

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
July 17, 2020
Consent Items



HOUSING CREDITS

Consent

I. HOUSING CREDITS

A. Request Approval of Co-Developer Entity Structure Change for Clermont Ridge Senior Villas (RFA 2017-111/2018-112C)

Development Name: Clermont Ridge Senior Villas	Location: Lake County
Applicant/Borrower: Clermont Ridge, Ltd.	Set-Asides: 10% @ 40% AMI and 90% @ 60% AMI
Developer/Principal: CR GC Developer, LLC / Provident Housing Solutions, Inc / Blue CR Developer, LLC / Shawn Wilson	Demographic/Number of Units: Elderly Non-ALF/70
Requested Amounts: \$1,250,000.00 Housing Credits	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Clermont Ridge, Ltd. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-111 for Housing Credit Financing for Affordable Housing Developments Located in Small and Medium Counties. The funds are being utilized to finance the construction of a 70-unit Elderly, Non-ALF development in Lake County. On September 19, 2018, staff issued an invitation to the Applicant to enter credit underwriting, and subsequently executed a Carryover Allocation Agreement on December 17, 2018.
- b) On June 1, 2020, Florida Housing received a letter from the Applicant requesting to add three Board Members to the Co-Developer’s (CR GC Developer, LLC) sole member, Gulfcoast Housing Foundation, Inc. Board of Directors. The letter is provided as [Exhibit A](#) and the current and proposed Developer Organizational Charts are provided as Exhibits [B](#) and [C](#).
- c) Within the above-mentioned letter, the Applicant also requested approval of the addition of the same three board members to the General Partner of the Applicant, which was approved at staff level.
- d) Per the RFA, the Principals of each Developer identified in the Application, including all Co-Developers, may be changed only by written request of an Applicant to Corporation Staff and approval of the Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal.
- e) In the original application, Shawn Wilson met the Developer Experience requirement of the RFA and will remain a Principal.
- f) Staff has reviewed this request and finds that the development meets all other requirements of the RFA.

2. Recommendation

- a) Approve the request to change the Developer structure as described above.

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B. Request Approval to Exceed the 20% Subcontractor Limitation for Georgian Gardens Apartments (RFA 2016-113/2017-229C/2019-431C)

Development Name: Georgian Gardens Apartments	Location: Palm Beach County
Applicant/Borrower: Georgian Gardens Apartments, LLC	Set Aside(s): 10% @ 33% AMI and 90% @ 60% AMI
Developer/Principal: Georgian Gardens Apartments Developer, LLC/Alberto Milo, Jr.	Demographic/Number of units: Elderly Non-Alf/87 Units
Requested Amounts: \$1,650,000 Housing Credits	Development Category/Type: New Construction/Mid-Rise, 4 Stories

1. Background/Present Situation

- a) Georgian Gardens Apartments, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2016-113 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 new construction of an 87-unit Elderly Non-ALF development in Palm Beach County. On June 7, 2017, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a 2017 Carryover Allocation Agreement on September 28, 2017. A credit underwriting report was approved October 3, 2018. On October 22, 2019, the Applicant requested to exchange their 2017 credits for 2019 credits. This fourth quarter exchange of credits was approved and a new 2019 Carryover Allocation Agreement was executed on December 19, 2019.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors' ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rule 67-48.0072(17)(f), F.A.C. See [Exhibit D](#) for Applicant's request.
- c) Pursuant to Rule 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)

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- d) At the request of Florida Housing staff, AmeriNat (“AmeriNat”) reviewed the Applicant's request and consulted with GLE Associates, Inc. (“GLE”), the Construction Consultant for the Development. GLE reviewed a site work bid comparison sheet and the subcontractor agreement between the General Contractor (Fortune Urban Construction, LLC) and Subcontractor (Net Construction, Inc.). After review and analysis, AmeriNat, in conjunction with GLE, found the cost to be appropriate for the scope of work. AmeriNat recommended Florida Housing approve the General Contractor’s use of the subcontractor which provided work at a cost in excess of 20% of the total construction cost for the Development. See [Exhibit E](#) for AmeriNat’s recommendation.
- e) Since this information was provided to FHFC after the construction work had already been completed and after the Development had been placed-in-service, 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 Rule 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.

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C. Request Approval to Exceed the 20% Subcontractor Limitation for Hadley Gardens / #2016-519C

Development Name: Hadley Gardens	Location: Miami-Dade County
Applicant/Borrower: Hadley Housing Partner, LP	Set Aside(s): HC: 100% @ 60% AMI
Developer/Principal: Vitus Development IV, LLC / Thomas Null	Demographic/Number of Units: Elderly / 151 units
Requested Amounts: \$989,058 4% Housing Credits	Development Category/Type: Acquisition/Rehabilitatio

1. Background/Present Situation

- a) Hadley Housing Partner, LP (“Applicant”) applied for an Allocation of 4% Housing Credits. On April 27, 2017, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting. On September 26, 2017, staff received a credit underwriting report giving a positive recommendation for a 4% Housing Credit Allocation of \$989,058.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rule 67-21.026(13)(e) F.A.C. See [Exhibit F](#) for Applicant's explanation letter.
- c) Pursuant to Rule 67-21.026(13)(e) 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)
- d) At the request of Florida Housing staff, First Housing Development Corporation (“First Housing”) reviewed the Applicant's request, General Contractor correspondence, Rule Chapter 67-21, the subcontract agreement between the General Contractor and Dynamic Contracting Services Corp (“Dynamic”) the Application and Certification for Payment from Dynamic, and the original and amended General Contractor Cost Certifications. After review and analysis, First Housing, in conjunction with the Construction Consultant, On Solid Ground, LLC (“OSG”), found the cost to be appropriate for the scope of work. First Housing recommends that Florida Housing approve the General Contractor's use of the subcontractor, which provided work at a cost which exceeded 20% of the total construction cost for the Development. See [Exhibit G](#) for First Housing's recommendation.

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- 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 Rule 67-21.026(13)(e). 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.

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D. Request Approval to Exceed the 20% Subcontractor Limitation for New South Bay Villas (2015-534C)

Development Name: New South Bay Villas	Location: Palm Beach County
Applicant/Borrower: New South Bay Villas, Ltd.	Set Aside(s): HC: 100% @ 60% AMI
Developer/Principal: Palm Beach County Housing Authority / McCurdy Senior Housing Corporation / Joseph S. Glucksman	Demographic/Number of units: Family/131 units
Requested Amounts: \$1,473,355 4% Housing Credits	Development Category/Type: New Construction/Garden

1. Background/Present Situation

a) New South Bay Villas, Ltd. ("Applicant") applied for an Allocation of 4% Housing Credits. On July 8, 2016, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting. On April 12, 2018, staff received a credit underwriting report giving a positive recommendation for a 4% Housing Credit Allocation of \$1,473,355.

b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rule 67-21.026(13)(e) F.A.C. See [Exhibit H](#) for Applicant's Request.

c) Pursuant to Rule 67-21.026(13)(e), 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)

d) At the request of Florida Housing staff, AmeriNat, LLC ("AmeriNat") in conjunction with GLE Associates, Inc. ("GLE"), the Construction Consultant, reviewed the Applicant's request, Rule Chapter 67-21, interior framing and drywall bids, subcontractor agreements between Worthland Construction (Subcontractor) and D. Stephenson Construction Inc. (GC), and pertinent change orders. After review and analysis, AmeriNat, in conjunction with GLE found the cost to be appropriate for the scope of work. AmeriNat recommends that Florida Housing approve the General Contractor's use of the subcontractor, which provided work at a cost that exceeded 20% of the total construction cost for the Development. See [Exhibit I](#) for AmeriNat's recommendation.

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- e) The work for this development has been completed and Florida Housing was not informed of the departure from the rule until after completion. Typically, staff would recommend a workout be imposed due to the request being made “after the fact.” However, this Property was developed by a partnership between McCurdy Senior Housing Corporation, a non-profit organization and the Palm Beach County Housing Authority. Both entities purport that no member of their Boards, employee or officer will receive any personal benefit from the fees generated by this Development and further assert that unrestricted Developer Fees generated from this Development will be used to further their missions of providing affordable housing for low income individuals. Due to these reasons, staff is recommending the following lower alternative workout: the maximum Developer fee shall be reduced by an amount equal to one-half of the Developer Fee on the subcontract amounts that surpass the maximum subcontract amount allowed under Rule 67-21.026(13)(e) F.A.C.

2. Recommendation

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

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E. **Request Approval to Exceed the 20% Subcontractor Limitation for Civic Towers Senior (2016-521C)**

Development Name: Civic Towers Senior	Location: Miami-Dade County
Applicant/Borrower: Civic Towers Senior, LLLP	Set Aside(s): HC: 100% @ 60% AMI
Developer/Principal: Redwood Housing Services, LLC / Ryan Fuson	Demographic/Number of units: Elderly/151 units
Requested Amounts: \$1,633,140 4% Housing Credits	Development Category/Type: Acquisition & Rehabilitation / High Rise

1. **Background/Present Situation**

- a) Civic Towers Senior, LLLP (“Applicant”) applied for an Allocation of 4% Housing Credits. On February 22, 2017, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting. On April 10, 2017, staff received a credit underwriting report giving a positive recommendation for a 4% Housing Credit Allocation of \$1,633,140.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rule 67-21.026(13)(e) F.A.C. See [Exhibit J](#) for Applicant's Request.
- c) Pursuant to Rule 67-21.026(13)(e), 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)
- d) At the request of Florida Housing staff, Seltzer Management Group, Inc. (“Seltzer”) reviewed the Applicant's request and other pertinent information such as, Rule Chapter 67-21, AIA A103-2007 Standard Form of Agreement, AIA A102-2007 Standard Form of Agreement, Schedule of Values, Subcontract Agreements between the GC and The BEC Group Services, Inc. (Subcontractor), change orders, The GC’s Bid Tabulation Sheet, subcontractor proposals, and the draft General Contractor Cost Certification. After review and analysis, Seltzer, in conjunction with On Solid Ground (OSG), the construction consultant, found the cost to be appropriate for the scope of work. Seltzer recommends that Florida Housing approve the General Contractor’s use of the subcontractor, which provided work at a cost that exceeded 20% of the total construction cost for the Development. See [Exhibit K](#) for Seltzer’s recommendation.

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- 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 Rule 67-21.026(13)(e), 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.

HOME RENTAL

Consent

I. HOME RENTAL

A. Request Approval of HOME Credit Underwriting Report for Marianna Crossings (2019-406H)

Development Name: Marianna Crossings (“Development”)	Location: Jackson County
Developer: AHM Marianna Crossings Developer, LLC / Luis Castellon and Margaret Mestre/ Foundation Housing, LLC/ Christopher Savino/EIS Housing, LLC/Affordable Housing Ministry, Inc. (“Developers”)	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 30 HOME Units
Type: New Construction/Garden Apartments	HOME: \$5,000,000
Total Number of Units: 30	Demographics: Disaster Relief/Family

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2019-109, seeking an allocation of HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and in Rural Areas.
- b) On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Jordan Bayou, the Board on June 21, 2019 approved the funding of all Tier I Applicants, including Jordan Bayou and three additional Applicants, as well as the original six Applicants for a total of ten (10) Applicants.
- c) On June 24, 2019, the Corporation issued a preliminary commitment letter. In accordance with Rule 67-48 and the RFA, the Developers have a June 24, 2020 deadline to complete the credit underwriting report.
- d) On April 1, 2020, Staff received a request from the Applicant to change the Applicant Entity and Developer Entity and structure through an RFA waiver. The Manager & Member, Marianna Crossings, LLC, requested to add Affordable Housing Ministry, Inc as Managing Member and co-Developer. The request was approved at the April 17, 2020 Board Meeting.
- e) On May 14, 2020, staff received a request from the Applicant to extend the June 24, 2020 firm loan commitment for six months, due to delays in receiving local approval as a result of the COVID 19 Pandemic. The request was approved at the June 11, 2020 Board Meeting.
- f) On July 8, 2020, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$5,000,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

HOME RENTAL

Consent

2. **Recommendation**

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

HOME RENTAL

Consent

B. Request Approval of the Substitution of the General Contractor and Remove the Co-Developer and the Construction Completion Guarantors for Greys Place (2019-408H)

Development Name: Affordable Housing Solutions for Florida, Inc. (“Development”)	Location: Wakulla County
Developer: Affordable Housing Solutions for Florida, Inc./Panhandle Affordable II, LLC/FBC Holdings, LLC/MTF Holdings, LLC/Debra Fleming/Pedro Vermales (“Developers”)	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 27 HOME Units
Type: New Construction/Duplexes	HOME: \$4,970,890.89
Total Number of Units: 27	Demographics: Disaster Relief/Family

1. Background/Present Situation

- a) On February 21, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-109 for HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and Rural Areas.
- b) On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Jordan Bayou, the Board on June 21, 2019 approved the funding of all Tier I Applicants, including Jordan Bayou and three additional Applicants, as well as the original six Applicants for a total of ten (10) Applicants.
- c) On June 24, 2019, staff issued a preliminary commitment letter. On March 6, 2020 upon Board approval, staff issued a firm loan commitment. In accordance with Rule 67-48.0072(26), the Developers had a July 4, 2020 deadline to close the loan. Pursuant to Rule 67-48.0072(26) the Applicants may request one extension of the loan closing deadline of up to ninety (90) days.
- d) On May 15, 2020, staff received a request from the Applicant to extend the July 4, 2020 loan closing deadline for 90 days or until October 2, 2020. This was due to the increase in collateral requirements from surety companies writing payment and performance bonds as a result of the COVID-19 pandemic. It increased the General Contractor’s difficulty in obtaining a bond for the development. The request was approved at the June 11, 2020 Board Meeting.
- e) On June 9, 2020, staff received a request to change the General Contractor of the development from Sherwood Construction, Inc. to Marmer Construction, Inc., and to remove the Co-Developer Panhandle Affordable II, LLC and Construction Guarantors, Panhandle Affordable II, LLC, FBC Holdings, LLC, Cheryl McPhillips, and Martin C. Flynn, Jr. from the development ([Exhibit B](#)). As a result of the removal of the Guarantors, the developer will be required to establish an Operating Deficit Reserve of \$61,383.
- f) On July 8, 2020, staff received a credit underwriting letter with a positive recommendation for a change to the General Contractor and removal of the Co-Developer and Construction Guarantors ([Exhibit C](#)).

HOME RENTAL

Consent

2. **Recommendation**

- a) Approve the request to change the General Contractor and remove the Co-Developer and the Construction Guarantors subject to approval and verifications of the Credit Underwriter, Special Counsel and the appropriate Florida Housing Staff.

LEGAL

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I. LEGAL

A. In Re: Lofts on Lemon Development Partners, LLC - FHFC Case No. 2020-035VW

Development Name: (“Development”):	Lofts on Lemon
Developer/Principal: (“Developer”):	SHA Affordable Development, LLC Lemon I Fortis Development, LLC Joseph Chambers, Darren Smith
Number of Units: 76	Location: Sarasota County
Type: Mid-rise 5-6 stories, new construction	Set Asides: 10% @ 33% AMI 90% @ 60% AMI
Demographics: Family	Funding: 9% Credits \$1,510,000

1. Background

- a) Lofts on Lemon Development Partners, LLC (“Petitioner”) successfully applied for an award of competitive Housing Credits under Request for Applications 2017-111 (the “RFA”) to assist in the construction of 76 Mid-rise apartments for low-income families in Sarasota County.
- b) On October 15, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(j), Fla. Admin. Code, to change the total set-aside percentage. A copy of the Petition is attached as [Exhibit A](#). This petition also requested Corporation approval to change the total number of units pursuant to Rule 67-48.004(3)(i), Fla Admin. Code, and Board approval for a waiver of the provisions of Section 4.A.6.d.(2)(a)(i) of the RFA, which require an applicant to set aside at least 80% of the development’s units at 60% of area median income.

2. Present Situation

- a) Rule 67-48.004(3), Fla. Admin. Code, provides in relevant part:
 - (3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

- (i) Total number of units; notwithstanding the foregoing, the total number of units may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to the Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant’s request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development....

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(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application....

- b) Section 4.A.6.d.(2)(a)(i) of RFA 2017-111 provides that “the Applicant must set aside a total of at least 80 percent of the Development’s total units at 60 percent AMI or less.”
- c) Petitioner has requested approval from the Corporation to increase the total number of units from 76 to 128 pursuant to Rule 67-48.004(3)(i). Petitioner also seeks a waiver from Rule 67-48.004(3)(j) to reduce the Total Set-Aside Percentage from 100% to 59.375%. This would have the effect of allowing the development of 52 additional units and for these units to be rented at market rate. Without this waiver, these additional units would also have to be limited to low-income tenants, which the Petitioner asserts would negatively affect the financial viability of this Development. The local government has urged Petitioner to take advantage of the zoning density by providing additional units and the local government has committed to provide additional subordinate financing in the amount of \$3,500,000. In addition, the Petitioner has received commitments for an additional \$4,000,0000 from two foundations with the goal of constructing additional units for local residents that will be market units geared to certain service-oriented workers such as teachers, police, health care personnel, and public employees. Petitioner will be required to provide a total of 13 ELI units (limited to tenants with income at or below 33% AMI) out of the total 76 set-aside units so that it will continue to meet the 10% ELI set-aside requirement based on the total number of units (128). Petitioner has also submitted a request to use the Average Income test; if such request is approved, Petitioner will be required to provide a total of 20 ELI units in order to meet the 15% ELI set-aside requirement.
- d) On June 19, 2020, the Notice of Petition was published in the Florida Administrative Register in Volume 46, Number 120. 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 or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship.
- g) 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 of Rule 67-48.004(3)(j), Fla. Admin. Code, **GRANT** Petitioner's request to increase the total number of units pursuant to Rule 67-48.004(3)(i), Fla. Admin. Code, and **GRANT** Petitioner's request for a waiver of Section 4.A.6.d.(2)(a)(i) of RFA 2017-111 so that Petitioner will be able to reduce its Total Set-Aside Percentage from 100% to 59.375% and add 52 additional units at market rate. As a condition of this waiver, Petitioner must provide additional ELI units, which results in a new set-aside commitment of 13 units (10.16%) at 33% AMI or less and 63 units (49.22%) at 60% AMI or less. If Petitioner's request to use the Average Income test is approved, Petitioner must provide 20 ELI units (15.625%) at 30% AMI or less. This waiver will not decrease the total number of units set aside for low-income tenants and will increase the number of ELI units being delivered at the Development.

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B. In Re: Dockside at Sugarloaf Key, LLC - FHFC Case No. 2020-042VW

Development Name: (“Development”):	Dockside at Sugarloaf Key
Developer/Principal: (“Developer”):	Rural Neighborhoods, Inc JCG Real Estate Ventures, LLC Advanced Housing Corp. Steven Kirk
Number of Units: 28	Location: Monroe County
Type: New Construction Garden Apartments	Set Asides: 10.72% at 30% AMI 82.14% at 60% AMI 3.57% at 80% AMI 3.57% at 120% AMI
Demographics: Workforce	SAIL: \$1,366,400 9% HC: \$925,344

1. Background

- a) Petitioner Dockside at Sugarloaf Key, LLC was selected to receive State Apartment Incentive Loan (SAIL) funding and 9% Housing Tax Credits under Request for Applications (RFA) 2018-115, to assist in the construction of a workforce housing Development in Monroe County, Florida. On June 30, 2020, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2018) (the “Petition”) requesting to extend the SAIL/ELI firm loan commitment issuance deadline from July 1, 2020 to January 31, 2021. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.0072(21), Fla. Admin. Code (2018), provides:
 - (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) 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.
- b) Petitioner was invited to credit underwriting on December 27, 2018. On December 13, 2019, the Board granted Petitioner’s waiver request and extended the deadline to July 1, 2020. Petitioner now requests and additional deadline extension until January 31, 2021. Petitioner alleges that feedback from local residents and local elected officials, proposed flood map changes from FEMA, and slowdowns due to local and state COVID-19 orders have delayed the final design and land acquisition.
- c) On July 1, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 128. To date, Florida Housing has received no comments concerning the Petition.

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- 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 (2018), so that the firm loan commitment deadline may be extended from July 31, 2020 to January 31, 2021.

LEGAL

Consent

C. In Re: Citadelle Village, LLC - FHFC Case No. 2020-043VW

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 July 31, 2020 to January 31, 2021. A copy of the Petition is attached as [Exhibit C](#).

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. On January 23, 2020, the Board granted Petitioner’s second waiver request and extended the deadline to 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. In addition, slowdowns due to state and local COVID-19 orders have delayed a necessary funding source from Miami-Dade County.

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- c) On July 2, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 129. 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 July 31, 2020 to January 31, 2021.

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Consent

D. In Re: The Landings at Sugarloaf Key, LLC - FHFC Case No. 2020-041VW

Development Name: (“Development”):	The Landings at Sugarloaf Key
Developer/Principal: (“Developer”):	Rural Neighborhoods, Inc JCG Real Estate Ventures, LLC Advanced Housing Corp. Steven Kirk
Number of Units: 60	Location: Monroe County
Type: New Construction Garden Apartments	Set Asides: 5% at 25% AMI 40% at 60% AMI 55% at 120%
Demographics: Workforce	SAIL: \$3,534,000 9% HC: \$925,344

1. Background

- a) Petitioner The Landings at Sugarloaf Key, LLC was selected to receive State Apartment Incentive Loan (SAIL) funding and 9% Housing Tax Credits under Request for Applications (RFA) 2018-115, to assist in the construction of a workforce housing Development in Monroe County, Florida. On June 30, 2020, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2018) (the “Petition”) requesting to extend the SAIL/ELI firm loan commitment issuance deadline from July 1, 2020 to January 31, 2021. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-48.0072(21), Fla. Admin. Code (2018), provides:
 - (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) 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.
- b) Petitioner was invited to credit underwriting on January 2, 2019. On December 13, 2019, the Board granted Petitioner’s waiver request and extended the deadline to July 1, 2020. Petitioner now requests and additional deadline extension until January 31, 2021. Petitioner alleges that feedback from local residents and local elected officials as well as slowdowns due to local and state COVID-19 orders have delayed the final design and land acquisition.
- c) On July 1, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 128. To date, Florida Housing has received no comments concerning the Petition.

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- 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. Recommendations

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2018), so that the firm loan commitment deadline may be extended from July 31, 2020 to January 31, 2021.

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E. In Re: Palmetto Leased Housing Associates 1, LLLP - FHFC Case No. 2020-034VW

Development Name: (“Development”):	The Reef at Riviera
Developer/Principal: (“Developer”):	Palmetto Leased Housing Development I, LLC / Hugh Jacobs
Number of Units: 224	Location: Manatee County
Type: new construction/Mid-Rise 5 to 6-stories	Set Asides: 100% @ 60% AMI
Demographics: Elderly	Funding: 4% HC \$2,084,153

1. Background

- a) Petitioner has successfully applied for non-competitive housing credits to assist in the construction of The Reef at Riviera, a 224-unit elderly, affordable housing development in Palmetto, Florida (the “Development”). On June 17, 2020, Florida Housing received a Petition for Waiver of the Rule 67-21.026(13)(g), Florida Administrative Code (2018) F.A.C, to allow Petitioner to subcontract with an Affiliated entity. A copy of the Petition is attached as [Exhibit E](#). On June 23, 2020, Petitioner filed an Amended Petition for Waiver of Rule 67-21.026(13)(G), Florida Administrative Code (2018). A copy of the Amended Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-21.026(13) (2018), Fla. Admin. Code, in relevant part, states:

(13) The General Contractor must meet the following conditions:

...

(g) Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of with the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-21.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”

- b) Rule 67-21.002(2) (2018), Fla. Admin. Code, states:

(5) “Affiliate” means any person that:

(a) Directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Applicant or Developer;

(b) Serves as an officer or director of the Applicant or Developer or of any Affiliate of the Applicant or Developer;

(c) Directly or indirectly receives or will receive a financial benefit from a Development except as further described in rule 67-21.0025, F.A.C., or

(d) Is the spouse, parent, child, sibling, or relative by marriage of a person described in paragraph (a), (b) or (c), above.

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- c) Petitioner asserts that it submitted its application for non-competitive housing credits on or before May 7, 2019. Petitioner states that it executed a construction contract with CB-Dominium, LLC, a joint venture between Dominion Construction & Architectural Services, LLC and Current Builders Construction Services, Inc., a division of Current Builders, Inc, which will serve as the General Contractor of for the Development. Petitioner states that it sought bids for the five-story wood framed Development and received two complete bids, one from CB Structures, Inc. for \$6,086,052.00 and the other from SH Exterior, LLC for \$6,542,759.45. CB Structures, Inc. is an Affiliate company of Current Builders. Petitioner asserts that the bid from SH Exteriors, LLC did not include dumpster and monument sign wall, which were included in the bid from CB Structures, Inc. and that SH Exteriors, LLC is not bondable.
- d) Petitioner would like to engage CB Structures, Inc. as the subcontractor because it had the lowest bid. Petitioner asserts that all labor and materials provided by CB Structures, Inc. will be at cost with no profit or fees built in with the exception of the costs incurred by CB Structures, Inc. to compensate a field superintendent to oversee the shell work. Additionally, Petitioner asserts that the cost of the shell work, including approximately \$113,000 for the field superintendent, concrete masonry and wood framing will be reduced to \$5,781,749.00, which is approximately 20% of the total construction cost of \$28,859,083 and the General Contractor fee on the costs subcontracted to CB Structures, Inc. will be limited to 7%.
- e) According to Petitioner, CB Structures, Inc. is a division of Current Builders, Inc. with over 250 employees and over thirty years' experience in constructing shell structures for all types of developments. Petitioner states that CB Structures, Inc. has been serving as a third-party subcontractor for the construction of shells for numerous affordable housing developments since it was incorporated in 2004. Petitioner asserts that CB Structures, Inc. has the knowledge base to design the most cost-effective and sustainable structures for any specifications. In its Petition, Petitioner included an affidavit from Michael Taylor, President of CB Structures, Inc. in which he confirms that all labor and materials provided by CB Structures, Inc. will be at cost with no mark-up, fee, or profit built into the price, except for the costs incurred for the compensation of a field superintendent hired to oversee the work performed by CB Structures, Inc. and to ensure that there will be no overlap in the duties of that field superintendent and the Superintendent for the General Contractor.
- f) Petitioner seeks a waiver of Rule 67-21.026(13)(g) (2018), Fla. Admin. Code, to allow it to subcontract with an Affiliate of the General Contractor. Petitioner asserts that utilizing an affiliate of its General Contractor will increase operational oversight and an overall more efficient process. Petitioners agree to limit the General Contractor fees, overhead, and profit to no more than 7% on the CB Structures, Inc. amount and to 100% auditing by an independent Certified Public Accountant of all payments between the CB-Dominium, LLC, a joint venture between Dominion Construction & Architectural Services, LLC and Current Builders Construction Services, Inc., a division of Current Builders, Inc., and CB Structures, Inc. Petitioner also agrees that the independent Certified Public Accountant will audit and confirm all payments to the field superintendent and report on those costs within the General Contractors Cost Certification and confirm and/or verify an additional 40% of the Development's construction costs per the Final Cost Certification Application Package.

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- g) On June 25, 2020, Notice of the Petition and Amended Petition was published in the Florida Administrative Register in Volume 46, Number 124. To date, Florida Housing has received no comments concerning the Petition.
- h) Section 120. 542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- i) Granting the requested waiver would not 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 of Rule 67-21.026(13)(g) (2018), Fla. Admin. Code, to allow Petitioner to subcontract with an Affiliate of the General Contractor, CB Structures, Inc. under the following conditions:
 - (1) Limit the General Contractor Fee on the costs subcontracted to CB Structures, Inc. to 7%;
 - (2) Provide that all labor and materials provided by CB Structures, Inc. will be at cost with no profit or fees built into those figures except that costs incurred by CB Structures, Inc. will include the compensation of a field superintendent hired to oversee the work performed by CB Structures, Inc. as long as those duties do not overlap with the duties of the general superintendent for the General Contractor;
 - (3) Have an independent Certified Public Accountant confirm and/or audit all payments between the Affiliated entities and verify 100% of the work performed by CB Structures, Inc. and the independent Certified Public Accountant will also confirm and/or audit all payments to the field superintendent hired by CB Structures, Inc. and will report those costs within the General Contractor Cost Certification; and
 - (4) Have an independent Certified Public Accountant also confirm and/or verify an additional 40% of the Development’s costs per the Final Cost Certification Application Package.

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F. In Re: Civic Towers Senior, LLLP - FHFC Case No. 2020-044VW (4% App. No. 2016-521C)

Development Name (“Development”):	Civic Towers Senior
Developer/Principal (“Developer”):	Redwood Housing Partners, LLC / Ryan Fuson
Number of Units: 151	Location: Miami-Dade County
Type: Highrise	Set Asides: 100% @ 60% AMI
Demographics: Elderly	Funding: 4% HC – 1,633,140

1. Background

- a) Petitioner has successfully applied for non-competitive housing credits to assist in the acquisition and rehabilitation of Civic Towers Senior, a 151-unit elderly, affordable housing development in Miami, Florida (the “Development”). On July 1, 2020, Florida Housing received a Petition for Waiver of the Rule 67-21.026(10) to allow Petitioner to enter into a “cost plus” construction contract without a guaranteed maximum price. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation

- a) Rule 67-21.026(10) Fla. Admin. Code, in relevant part, states “[t]he Corporation’s assigned Credit Underwriter shall require a guaranteed maximum price construction contract, acceptable to the Corporation,…”
- b) Petitioner requests waiver of the above cited rule to allow it to enter into a “cost plus” contract which does not provide for a guaranteed maximum price. Petitioner asserts that it initially entered into a guaranteed maximum contract for the rehabilitation work contemplated at the development. However, Petitioner states that while in the midst of rehabilitation, Hurricane Irma caused significant damage to the Development. As a result of the storm, Petitioner asserts that the envelope of the building was materially damaged and significant water intrusion traveled through the common areas and residential units causing building components to become saturated with moisture which led to damage, rot, and mold. Petitioner asserts that the City of Miami Building Department deemed the Development unsafe for occupancy and determined that the damaged portions of the building had to be brought up to code when rehabilitated which greatly expanded the original scope of rehabilitation work, lengthened the rehabilitation/construction timeline, and increased overall costs of the Development. Petitioner states that the damage added approximately \$8,000,000 in additional renovation hard costs, \$1,500,000 in additional soft costs and more than 12 months to the overall construction/rehabilitation timeline.
- c) According to Petitioner, due to the significant increase and scope of work, it had to hire a new contractor, Thornton Construction Residential, LLC (“Thornton”). Petitioner states that Thornton was able to complete the Development and enable residents to move back in. Petitioner asserts that given the post Hurricane Irma construction market, none of the contractors that it met with were willing to agree to a guaranteed maximum price construction contract. According to Petitioner, the construction contract with Thornton did not have a guaranteed maximum price but instead had a “control estimate” which was not exceeded. Petitioner states that pursuant to the terms of the construction contract, only costs actually incurred have been billed by the general contractor

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and therefore no cost savings have been billed by the general contractor and no cost savings have been taken as additional profit or otherwise been paid to the general contractor.

- d) To the extent that amounts paid to Thornton exceed Corporation limits, Petitioner agrees to remove such costs from eligible basis and from costs submitted in the cost certification, and to compute the developer fee based on the foregoing information. Based on the figures presented in the draft General Contractor Cost Certification, the maximum General Contractor Fee of 14% under Florida Housing's rule was exceeded; however, Petitioner agrees to remove such excess costs from the eligible basis and from costs submitted in the Development Final Cost Certification and therefore, no Developer Fee or Housing Credit Allocation would be generated from the excess fee.
- e) Petitioner asserts that given the post Hurricane Irma construction market, it moved forward to the best of its abilities and funded a large portion of the storm-related costs out of its own pocket. Petitioner states it developed a comprehensive recovery plan and contracted with Thornton, a quality general contractor, who committed to complying with the tight time frames and with "control estimate" figures in the contract. Petitioner asserts that a guaranteed maximum price contract was not a viable option in the midst of the above described crisis. However, Petitioner asserts that it established a fair and equitable contract to complete the additional work and return the residents to their homes without permanent displacement. Petitioner also asserts that the amount paid to Thornton, apart from the contractor fee portion (which costs have been excluded from the Developer Final Cost Certification), was no greater than that which would have been charged under a guaranteed maximum price contract; meaning that the "control estimate" figure contained in the contract was not exceeded, and represented the same amount which would have been contained in a guaranteed maximum price contract.
- f) On July 2, 2020, Notice of the Petition and Amended Petition was published in the Florida Administrative Register in Volume 46, Number 129. 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 of Rule 67-21.026(10), Fla. Admin. Code to allow Petitioner to utilize a cost plus contract without a guaranteed maximum price.

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G. In Re: Springfield Crossings, LLC - FHFC Case No. 2020-045VW (2019-405HB)

Development Name: (“Development”):	Springfield Crossings
Developer/Principal: (“Developer”):	Springfield Crossings Developer, LLC Judd Roth Real Estate Development, Inc.
Number of Units: 60	Location: Bay County
Type: Garden Apartments	Set Asides: 80% @ 60% AMI 20% @ 50% AMI 40% @ 60% AMI 20% @ 70% AMI
Demographics: Family	HOME: \$5,000,000 MMRB: \$6,700,000 4% Housing Credits: \$523,679

1. Background

- a) Springfield Crossings, LLC (“Petitioner”) was selected to receive HOME funding under RFA 2019-109 (HOME Financing To Be Used For Rental Developments In Hurricane Michael Impacted Counties And In Rural Areas) to assist in the construction of Springfield Crossings (“Development”).
- b) On July 1, 2020, Florida Housing received a “Petition for Waiver of Rules 67-21.014(2)(r)6. F.A.C. (2018), 67-21.026(13)(e) F.A.C. (2018), and 67-48.0072(17)(f) F.A.C. (2018)” (“Petition”), a copy of which is attached as [Exhibit H](#).

2. Present Situation

- a) Rules 67-21.014(2)(r)6., 67-21.026(13)(e), and 67-48.0072(17)(f), *Florida Administrative Code* (2018), identically provide:

Ensure that no construction or inspection work that is normally performed by subcontractors is performed by the General Contractor...
- b) Petitioner requests a partial waiver of the above Rules to permit its third party General Contractor to conduct some self-performance work. On October 10, 2018, Bay County was severely impacted by Hurricane Michael, leading to the issuance of RFA 2019-109. The Royal American Companies (“RAC”), the General Contractor for this Development, have developed affordable housing in Bay County since 1969. This includes work as a General Contractor for all RAC developments and for third parties. Petitioner requests this partial waiver of the above Rules to permit self-performance of a portion of the site work by the RAC General Contractor based on the following:
 - a) Due to the massive amount of rebuilding in the area, subcontractors are booked for extended periods of time;
 - b) 75% of the Development site work is either materials or third-party work. Actual RAC labor dollars approximate \$222,615 and no GC profit, overhead or general requirements percentages will be applied to this amount;

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- c) RAC could obtain only one competitive bid from another site work subcontractor, which was 14% more than if RAC self-performs a portion of the site work;
 - d) RAC's self-performance of the Development site work will reduce the work cost by 18%, although RAC will make less profit.
- c) On July 2, 2020, Notice of the Petition was published in the *Florida Administrative Register* in Volume 46, Number 129. 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 partial waiver of Rules 67-21.014(2)(r)6., 67-21.026(13)(e), and 67-48.0072(17)(f), *Florida Administrative Code* (2018), to permit Developer's General Contractor to self-perform the site work for the Development.

MULTIFAMILY BONDS

Consent

I. MULTIFAMILY BONDS

A. Request Approval of Credit Underwriting Report and Authorizing Resolutions for Heron Estates Family (2019-147BSN)

Development Name: Heron Estates Family	Location: Palm Beach County
Applicant/Borrower: HTG Heron Estates Family, LLC	Set-Asides: 40% @ 60% AMI (MMRB) 15.190% @ 30% AMI (SAIL, ELI, & 4% HC) 39.241% @ 60% AMI (SAIL & 4% HC) 45.570% @ 70% AMI (SAIL & 4% HC) 7.595% @ 22% AMI (NHTF)
Developers/Principals: HTG Heron Estates Family Developer, LLC / Matthew Rieger and Heron Estates Developer One, LLC / Riviera Beach Housing Authority	Demographic/Number of Units: Family / 79
Requested Amounts: \$11,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,500,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,435,800 National Housing Trust Fund (NHTF) \$779,433 Housing Credits (4% HC)	Development Category/Type: New Construction / Townhomes

1. Background/Present Situation

- a) On October 19, 2018, Florida Housing Finance Corporation issued a Request for Applications (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 the RFA, 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, 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 16, 2019. The acceptance was acknowledged on May 21, 2019. On April 17, 2020, the Board approved to extend the firm loan commitment issuance deadline from May 21, 2020 to November 23, 2020 for SAIL, ELI, and NHTF.
- d) On July 7, 2020, staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL, ELI, and NHTF funding ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of the RFA.

MULTIFAMILY BONDS

Consent

- e) Staff reviewed the authorizing resolutions ([Exhibit B](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

2. **Recommendation**

- a) Approve the final credit underwriting report and authorizing resolutions and direct staff to proceed with issuance of a firm commitment and 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 and Authorizing Resolutions for Palm Port (2019-150BSN)

Development Name: Palm Port	Location: Sarasota County
Applicant/Borrower: SP Port LLC	Set-Aside(s): 3.2% @ 22% AMI (NHTF) 10% @ 33% AMI (SAIL/ELI) 90% @ 60% AMI (SAIL) 100% @ 60% AMI (MMRB & 4% HC)
Developer/Principal: Southport Development, Inc. d/b/a Southport Development Services, Inc. / J. David Page	Demographic/Number of Units: Family / 126 units
Requested Amounts: \$14,500,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,560,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$766,800 National Housing Trust Fund (NHTF) \$1,001,654 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On October 19, 2018, Florida Housing issued a Request for Applications (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 the RFA, 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, 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 13, 2019. The acceptance was acknowledged on May 15, 2019. On April 17, 2020, the Board approved to extend the firm loan commitment issuance deadline from May 15, 2020 to November 16, 2020 for SAIL, ELI, and NHTF.
- d) On July 8, 2020, staff received a final credit underwriting report with a positive recommendation for MMRB, ELI, SAIL, and NHTF funding ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA.
- e) Staff reviewed the authorizing resolutions ([Exhibit D](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

MULTIFAMILY BONDS

Consent

2. Recommendation

- a) Reapprove the final credit underwriting report and approve authorizing resolutions and direct staff to proceed with 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/Note 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/notes to finance the construction, and acquisition/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/note sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond/note sale for the Developments. The recommendation letters are attached as Exhibit [E](#) and [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 recommendations for the methods of bond/note 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
Heron Estates Family	Palm Beach County	79	Private Placement	RBC Capital Markets, LLC	Exhibit E
Palm Port	Sarasota County	126	Private Placement	RBC Capital Markets, LLC	Exhibit F

MULTIFAMILY BONDS

Consent

D. Request Approval of Additional Subordinate Debt for Solimar (2019-027BS)

Development Name: Solimar	Location: Miami-Dade County
Applicant/Borrower: Solimar Associates, Ltd	Set Aside(s): 40% @ 60% AMI (MMRB) 18.889% @ 30% AMI (SAIL & 4% HC) 26.111% @ 60% AMI (SAIL & 4% HC) 55% @ 70% AMI (SAIL Workforce & 4% HC)
Developer/Principal: Cornerstone Group Partners, LLC / Mara S. Mades	Demographic/Number of units: Family / 180
Requested Amounts: \$22,500,000 Multifamily Mortgage Revenue Note (MMRN) \$8,075,000 State Apartment Incentive Loan (SAIL) \$1,626,192 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On October 8, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-114 for SAIL Financing for the Construction of Workforce Housing.
- b) On December 14, 2018, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On January 4, 2019, staff issued an invitation to enter credit underwriting to the Applicant.
- d) On December 13, 2019, the Board approved the Applicant's request to extend the firm loan commitment issuance deadline from January 9, 2020 to July 9, 2020.
- e) On March 4, 2020, staff approved an increase in the MMRN amount from \$21,500,000 to \$22,500,000.
- f) On June 11, 2020, the Board approved the final credit underwriting report and authorizing resolutions directing staff to proceed with the closing activities. On June 16, 2020, staff issued a firm commitment letter for SAIL to the Borrower with a loan closing deadline of December 14, 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 June 8, 2020, staff received correspondence in which the applicant is requesting an additional \$400,000 in Redeployed Surtax Funds ([Exhibit G](#)). On June 25, 2020, staff received an update credit underwriting letter with a positive recommendation for approval of the proposed change ([Exhibit H](#)). Staff has reviewed this request and finds that it meets all requirements of the RFA.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the addition of \$400,000 in subordinate debt.

MULTIFAMILY BONDS

Consent

E. Request Approval of Change to Subordinate Debt Structure for The Landings at Homestead fka The Landings (2018-104B / 94DRHR-001 / 93HRR-009 / 93L-108)

Development Name: The Landings at Homestead fka The Landings	Location: Miami-Dade County
Applicant/Borrower: Landings at Homestead, Ltd.	Set Aside(s): 40% @ 60% AMI (MMRN) 100% @ 60% AMI (4% HC) 20% @ 40% AMI (Existing SAIL & Existing 9% HC) 80% @ 60 % AMI (Existing SAIL & Existing 9% HC) 20% @ 80% AMI (Existing HOME)
Developer/Principal: The Richman Group of Florida, Inc. / William Fabbri	Demographic/Number of units: Family / 101
Requested Amounts: \$14,000,000 Multifamily Mortgage Revenue Notes (MMRN) \$819,401 Housing Credits (4% HC) \$33,399 State Apartment Incentive Loan (Existing SAIL) \$981,294 Home Investment Partnership (Existing HOME) \$454,348 Housing Credits (Existing 9% HC)	Development Category/Type: Acquisition and Rehabilitation / Garden Apartments (1-3 Stories)

1. Background/Present Situation

- a) Florida Housing financed the above referenced Development in 1994 with \$981,294 in Home Investment Partnership Program (HOME) funding, \$33,399 in State Apartment Incentive Loan (“SAIL”) funding and \$454,348 in 9% Housing Credits. Subsequently, the SAIL Loan was repaid on May 14, 2009.
- b) On May 15, 2019, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRN in the amount of \$11,800,000 and non-competitive Housing Credits in the amount of \$807,172. The Applicant subsequently requested to increase the MMRN request amount to \$14,000,000. On August 9, 2019, staff issued an invitation to enter credit underwriting to the Applicant. On June 11, 2020, the Board approved the final credit underwriting report and execution of the authorizing resolutions, recommending MMRN funding and the renegotiation, assignment, assumption and subordination of the HOME Loan and existing LURAs and ELIHA.
- c) On June 16, 2020, staff received correspondence in which the Borrower is requesting that the subordinate debt consisting of the Florida Housing HOME loan and the Miami-Dade Home loan be restructured differently than as presented in the approved final credit underwriting report. The Borrower is requesting the changes in order to meet existing assumptions associated with the 50% test as required by the syndicator. On July 7, 2020, staff received an update credit underwriting letter from First Housing with a positive recommendation for approval of the proposed changes to the subordinate debt structure ([Exhibit I](#)). Staff has reviewed this request and finds that it meets the requirements of the Non-Competitive Application.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the changes to the subordinate debt structure as described above.

MULTIFAMILY PROGRAMS

Consent

I. MULTIFAMILY PROGRAMS

A. Request Approval to Exceed the 20% Subcontractor Limitation for Sunset Pointe Apartments (RFA 2015-110/RFA 2017-109/2015-105B/2016-107H/2017-286V/2016-538C)

Development Name: Sunset Pointe	Location: Miami-Dade County
Applicant/Borrower: Sunset Pointe Associates, Ltd.	Set Aside(s): HC: 7 units @ 30% AMI, 15 units @ 40% AMI, 63 units @ 60% AMI, 51 units @ 70% AMI; MMRB: 40% @ 60% AMI; HOME: 20% @ 50% and 80% @ 60% AMI
Developer/Principal: Cornerstone Group Partners, LLC / Mara Mades	Demographic/Number of units: Family/136 units
Requested Amounts: \$15,600,000 MMRB; \$4,346,000 HOME; \$625,000 Viability; \$1,141,583 Housing Credits	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Sunset Pointe Associates, Ltd. (“Applicant”) applied for and was awarded HOME funding from Request for Applications (RFA) 2015-110 for Financing of Affordable Multifamily Housing Developments with HOME funding to be used in conjunction with Florida Housing-Issued MMRB and Non-Competitive Housing Credits. The Applicant submitted a Non-Competitive Application on October 20, 2015, requesting Corporation-Issued MMRB and Non-Competitive Housing Credits. Additionally, the Applicant applied for and was awarded Viability funding from (RFA) 2017-109 for Development Viability Loan Funding. The funds are being utilized to finance the construction of a 136-unit Family development in Miami-Dade County. On January 13, 2016, Loan staff issued an invitation to the Applicant to enter credit underwriting. On November 20, 2017, staff received a credit underwriting report giving a positive recommendation for MMRB in the amount of \$15,600,000, a HOME Loan in the amount of \$4,346,000, a Viability loan in the amount of \$625,000 and a 4% Housing Credit Allocation of \$1,141,583, which was approved at the December 8, 2017 Board meeting.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors' ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rules 67-21.014(2)(r)(6), 67-21.026(13)(e) and 67-48.0072(17)(f), F.A.C. See [Exhibit A](#) for Applicant's request.
- c) Pursuant to Rules 67-21.014(2)(r)(6), 67-21.026(13)(e) and 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:

MULTIFAMILY PROGRAMS

Consent

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)

- d) At the request of Florida Housing staff, First Housing Development Corporation (“First Housing”) reviewed the Applicant's request, Rule Chapters 67-21 and 67-48, the draft General Contractor Cost Certification and other pertinent bids. After review and analysis, First Housing, in conjunction with the Construction Consultant, On Solid Ground, LLC (“OSG”), found the cost to be appropriate for the scope of work. First Housing recommends that Florida Housing approve the General Contractor’s use of a subcontractor, which provided work at a cost that exceeded 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 67-21.014(2)(r)(6), 67-21.026(13)(e) 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 Ambar Key Homes (RFA 2016-112/2017-167BS/2016-564C)

Development Name: Ambar Key Homes	Location: Miami-Dade County
Applicant/Borrower: Ambar Key Homes, Ltd.	Set Aside(s): HC: 10.323% @ 30% AMI, 35.484% @ 60% AMI, 15.484% @ 80% AMI SAIL: 10% @ 30% AMI, 35% @ 60% AMI, 54% @ 80% AMI MMRB: 40% @ 60% AMI
Developer/Principal: Ambar3, LLC / John Rood	Demographic/Number of units: Family/155 units
Requested Amounts: \$16,500,000 MMRB; \$8,500,000 SAIL; \$287,322 Housing Credits	Development Category/Type: New Construction/Townhomes

1. Background/Present Situation

- a) Ambar Key Homes, Ltd. (“Applicant”) applied for and was awarded MMRB/SAIL funding from Request for Applications (RFA) 2016-112 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. The funds are being utilized to finance the construction of 78 units and the rehabilitation of another 77 units in Miami-Dade County. On April 24, 2017, Loan staff issued an invitation to the Applicant to enter credit underwriting. On August 24, 2018, staff received a credit underwriting report giving a positive recommendation for a MMRB Loan in the amount of \$16,500,000, a SAIL Loan in the amount of \$8,500,000, and a 4% Housing Credit Allocation of \$287,322, which was approved at the September 14, 2018 Board meeting.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rules 67-21.026(13)(e) and 67-48.0072(17)(f), F.A.C. See [Exhibit C](#) for Applicant's request.
- c) Pursuant to Rules 67-21.014(2)(r)(6), 67-21.026(13)(e) 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, Seltzer Management Group, Inc. (“Seltzer”) reviewed items such as the Applicant's request, Rule Chapters 67-21 and 67-48, AIA Document A102-2007 Standard Form of Agreement, AIA Document A104-2017, Schedule of Values, the PCA, monthly construction inspection reports, draft General Contractor Cost Certification and multiple proposals from subcontractors solicited for the work in question. After review and analysis, Seltzer, in conjunction with JHME Real Estate Advisors, LLC (“JHME”), the construction consultant, found the cost to be appropriate for the scope of work. Seltzer recommends that Florida Housing approve the General Contractor’s use of the subcontractor, which provided work at a cost that exceeded 20% of the total construction cost for the Development. See [Exhibit D](#) for Seltzer’s recommendation.
- e) Since this information was provided to FHFC after the construction work had already been completed and after the Development had been placed-in-service, 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(2)(r)(6), 67-21.026(13)(e) 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.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

I. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of Extension for West Augustine Historical CDC, a not-for-profit entity, for the Villages of New Augustine (2017-003P-09)

DEVELOPMENT NAME (“Development”):	Villages of New Augustine
APPLICANT/DEVELOPER (“Developer”):	West Augustine Historical CDC
CO-DEVELOPER:	Ability Housing
NUMBER OF UNITS:	60 Rental
LOCATION (“County”):	St. Johns
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) On September 22, 2017, the Board approved a loan in the amount of \$750,000 for the Villages of New Augustine.
- b) On October 23, 2017, the Developer closed on the PLP loan. The maturity date was established as October 23, 2020. To date, the Developer has drawn \$325,739 in PLP funds.

2. Present Situation

- a) On July 5, 2020, staff received letters ([Exhibit A](#)) from the TAP and Developer requesting that the maturity date be extended under rule to October 23, 2021, to allow for the completion of infrastructure and the construction of homes.
- b) 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.

3. Recommendation

- a) Approve the one-year extension to the maturity date for Villages of New Augustine and allow staff to revise closing documents.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of Credit Underwriting Report for Provident Housing Solutions, Inc., a not-for-profit entity, for Clermont Ridge II (2019-015P-09)

DEVELOPMENT NAME (“Development”):	Clermont Ridge II
APPLICANT/DEVELOPER (“Developer”):	Provident Housing Solutions, Inc.
CO-DEVELOPER:	Turnstone Development Corporation
NUMBER OF UNITS:	93
LOCATION (“County”):	Lake County
TYPE:	Elderly
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) On April 17, 2020, the Board approved a PLP loan in the amount of \$750,000 for Clermont Ridge II. Of this loan amount, \$500,000 was requested for the acquisition of the development site. By rule, this acquisition funding is required to be reviewed by a credit underwriter.
- b) On April 22, 2020, First Housing accepted the assignment as credit underwriter for the PLP acquisition loan.

2. Present Situation

- a) On July 6, 2020, staff received a credit underwriting report ([Exhibit B](#)) from First Housing with a positive recommendation for the \$750,000 PLP loan including \$500,000 for the acquisition of the development site subject to conditions noted in the report
- b) Staff has reviewed the credit underwriting report and support the positive recommendation form the credit underwriter.

3. Recommendation

- a) Approve the credit underwriting report for the acquisition portion of the PLP Loan in the amount of \$500,000 to Provident Housing Solutions, Inc. for Clermont Ridge II and allow staff to commence with the loan closing process for the site acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of Credit Underwriting Report for Hannibal Square Community Land Trust, Inc., a not-for-profit entity, for the Promenade at Westlake (2019-006P-09)

DEVELOPMENT NAME (“Development”):	Promenade at Westlake
APPLICANT/DEVELOPER (“Developer”):	Hannibal Square Community Land Trust, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	28
LOCATION (“County”):	Orange County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) On December 13, 2019, the Board approved a PLP loan in the amount of \$750,000 for Promenade at Westlake. Of this loan amount, \$500,000 was requested for the acquisition of the development site. By rule, this acquisition funding is required to be reviewed by a credit underwriter.
- b) On December 18, 2019, First Housing accepted the assignment as credit underwriter for the PLP acquisition loan.

2. Present Situation

- a) On July 8, 2020, staff received a credit underwriting report ([Exhibit C](#)) from AmeriNat with a positive recommendation for the \$750,000 PLP loan including \$500,000 for the acquisition of the development site subject to conditions noted in the report.
- b) This development, along with the Townhomes at Westlake, will be constructed on the same property. The cost of land included in the credit underwriting report is for the total land for both developments. Based on the value of the land \$535,000 (as is) plus the \$540,000 cost of fill being provided by the City of Orlando, the credit underwriter is recommending the sales price of \$1,035,000 as acceptable.
- c) Staff has reviewed the credit underwriting report and support the positive recommendation from the credit underwriter.

3. Recommendation

- a) Approve the credit underwriting report for the acquisition portion of the PLP Loan in the amount of \$500,000 to Hannibal Square Community Land Trust, Inc. for the Promenade at Westlake and allow staff to commence with the loan closing process for the site acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of Credit Underwriting Report for Hannibal Square Community Land Trust, Inc., a not-for-profit entity, for the Townhomes at Westlake (2019-007P-09)

DEVELOPMENT NAME (“Development”):	The Townhomes at Westlake
APPLICANT/DEVELOPER (“Developer”):	Hannibal Square Community Land Trust, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	30
LOCATION (“County”):	Orange County
TYPE:	Family
MINIMUM SET ASIDE:	50% at 80% AMI, 50% at 120% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) On December 13, 2019, the Board approved a PLP loan in the amount of \$750,000 for Townhomes at Westlake. Of this loan amount, \$500,000 was requested for the acquisition of the development site. By rule, this acquisition funding is required to be reviewed by a credit underwriter.
- b) On December 18, 2019, First Housing accepted the assignment as credit underwriter for the PLP acquisition loan.

2. Present Situation

- a) On July 8, 2020, staff received a credit underwriting report ([Exhibit D](#)) from AmeriNat with a positive recommendation for the \$750,000 PLP loan including \$500,000 for the acquisition of the development site subject to conditions noted in the report.
- b) This development, along with the Promenade at Westlake, will be constructed on the same property. The cost of land included in the credit underwriting report is for the total land for both developments. Based on the value of the land \$535,000 (as is) plus the \$540,000 cost of fill being provided by the City of Orlando, the credit underwriter is recommending the sales price of \$1,035,000 as acceptable.
- c) Staff has reviewed the credit underwriting report and support the positive recommendation from the credit underwriter.

3. Recommendation

- a) Approve the credit underwriting report for the acquisition portion of the PLP Loan in the amount of \$500,000 to Hannibal Square Community Land Trust, Inc. for the Townhomes at Westlake and allow staff to commence with the loan closing process for the site acquisition funds.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report and Defined Persons with Special Needs Population Change for Butterfly Grove Apartments (2019-396S)

Development Name: Butterfly Grove Apartments	Location: Pinellas County
Applicant/Borrower: Pinellas Affordable Living, Inc.	Set-Asides: 20% @ 35% AMI (SAIL & ELI) 80% @ 60 % AMI (SAIL)
Developers/Principals: Pinellas Affordable Living, Inc & Boley Centers, Inc./ Jack Humburg	Demographic/Number of Units: Persons with Special Needs/ Homeless / 20 units
Requested Amounts: \$4,079,394 State Apartment Incentive Loan (SAIL) \$229,600 Extremely Low Income (ELI)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On February 26, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-104 for SAIL Financing for Smaller Developments for Persons with Special Needs.
- b) On May 10, 2019, 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 16, 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. The acceptance was acknowledged on May 16, 2019, giving them a firm loan commitment issuance deadline of May 18, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On October 31, 2019, the Board approved a Rule waiver to reduce the total number of units from 22 to 20 and to reduce the funding amount to \$4,480,000 in SAIL funding and \$229,600 in ELI funding.
- e) On April 17, 2020, the board approved a request from the Applicant to extend the May 18, 2020 firm loan commitment issuance deadline to November 18, 2020.
- f) On June 16, 2020, the Applicant requested an RFA waiver to change the defined Persons with Special Needs population(s) that the Applicant proposes to serve ([Exhibit A](#)). In the Application, the following was chosen:
 - (2) Persons receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans' disability benefits; and

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

(3) Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that neither currently impairs nor is likely to impair their physical mobility, such as persons with a mental illness;

- g) Due to (2) being chosen, the Applicant must meet the Level 1 Accessibility Requirements. The Applicant has requested to remove (2) and keep (3) above for the proposed populations to be served, which will also change the requirement to meet the Level 2 Accessibility Requirements. Staff has reviewed this request and finds that it does not affect scoring of the Application.
- h) On July 8, 2020 staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the final credit underwriting report and the defined Persons with Special Needs population change, 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 Applicant Entity Structure Change and Permanent First Mortgage Increase for The Quarry III (2019-395CS)

Development Name: The Quarry III	Location: Monroe County
Applicant/Borrower: Quarry Big Coppitt III, Ltd.	Set-Asides: 10.53% @ 30% AMI (SAIL/9% HC) 35.09% @ 60% AMI (SAIL/9% HC) 5.26% @ 80% AMI (SAIL Workforce/9% HC) 49.12% @ or below 120% (Workforce)
Developers/Principals: Ambar3, LLC/Elena M. Adames	Demographic/Number of Units: SAIL Workforce/57
Requested Amounts: \$3,740,000 State Apartment Incentive Loan (SAIL) \$925,344 Housing Credits (9% HC)	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On February 5, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-110 for SAIL and Housing Credit Financing for the Construction of Workforce Housing for Hurricane Recovery in Monroe County.
- b) On March 22, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On April 1, 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. The acceptance was acknowledged on April 4, 2019, giving them a firm loan commitment issuance deadline of April 4, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On March 6, 2020, the Board approved a final credit underwriting report with a positive recommendation for funding including the request to exceed the 20% subcontractor limitation. On March 9, 2020, staff issued a firm commitment letter to the Borrower with a loan closing deadline of May 19, 2020.
- e) On May 19, 2020, all funding sources closed on The Quarry III.
- f) On May 20, 2020, staff received a written request from the Applicant to increase the Permanent First Mortgage Amount from \$8.3 million (as underwritten) to \$8.8 million ([Exhibit C](#)). On July 7, 2020, staff received an update credit underwriting letter with a positive recommendation for approval of the proposed change ([Exhibit D](#)).

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- g) On May 26, 2020, staff received a written request from the Applicant to allow a change to one of the Managing Members of the General Partner (GP) entity, Quarry Partners III GP, LLC, and the Members of the new Managing Member will be adjusted to the ownership percentage breakdown for each member ([Exhibit E](#)). Regarding the structure of Quarry Partners III GP, LLC, the Applicant proposes to add TVC Big Coppitt III, LLC (50%) as the new Managing Member of the GP entity and replace TVC Big Coppitt, LLC (50%). The Members of the new Managing Member would then be John Rood (50%), JDR WC1, LLC (5%), JDR WC2, LLC (5%), JDR WC3, LLC (5%), Clarence S. Moore (20%), Elena M. Adames (5%), Jason O. Floyd (5%), and Alexander G. Hepler (5%). According to the Applicant, Alexander G. Hepler is an experienced Principal per Florida Housing's requirements and will receive a financial benefit as Managing Members of Quarry Partners III GP, LLC. Per RFA 2019-110, after loan closing, any non-material change will require review and approval of the Corporation, as well as approval of the Board prior to the change. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.

2. **Recommendation**

- a) Approve the request for a change to the Applicant Entity structure and the increase to the Permanent First Mortgage amount.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Credit Underwriting Report for Swan Lake Village f/k/a Granada Cove (2019-419CS)

Development Name: Swan Lake Village f/k/a Granada Cove	Location: Polk County
Applicant/Borrower: Blue Griffin, LLC	Set-Aside(s): 15% @ 40% AMI (SAIL & ELI) 85% @ 60% AMI (SAIL & 9% HC)
Developer/Principal: Blue GC Developer, LLC/ Shawn Wilson / CASL Developer, LLC	Demographic/Number of Units: Persons with Disabling Condition/Homeless / 84 units
Requested Amounts: \$3,800,000 State Apartment Incentive Loan (SAIL) \$198,600 Extremely Low Income (ELI) \$1,800,000 Housing Credits (9% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On February 26, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-107 for Financing for the Development of Housing for Persons with A Disabling Condition or Developmental Disabilities.
- b) On May 10, 2019, 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 16, 2020 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. The acceptance was acknowledged on May 21, 2019, giving them a firm loan commitment issuance deadline of May 21, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On June 19, 2019, staff approved a Development Name change from Granada Cove to Swan Lake Village.
- e) On April 17, 2020, the Board approved extending the firm loan commitment issuance deadline from May 21, 2020 to November 23, 2020.
- f) On July 9, 2020, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit F](#)). Staff has reviewed this report and finds that the development meets all of the 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

I. SPECIAL ASSETS

A. Request Approval to Refinance the First Mortgage and Transfer the Ownership for Hampton Point Limited Partnership, a Florida Limited Partnership, for Hampton Point Apartments (MR2003Q1&2/2003-515C/SAIL ELI 2010-16-20/SAIL ELI 2012-04-11)

Development Name: Hampton Point Apartments (“Development”)	Location: Charlotte County
Developer/Principal: Picerne (“Developer”)/Hampton Point Limited Partnership (“Borrower”)	Set-Aside: MMRB 40%@60%; SAIL ELIs 5%@40%; 12%@35%; HC 100%@60% AMI LURA: 50 years; SAIL ELIs: Both 15 years; EUA: 30 years
Number of Units: 284	Allocated Amount: MMRB \$13,200,000; SAIL ELIs \$1,125,000 & \$2,500,000; HC \$947,753
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$11,020,000, and FHFC issued taxable bonds in the original amount of \$2,180,000 to fund a first mortgage loan to Hampton Point Limited Partnership, a Florida limited partnership (“Borrower”), for the development of a 284-unit apartment complex in Charlotte County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on September 25, 2003. The first mortgage loan was guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”). The Development also received a 2003 allocation of low-income housing tax credits (“HC”) of \$947,753.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$600,682.40 and two State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loans of \$1,125,000 and \$2,500,000. The SMI loan closed on June 11, 2009. The first SAIL ELI loan closed on April 29, 2011 and matures on May 1, 2049. The second SAIL ELI loan closed on April 23, 2013 and matures on May 1, 2049.
- c) In November 2013, the Board approved the refinancing of the existing first mortgage loan. The proceeds were used to satisfy the existing first mortgage thereby redeeming the underlying bonds and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan was paid off. The MMRB Land Use Restriction Agreement (“LURA”) remains outstanding.

2. Present Situation

- a) The Borrower requests consent from the Board to transfer the ownership of the Development from Hampton Point Limited Partnership to Lincoln Capital Acquisition, LLC, then to be assigned to Hampton Point Owner, LLC, its affiliate (“Purchaser”).

SPECIAL ASSETS

Consent

- b) The Purchaser requests consent to refinance the existing first mortgage, to subordinate the SAIL ELI loan documents, MMRB LURA, and HC Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage, and to assume the SAIL ELI loan documents, MMRB LURA, and HC ELIHA.
- c) Staff received a credit underwriting report ([Exhibit A](#)) from First Housing Development Corporation with a positive recommendation for approval of the refinancing of the first mortgage, subordination of the SAIL ELI loan documents, MMRB LURA, and the HC ELIHA, and the transfer of ownership.

3. **Recommendation**

- a) Approve the refinancing of the first mortgage, subordination of the SAIL ELI loan documents, MMRB LURA, and the HC ELIHA to the new first mortgage, and the transfer of ownership, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

B. Request Approval to Refinance the First Mortgage and Transfer the Ownership for Stratford Point Limited Partnership, a Florida Limited Partnership, for Stratford Point Apartments (RFP2010-16-06/RFP2011-05-03/2000-537C)

Development Name: Stratford Point Apartments (“Development”)	Location: Seminole County
Developer/Principal: Picerne (“Developer”)/ Stratford Point Limited Partnership (“Borrower”)	Set-Aside: SAIL ELIs 5%@33%; 20%@33%; HC 100%@60% AMI SAIL ELIs: 15/15 years; EUA: 30 years
Number of Units: 384	Allocated Amount: SAIL ELIs \$1,500,000 & \$5,700,000; HC \$1,100,100
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$12,965,000, and FHFC issued taxable bonds in the original amount of \$6,325,000 to fund a first mortgage loan to Stratford Point Limited Partnership, a Florida limited partnership (“Borrower”), for the development of a 384-unit apartment complex in Seminole County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on November 30, 2000. The first mortgage loan was guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”). The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$1,100,100.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$1,049,385, and two State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loans of \$1,500,000 and \$5,700,000. The SMI loan closed on June 17, 2009. The first SAIL ELI loan closed on May 2, 2011 and matures on July 1, 2048. The second SAIL ELI loan closed on April 26, 2012 and matures on July 1, 2048.
- c) In March 2013, the Board approved the refinancing of the existing first mortgage loan. The proceeds were used to satisfy the existing first mortgage thereby redeeming the underlying bonds and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan was paid off. The MMRB Land Use Restriction Agreement was terminated.

2. Present Situation

- a) The Borrower requests consent from the Board to transfer the ownership of the Development from Stratford Point Limited Partnership to Lincoln Capital Acquisition, LLC, then to be assigned to Stratford Point Apartments, Ltd., its affiliate (“Purchaser”).
- b) The Purchaser requests consent to refinance the existing first mortgage, to subordinate the SAIL ELI loan documents and HC Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage, and to assume the SAIL ELI loan documents and HC ELIHA.

SPECIAL ASSETS

Consent

- c) Staff received a credit underwriting report ([Exhibit B](#)) from First Housing Development Corporation with a positive recommendation for approval of the refinancing of the first mortgage, subordination of the SAIL ELI loan documents and the HC ELIHA, and the transfer of ownership.

3. **Recommendation**

- a) Approve the refinancing of the first mortgage, subordination of the SAIL ELI loan documents and the HC ELIHA to the new first mortgage, and the transfer of ownership, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

C. Request Approval to Transfer the Ownership and Refinance the First Mortgage for St. Croix Associates, Ltd., a Florida Limited Partnership, for St. Croix Apartments (2002-034S / 2002-528C/)

Development Name: St. Croix Apartments (“Development”)	Location: Broward County
Developer/Principal: Cornerstone (“Developer”)/St. Croix Associates, Ltd. (“Borrower”)	Set-Aside: SAIL 20%@50%; 80%@60%; HC 100%@60% AMI LURA: 50 years; EUA: 50 years
Number of Units: 246	Allocated Amount: SAIL \$2,000,000; HC \$915,528
Demographics: Large Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,000,000 to St. Croix Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 246-unit apartment complex in Broward County, Florida. The SAIL loan closed on August 30, 2004 and matures on August 15, 2043. The Development also received a 2002 allocation of low-income housing tax credits of \$915,528. The Development was HUD risk sharing with Florida Housing’s Guarantee Program (“Guarantee Program”).
- b) In January 2014, the Board approved the refinancing of the existing first mortgage loan. The proceeds were used to satisfy the existing first mortgage from Housing Finance Authority of Broward County, redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC.

2. Present Situation

- a) The Borrower requests consent from the Board to transfer the ownership of the Development from St. Croix Associates, Ltd. to PC St. Croix, LLC, a Delaware limited liability company (“Purchaser”).
- b) The Purchaser requests consent from the Board to refinance the existing first mortgage, to subordinate the SAIL loan documents and HC Extended Low-Housing Agreement (“ELIHA”) to the new first mortgage, and to assume the SAIL loan documents and HC ELIHA.
- c) Staff has received a credit underwriting report ([Exhibit C](#)) from First Housing Development Corporation providing a positive recommendation for approval for the refinancing of the first mortgage, the transfer of ownership, and the subordination and assumption of the SAIL loan documents and the HC ELIHA.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the transfer of ownership, the refinancing of the first mortgage loan, paydown of the SAIL loan, subordination of the SAIL loan documents and the HC ELIHA to the new first mortgage, the transfer of ownership and assumption of the SAIL loan documents subject to the conditions outlined in the credit underwriter's report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

D. Request Approval to Renegotiate the TCAP loan for Pana Villa Redevelopment, Ltd., a Florida Limited Partnership, for Pana Villa Apartments (RFP 2009-04 / 2009-041CTX)

Development Name: Pana Villa Apartments (“Development”)	Location: Bay County
Developer/Principal: Royal American Development Inc. (“Developer”)/ Pana Villa Redevelopments, Ltd. (“Borrower”)	Set-Aside: TCAP 10%@40%; 90%@60; Exchange 10%@40%; 90%@60 HOME 20%@50%; 80%@60%; HC 10%@40%; 90%@60; AMI LURA’s: 50 years; EUA: 50 years
Number of Units: 72	Allocated Amount: TCAP 1,706,577.00; Exchange \$7,905,595.00; HOME \$155,900 HC \$100
Demographics: Family, Link	Servicer: Seltzer Management Group

1. Background

- a) During the 2009 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a Tax Credit Assistance Program Loan (“TCAP”) in the original amount of \$1,706,577.00 to Pana Villa Redevelopment, Ltd., a Florida limited partnership (“Borrower”), for the development of a 72-unit apartment complex in Bay County, Florida. The TCAP loan closed on April 29, 2010 and matured on May 5, 2020. The Development also received a 2009 allocation of low-income housing tax credits of \$930,170.
- b) The Borrower received a Tax Credit Exchange Program Loan (“TCEP”) of \$7,905,595.00 and a HOME loan in the original amount of \$115,900.00. The TCEP closed on April 29, 2010. The HOME loan also closed on April 29, 2010 and matures on June 30, 2026.

2. Present Situation

- a) The Borrower requests consent from the Board to renegotiate the TCAP loan to an amortizing fifteen year loan term, hard pay loan with monthly payments of principal and interest amortizing over a fifteen year period and the extension of the TCAP LURA affordability period for fifteen years.
- b) The Borrower also agrees to subordinate the current first mortgage to the TCAP loan and extend its term for fifteen years.
- c) Staff has received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group providing a positive recommendation for approval for the renegotiation of the TCAP loan, extension of the TCAP LURA affordability period and subordination of the first to the TCAP loan documents.

3. Recommendation

- a) Approve the renegotiation of TCAP loan, the extension of the TCAP LURA affordability period, and subordination of the first mortgage to the TCAP loan documents, subject to the conditions outlined in the credit underwriter’s report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

- E. Request Approval to Refinance the First Mortgage and Transfer the Limited Partnership Interest for HTG Veranda Senior Ltd., a Florida Limited Partnership, for Veranda Senior Apartments (MMRB 2011 Series G1&2/HC 2009-509C/TCEP RFP 2010-14/2009-227C/2010-052X/2009-509C)**

Development Name: Veranda Senior Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Housing Trust Group (“HTG”) (“Developer”)/HTG Veranda Senior, LTD (“Borrower”)	Set-Aside: MMRB 85%@60%; TCEP 20%@33%; 80%@60%; HC 10%@33%; 90%@60% AMI LURA: 50 years; TCEP: 50 years; EUA: 50 years
Number of Units:99	Allocated Amount: MMRB \$7,450,000; TCEP \$9,175,736; HC \$568,276
Demographics: Elderly, Family, Link	Servicer: Seltzer Management Group

1. Background

- a) During the 2010 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$7,450,000, to fund a first mortgage loan to HTG Veranda Senior, Ltd., a Florida limited partnership (“Borrower”), for the development of a 99-unit apartment complex in Homestead, FL in Miami-Dade County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on May 26, 2011. The Development also received a 2009 allocation of low-income housing tax credits (“HC”) of \$568,276.
- b) The Borrower received a Tax Credit Exchange Program (“TCEP”) loan of \$9,175,736 The TCEP loan closed on December 28, 2010. The TCEP loan is forgivable over 15 years if the development maintains the required set-asides.

2. Present Situation

- a) The Borrower notified Florida Housing it intends to purchase the Limited Partner interest with proceeds of a refinancing.
- b) The Purchaser requests consent to refinance the existing first mortgage, paying off Florida Housing’s bonds and to subordinate the TCEP loan documents, MMRB LURA, and HC Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage.
- c) Staff received a credit underwriting report ([Exhibit E](#)) from Seltzer Management Group providing a positive recommendation for approval of the refinancing of the first mortgage and subordination of the TCEP loan documents, MMRB LURA, and the HC ELIHA.

3. Recommendation

- a) Approve the refinancing of the first mortgage, subordination of the TCEP loan documents, MMRB LURA, and the HC ELIHA to the new first mortgage, 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.