partnership. The Borrower intends to obtain a loan from Regions Bank through their Fannie Mae MTEB Program and will utilize new issuance of MMRB and Housing Credits to rehabilitate the property. The Applicant requests approval for renegotiation of the SAIL loan terms and pay down of the SAIL loan in the amount of \$1,000,000, transfer and subordination of the existing SAIL Loan and Land Use Restriction Agreement (LURA) and the HC Extended Low-Income Housing Agreements (ELIHA) to the new first mortgage and to amend or modify the documents as determined by Florida Housing and legal counsel.
- e) Staff reviewed the credit underwriting report, giving a positive recommendation for MMRB funding, renegotiation of the SAIL loan and the assignment, assumption and subordination of the SAIL loan, LURA and ELIHA ([Exhibit B](#)). Staff finds that the Development meets all the requirements of the Non-Competitive Application.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the final credit underwriting report, renegotiation of the SAIL loan and the assignment, assumption, subordination, and modification as necessary of the SAIL loan, LURA, and ELIHA, 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

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

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition and 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. Brief descriptions 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 method of bond sale for the Developments. The recommendation letters are attached as Exhibit [C](#) through [D](#).

2. Present Situation

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

3. Recommendation

- a) Approve the assignment of the recommended professionals and the Independent Registered Municipal Advisor's recommendations 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
Meridian Apartments	Broward County	160	Negotiated Public Offering	RBC Capital Markets, LLC	Exhibit C
Colonial Park	Broward County	160	Negotiated Public Offering	RBC Capital Markets, LLC	Exhibit D

MULTIFAMILY BONDS

Consent

D. Request Approval of the Transfer of Ownership for Lexington Club at Vero (1999 Series E/1998-523C)

Development Name: Lexington Club at Vero	Location: Indian River County
Applicant/Borrower: Vero Club Partners Club, Ltd.	Set-Asides: 5% @ 55% AMI & 50% @ 60% AMI (MMRB)
Developers/Principals: Lakeside Capital Advisors, LP/ Michael J. Hornbrook	Demographic/Number of Units: Elderly / 184
Requested Amounts: \$6,900,000 Multifamily Mortgage Revenue Bond (MMRB) \$721,508 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background

- a) Florida Housing financed the above referenced Development in 1998 with \$6,900,000 in tax exempt MMRB designated as 1998 Series E. In addition, \$721,508 in Housing Credits was allocated to this Development. However, the Extended Low-Income Housing Agreement was terminated February 2016 through the Qualified Contract process. The bonds were redeemed in November 2004.
- b) At the February 3, 2017 the Board approved the Borrower's request for transfer of General Partnership and Limited Partnership interests from CED Capital Holdings IX, Ltd., to affiliates of Lakeside Capital Advisors.

2. Present Situation

- a) Vero Club Partners, Ltd. has requested Florida Housing's consent to the transfer of the Development from affiliates of Lakeside Capital Advisors to SREIT Lexington Club, L.L.C., which is an affiliated entity of Starwood Capital Holdings, L.P. 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 the subordination of the LURA to the new first mortgage lender ([Exhibit E](#)).

3. Recommendation

- a) Approve the transfer of ownership and the assignment, assumption and subordination of the LURA 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 of Credit Underwriting Report for The Glades (2017-271G)

Development Name: The Glades	Location: Escambia County
Applicant/Borrower: Northwest Florida Community Housing Development Corporation/Tim Evans	Set-Asides: 44% @ 35% AMI and 56% @ 60% AMI
Developers/Principals: N/A	Demographic/Number of Units: Persons with Developmental Disabilities/9 Residents
Requested Amounts: \$517,000 Grant Funding	Development Category/Type: New Construction/SLU

1. Background/Present Situation

- a) On April 4, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-101 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 16, 2017, the Board approved the final scores and recommendations, and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 27, 2017, staff issued a Letter of Preliminary Award and subsequently, on February 27, 2018, staff issued an invitation to enter credit underwriting to Northwest Florida Community Housing Development Corporation.
- d) On December 12, 2019, staff received a final credit underwriting report with a positive recommendation for a grant amount of \$517,000 to be allocated to the Development ([Exhibit A](#)).
- e) On December 13, 2019, the board approved a three month closing extension to May 27, 2020.

2. Recommendation

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

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

V. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Change of Applicant Name for PLP Loan for Coleman Park Renaissance (2019-013P-09)

DEVELOPMENT NAME (“Development”):	Coleman Park Renaissance
APPLICANT/DEVELOPER (“Developer”):	Neighborhood Renaissance, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	30
LOCATION (“County”):	Palm Beach County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000
ADDITIONAL COMMENTS:	

1. Background

- a) On October 31, 2019, the Board approved a PLP loan in the amount of \$750,000 to the Developer, CP Renaissance, LLC, for Coleman Park Renaissance.

2. Present Situation

- a) On December 30, 2019, staff received a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of a change in the applicant entity name from CP Renaissance, LLC to Neighborhood Renaissance, Inc. CP Renaissance, LLC is a wholly owned subsidiary of Neighborhood Renaissance, Inc. This change will allow for a streamlined process for closing on the PLP loan.
- b) Staff has reviewed and is in agreement with the request to change the applicant name.

3. Recommendation

- a) Approve the change in the applicant name from CP Renaissance, LLC to Neighborhood Renaissance, Inc. and allow staff to continue with loan closing activities.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Change of Applicant Name for PLP Loan for SMASH (2019-013P-09)

DEVELOPMENT NAME (“Development”):	SMASH
APPLICANT/DEVELOPER (“Developer”):	Gardner’s Park Community Land Trust, LLC
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) On May 10, 2019, the Board approved a PLP loan in the amount of \$75,000 to the Developer, SMASH Expedited Housing Project, for SMASH.

2. Present Situation

- a) On December 27, 2019, staff received a letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of a change in the applicant entity name from SMASH Expedited Housing Project to Gardner’s Park Community Land Trust. Gardner’s Park Community Land Trust is the sole member of SMASH. This change will allow for a streamlined process for closing on the PLP loan.
- b) Staff has reviewed and is in agreement with the request to change the applicant name.

3. Recommendation

- a) Approve the change in the applicant name from SMASH Expedited Housing Project to Gardner’s Park Community Land Trust and allow staff to continue with loan closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VI. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Applicant Entity Structure Change for Palos Verdes Apartments (2016-380BS / 2018-333V / 2016-561C)

Development Name: Palos Verdes Apartments	Location: Osceola County
Applicant/Borrower: Osceola Palos Verdes, Ltd.	Set Aside(s): 10% @ 40% AMI 90% @ 60% AMI
Developer/Principal: Developer/Principal: Banyan Development Group, LLC, Judd Roth Real Estate Development, Inc., and DSRG Development LLC / Judd Roth	Demographic/Number of units: Elderly/120
Requested Amounts: MMRB \$11,000,000, SAIL \$5,200,000 ELI \$552,300, Viability \$975,000 Annual 4% HC \$794,186	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) Palos Verdes Apartments is a New Construction Development providing 120 set aside units in Osceola County, Florida. The Applicant was invited to enter credit underwriting on March 31, 2017 under 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. On June 15, 2018, a Notice of Preliminary Award was submitted to the Applicant under RFA 2018-109 for Development Viability Loan Funding for Developments experiencing a reduction in equity funding for their Active Award. The Final Credit Underwriting Report was dated July 11, 2018, and the closing occurred on October 4, 2018.
- b) On November 13, 2019, staff received a written request from the Applicant to allow the addition of two Managing Members to DSRG Holdings, LLC, which is the Managing Member of DSRG Palos Verdes GP, LLC, the General Partner of the Applicant, Osceola Palos Verdes, Ltd ([Exhibit A](#)). Regarding the structure of DSRG Holdings, LLC, the Applicant proposes to add Edward E. Haddock, Jr. and Deion R. Lowery as Managing Members. The Managing Members would then be Domingo Sanchez (25%), Robert H. Godwin (25%), Edward E. Haddock, Jr. (25%) and Deion R. Lowery (25%). According to the Applicant, Edward E. Haddock, Jr. and Deion R. Lowery are experienced Principals per Florida Housing’s requirements, and both will receive a financial benefit as Managing Members of DSRG Holdings, LLC. Per RFA 2016-109, any material and non-material change in ownership structure of the Applicant requires Board approval prior to the change.
- c) On January 9, 2020 staff received an update credit underwriting letter with a positive recommendation for the Applicant Entity structure change ([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 request for a change to the Applicant Entity structure.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Loan Closing Extension for Ozanam Village III (2017-169S)

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

1. Background/Present Situation

- a) On November 28, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-115 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs.
- b) On March 24, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. On May 9, 2017, staff issued an invitation to enter credit underwriting to Society of St. Vincent de Paul South Pinellas, Inc., giving them a firm loan commitment issuance deadline of February 12, 2018.
- c) On January 26, 2018, the Board approved an extension of the firm loan commitment issuance deadline from February 12, 2018 to August 12, 2018 and a Co-Developer structure change from GHD Construction Services, Inc. to Ability Housing, Inc.
- d) On July 27, 2018, the Board approved a rule waiver for an extension of the firm loan commitment issuance deadline from August 12, 2018 to June 12, 2019 and a Demographic Commitment change to add an additional subpopulation demographic selection. On May 10, 2019, the Board approved an additional rule waiver for an extension of the firm loan commitment issuance deadline from June 12, 2019 to August 11, 2019. On August 2, 2019, the Board approved a rule waiver for an additional extension of the firm loan commitment issuance deadline from August 11, 2019 to November 9, 2019.
- e) On June 27, 2019, staff approved the Applicant’s request to increase the Persons with Special Needs set-aside percentage from 75% to 80%.
- f) On October 31, 2019, the Board approved the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities. The Borrower was issued a firm commitment on November 4, 2019, giving them a loan closing deadline of March 3, 2020. 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 percent of each loan amount will be required if the Board approves the extension request.
- g) On January 8, 2020, staff received a request from the Borrower to extend the March 3, 2020 loan closing deadline to June 1, 2020 ([Exhibit C](#)), to allow more time to provide closing due diligence items. Staff has reviewed this request and finds that it meets all requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

- a) Approve the request to extend the loan closing deadline from March 3, 2020 to June 1, 2020, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Credit Underwriting Report for Marquis Apartments (2019-161SN)

Development Name: Marquis Apartments	Location: Broward County
Applicant/Borrower: Marquis Partners, Ltd.	Set-Asides: 100% @ 60% AMI (HC), 6% @ 22% AMI (NHTF), and 10% @ 28% AMI (ELI), 84% @ 60% AMI (SAIL)
Developers/Principals: Cornerstone Group Partners, LLC / Mara S. Mades	Demographic/Number of Units: Family/Persons with Special Needs/100
Requested Amounts: SAIL \$3,040,000 ELI \$600,000 NHTF \$1,435,800 Annual 4% HC \$920,827	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On October 19, 2018, Florida Housing Finance Corporation issued a Request for Application (RFA) 2018-116 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 22, 2019, the Board approved the final scores and recommendations for RFA 2018-116, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 10, 2019, the Board approved the Final Order resolving all pending litigation pertaining to the RFA 2018-116, allowing staff to proceed with all necessary credit underwriting activities.
- d) On May 13, 2019, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting giving a deadline of May 13, 2020.
- e) On January 9, 2020 staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit D](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

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

SPECIAL ASSETS

Consent

VII. SPECIAL ASSETS

- A. Request Approval of the Transfer of General Partner Interest in NVC-103rd Street, Ltd., a Florida Limited Partnership, for Marcis Pointe Apartments (RFP 2010-04/2009-207C/2010-040CX/2011-020CX)

Development Name: Marcis Pointe Apartments (“Development”)	Location: Duval County
Developer/Principal: NVC-III, LLC (“Developer”)/ NVC-103rd Street, Ltd. (“Borrower”)	Set-Aside: TCEP & HC 20% @ 30%; 80% @ 60% AMI; EUA: 50 years
Number of Units: 120	Allocated Amount: TCEP \$6,020,000; HC 9% \$1,120,000
Demographics: Elderly	Servicer: Seltzer Management Group, Inc.

1. Background

- a) During the 2010 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded funds from the Tax Credit Exchange Program (“TCEP”) in the amount of \$6,020,000 to NVC-103rd Street, Ltd. (“Borrower”), a Florida limited partnership, for the development of a 120-unit property in Duval County, Florida. The loan closed on December 10, 2010. The Development also received a 2009 allocation of low-income housing tax credits (“HC”) of \$1,120,000.
- b) In December 2012, the Board approved a request from the Borrower to change the first mortgage lender and to increase the amount of permanent first mortgage loan.
- c) In March 2013, the Board approved a request from the Borrower to transfer 66.68% of membership interest in the general partner entity, NVC/GP 103rd Street, LLC, a Florida limited liability company from James E. Dyal to John D. Rood.

2. Present Situation

- a) The Borrower requests approval for the withdrawal of the general partner, NVC/GP 103rd Street, LLC, (“Former GP”) and the admission of a new general partner, Berkeley Marcis GP, LLC, (“New GP”), a Florida limited liability company, with the sole member being Berkeley Housing Initiative, Inc., a Florida non-profit corporation. The Former GP will be converted into a Class B Limited Partner. The intended purpose of the ownership restructure is to allow the Borrower to qualify for ad valorem real estate tax exemption.
- b) The principals of the Former GP will remain the same and will maintain their existing obligations and guarantees. The New GP will assist the Class B Limited Partner with the operations of the development, including the provision of certain resident services.
- c) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the transfer of GP interest.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the transfer of GP interest, 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. Provide Conceptual Approval to Transfer Units to New Affordable Development for POAH Cutler Manor, LLC, a Florida limited liability company, for Cutler Manor Apartments (2001-036S)**

Development Name: Cutler Manor Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Preservation of Affordable Housing (“Developer”)/ POAH Cutler Manor, LLC (“Borrower”)	Set-Aside: SAIL 15.5% @ 33%, 5% @ 50%, 79.5% @ 60% LURA: 50 years
Number of Units: 219	Allocated Amount: SAIL \$2,661,095
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2001 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$1,900,000, to Cutler Manor, LLC, a Florida Limited Liability Company, for the development of a 219-unit apartment complex in Miami-Dade County, Florida. On June 13, 2008, FHFC’s Board approved the transfer of this Development from Greater Miami Neighborhoods (GMN) to Preservation of Affordable Housing (POAH) and on December 23, 2008 POAH acquired the Development with recapitalized SAIL debt of \$2,661,095.

2. Present Situation

- a) The Borrower plans to build a new development and requests consent from the Board to transfer 68 units from Cutler Manor to this new development. The Cutler Manor LURA will be amended to reduce the number of units from 219 to 151. The new development LURA will be amended to add the 68 units. The total number of units will not change. The units will be added to a new development with as good or better amenities, etc. The new location will be within 1.1 miles of Cutler Manor and in the same neighborhood with the same or better access to work, shopping and transportation. 68 units at Cutler Manor will then be demolished to improve the flow of the development and the remaining 151 units will be rehabilitated.
- b) Staff has reviewed the information provided by POAH on their plans and agree to the concept conditioned on the completed construction of the new development and approval of the refinancing and rehabilitation of Cutler Manor before transferring and amending the LURA’s. Further Board approval will be required to proceed with the transfer and refinancing and rehabilitation of Cutler Manor.

3. Recommendation

- a) Approve the conceptual transfer of the units from Cutler Manor to the proposed new development and amending the respective restrictive agreements, subject to the completed construction of the proposed new development and further Board and Credit Underwriter approval of the refinancing and rehabilitation of Cutler Manor before transferring and amending the LURA’s, with further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff.

SPECIAL ASSETS

Consent

C. Request Approval to Swap Three Single-Family Residential Units in Grove House (2001|07-003DD)

Development Name: Grove House (“Development”)	Location: Duval County
Developer/Principal: Grove House of Jacksonville, Inc (“Borrower”) Ability Housing	Set-Aside: 100@120% AMI LURA: 30 years
Number of Units: 10 (scattered sites)	Allocated Amount: HC \$499,545
Demographics: Special Needs	Servicer: Seltzer Management Group

1. Background

- a) During 2001 Florida Housing Finance Corporation (“Florida Housing”) issued an RFP for developments to serve tenants who are developmentally disabled and allocated a Demonstration loan in the amount of \$499,545 to Grove House of Jacksonville, Inc., a Florida corporation, for the development of a 10-unit scattered site property in Jacksonville, Duval County, Florida. These 10 properties are part of a project called CASA which consists of 29 homes in total.

2. Present Situation

- a) The Borrower requests ([Exhibit B](#)) approval to swap three of these FHFC funded homes, for three Borrower owned homes. The Borrower would like to sell the three FHFC funded homes to stabilize the development and make it more sustainable. The Borrower owned homes are all within 12 miles of the current locations. The proposed homes offer similar amenities, with some features exceeding those found in the current units including greater living square footage and greater appraised values. The existing use restrictions will also be transferred in entirety; no modifications or waivers will be sought. The tenants will be relocated at no cost to them.

3. Recommendation

- a) Approve the swap request subject to verification of the proposed homes and further approvals and verifications by FHFC counsel and appropriate Florida Housing staff, and direct staff to proceed with document modification activities, as needed.