

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
September 4, 2020
Consent Items



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Consent

I. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

A. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Garden View Apartments (2020-001D)

Development Name: Garden View Apartments	Location: Monroe County
Applicant/Borrower: The Housing Authority of the City of Key West, Florida	Set-Asides: 100% @ 80% AMI (Workforce) 10% @ 25% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developers/Principals: The Housing Authority of the City of Key West, Florida / J. Manuel Castillo, Sr.	Demographic/Number of Units: Workforce/103 units
Requested Amounts: Community Development Block Grant – Disaster Relief (CDBG-DR) \$8,000,000 (Development Funding); \$3,6000,000 (Land Acquisition Funding)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On July 2, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-101 for Community Development Block Grant – Disaster Recovery Financing for Workforce Housing for Hurricane Recovery in Monroe County.
- b) On September 20, 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 four (4) eligible Applicants.
- c) On October 1, 2019, staff issued a preliminary commitment letter. In accordance with the RFA, the Developers had an October 1, 2020 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA the Applicants may request one extension of the deadline of up to six months.
- d) On August 3, 2020, staff received a request from the Applicant to extend the October 1, 2020 firm loan commitment deadline for six months until April 1, 2021 ([Exhibit A](#)), due to conditions created by the COVID-19 pandemic.

2. Recommendation

- a) Approve the request to extend the issuance of the firm loan commitment for six months pursuant to RFA 2019-101.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

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B. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Monroe County Scattered Sites (2020-004D)

Development Name: Monroe County Scattered Sites	Location: Monroe County
Applicant/Borrower: Monroe County Housing Authority	Set-Asides: 100% @ 80% AMI (Workforce) 10% @ 25% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developers/Principals: Monroe County Housing Authority / J. Manuel Castillo, Sr.	Demographic/Number of Units: Workforce/20 units
Requested Amounts: Community Development Block Grant – Disaster Relief (CDBG-DR) \$5,084,048 (Development Funding); \$2,000,000 (Land Acquisition Funding)	Development Category/Type: New Construction/Single Family Homes

1. Background/Present Situation

- a) On July 2, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-101 for Community Development Block Grant – Disaster Recovery Financing for Workforce Housing for Hurricane Recovery in Monroe County.
- b) On September 20, 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 four (4) eligible Applicants.
- c) On October 1, 2019, staff issued a preliminary commitment letter. In accordance with the RFA, the Developers had an October 1, 2020 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA the Applicants may request one extension of the deadline of up to six months.
- d) On December 13, 2019, the Developer requested and the Board granted an RFA Waiver Request lowering the number of units financed from 25 to 20 and the Development funding amount from \$7,032,682 to \$5,084,048.
- e) On August 3, 2020, staff received a request from the Applicant to extend the October 1, 2020 firm loan commitment deadline for six months until April 1, 2021 ([Exhibit B](#)), due to conditions created by the COVID-19 pandemic.

2. Recommendation

- a) Approve the request to extend the issuance of the firm loan commitment for six months pursuant to RFA 2019-101.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Consent

C. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Lower Keys Scattered Sites (2020-003D)

Development Name: Lower Keys Scattered Sites	Location: Monroe County
Applicant/Borrower: Monroe County Housing Authority	Set-Asides: 100% @ 80% AMI (Workforce) 10% @ 25% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developers/Principals: Monroe County Housing Authority / J. Manuel Castillo, Sr.	Demographic/Number of Units: Workforce/12 units
Requested Amounts: Community Development Block Grant – Disaster Relief (CDBG-DR) \$3,342,602 (Development Funding); \$1,353,989 (Land Acquisition Funding)	Development Category/Type: New Construction/Single Family Homes

1. Background/Present Situation

- a) On July 2, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-101 for Community Development Block Grant – Disaster Recovery Financing for Workforce Housing for Hurricane Recovery in Monroe County.
- b) On September 20, 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 four (4) eligible Applicants.
- c) On October 1, 2019, staff issued a preliminary commitment letter. In accordance with the RFA, the Developers had an October 1, 2020 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA the Applicants may request one extension of the deadline of up to six months.
- d) On August 3, 2020, staff received a request from the Applicant to extend the October 1, 2020 firm loan commitment deadline for six months until April 1, 2021 ([Exhibit C](#)), due to conditions created by the COVID-19 pandemic.

2. Recommendation

- a) Approve the request to extend the issuance of the firm loan commitment for six months pursuant to RFA 2019-101.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Consent

D. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Seahorse at Big Pine Key (2020-002D)

Development Name: Seahorse Cottages at Big Pine Key	Location: Monroe County
Applicant/Borrower: Seahorse Cottages Big Pine Key, LLC	Set-Asides: 100% @ 80% AMI (Workforce) 10% @ 25% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developers/Principals: Rural Neighborhoods Incorporated/ JCG Real Estate Ventures, LLC/ Steven Kirk	Demographic/Number of Units: Workforce/17 units
Requested Amounts: Community Development Block Grant – Disaster Relief (CDBG-DR) \$4,500,733 (Development Funding); \$1,970,000 (Land Acquisition Funding)	Development Category/Type: New Construction/Single Family Homes

1. Background/Present Situation

- a) On July 2, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-101 for Community Development Block Grant – Disaster Recovery Financing for Workforce Housing for Hurricane Recovery in Monroe County.
- b) On September 20, 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 four (4) eligible Applicants.
- c) On October 1, 2019, staff issued a preliminary commitment letter. In accordance with the RFA, the Developers had an October 1, 2020 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA the Applicants may request one extension of the deadline of up to six months.
- d) On August 3, 2020, staff received a request from the Applicant to extend the October 1, 2020 firm loan commitment deadline for six months until April 1, 2021 ([Exhibit D](#)), due to conditions created by the COVID-19 pandemic.

2. Recommendation

- a) Approve the request to extend the issuance of the firm loan commitment for six months pursuant to RFA 2019-101.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

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E. Request Approval of CDBG-DR Credit Underwriting Report for Persimmon Commons (2020-006D)

Development Name: Persimmon Commons (“Development”)	Location: Highlands County
Developer: Heartland Development Group, LLC. (“Developer”)	Set-Aside: 10% @ 40% AMI 90% @ 80% AMI 50 CDBG-DR Units 6 USDA-RD Units
Type: New Construction/Quadraplexes	CDBG-DR: \$4,989,000
Total Number of Units: 56	Demographics: Disaster Recovery/Workforce

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2019-103, seeking an allocation of CDBG-DR Financing to be Used for Small Rental Developments in Hurricane Irma Impacted Areas Deemed Hurricane Recovery Priorities.
- b) On December 13, 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 December 23, 2019, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Developer has a December 23, 2020 deadline to complete the credit underwriting report.
- d) On June 8, 2020, the Developer submitted written correspondence requesting to increase the number of units from 50 to 56 due to being awarded USDA-RD funds to build the six (6) additional units. The additional six (6) units in the proposed development were added to allow for a uniform number of quadraplex residential buildings since there is space on the property ([Exhibit E](#)).
- e) On August 27, 2020, staff received a final credit underwriting report with a positive recommendation for a CDBG-DR loan in the amount of \$4,989,000 ([Exhibit F](#)). Staff has reviewed this report and finds that the Development meets the requirements of the RFA.

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.

HOUSING CREDITS

Consent

I. HOUSING CREDITS

A. Request Approval of RFA Waiver to Allow Applicant Entity Structure Change Prior to the Carryover Allocation Agreement for Slate Miami (RFA 2019-112/2020-122C)

Development Name: Slate Miami	Location: Miami-Dade County
Applicant/Borrower: Slate Miami Apartments, Ltd.	Set-Asides: 10% @ 28% AMI and 90% @ 60% AMI
Developer/Principal: The Richman Group of Florida, Inc./William Todd Fabbri	Demographic/Number of Units: Elderly Non-ALF/105
Requested Amounts: \$2,500,000 Housing Credits	Development Category/Type: New Construction/High Rise

1. Background/Present Situation

- a) Slate Miami Apartments, Ltd. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2019-112 for Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County. The funds are being utilized to finance the construction of a 105-unit Elderly, Non-ALF development in Miami-Dade County. On June 17, 2020, staff issued an invitation to the Applicant to enter credit underwriting.
- b) On July 6, 2020, Florida Housing received a letter from the Applicant requesting a change to the Applicant structure to add a Trust Beneficiary to the E & G Trust I at the fourth principal disclosure level. At the time of application, the Beneficiary was a minor and was not required to be reported on the Principal Disclosure Form. However, the beneficiary has since turned eighteen (18) and is now required to be disclosed on the Principal Disclosure Form. The letter is provided as [Exhibit A](#), and the current and proposed Organizational Charts are provided as Exhibits [B](#) and [C](#).
- c) Per the RFA, the Applicant entity shall be the recipient of the Housing Credits and cannot be changed in any way (materially or non-materially) until after the Carryover Allocation Agreement is in effect. Once the Carryover Allocation Agreement has been executed by all parties, (a) replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.
- d) Staff has reviewed this request and finds that the development meets all other requirements of the RFA.

2. Recommendation

- a) Approve the RFA waiver to allow a change to the Applicant entity structure as described above prior to the Carryover Allocation being issued and executed by all parties.

HOUSING CREDITS

Consent

B. Request Approval to Allow the Use of an Affiliated Subcontractor for Pineda Village (RFA 2015-111/2016-293C/2017-301C)

Development Name: Pineda Village	Location: Brevard County
Applicant/Borrower: Cocoa Housing Preservation II, LLC	Set Aside(s): 20% @ 35% AMI and 75% @ 60% AMI
Developer/Principal: CHA Developer, LLC SHAG Pineda Village, LLC / Herbert Hernandez / Darren Smith	Demographic/Number of units: Family/144 units
Requested Amounts: \$1,350,000 Housing Credits	Development Category/Type: Preservation/ Duplex, Townhouse and Garden Apartments

1. Background/Present Situation

- a) Cocoa Housing Preservation II, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2015-111 for Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the preservation of a 144-unit Family development in Brevard County. On October 28, 2016, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a 2016 Carryover Allocation Agreement on December 20, 2016. An exchange of credits was approved by a final order executed on November 27, 2017, which allowed the Applicant to exchange its 2016 tax credits for an allocation of 2017 tax credits, and in turn a 2017 Carryover Allocation Agreement was executed on December 7, 2017. A credit underwriting report was approved August 31, 2018, recommending an allocation of \$1,350,000 in 9% Housing Credits.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow the use of one affiliated subcontractor of the General Contractor as per Rule 67-48.0072(17)(g), F.A.C. See [Exhibit D](#) for Applicant's request and [Exhibit E](#) for the General Contractor explanation letter.
- c) Pursuant to Rule 67-48.0072(17)(g), F.A.C., the General Contractor must meet the following conditions:
 - (1) Ensure that no construction cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor *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 ownership interests in the Development. (Emphasis Added)
- d) As part of the cost certification process, the Applicant disclosed that an affiliated subcontractor was utilized to provide security services at the construction site. Originally, site security costs were estimated to be between \$104,000 and \$156,000 for fencing and the hiring of security guards. However, it was later decided that the affiliated subcontractor could provide video surveillance at a reduced cost. The total amount paid to the affiliated subcontractor for site security was \$75,185, which purportedly included 6% profit to the subcontractor but no overhead or general requirements.

HOUSING CREDITS

Consent

- e) Typically, in these circumstances, we would ask the Underwriter, Seltzer Management Group Inc., in conjunction with the Construction Consultant, to provide a recommendation on the reasonableness of the costs incurred for the scope of work performed. However, due to Covid-related delays, the Construction Consultant could not analyze the costs until September, at the earliest. The Applicant is under time constraints to receive and file their 8609s, and requested Florida Housing staff to consider this item for the September Board meeting. Considering the de minimis costs, which totaled \$75,185, representing less than 1% of the costs incurred by the General Contractor, staff agreed to make a positive recommendation for this request. Furthermore, the amount paid to the affiliated subcontractor represented fees paid by the General Contractor, and no GC Fee was taken on them. In addition, the Applicant has agreed that they will not take any Developer Fee on the amount paid to the affiliated subcontractor, and that as part of the General Contractor Cost Certification, the accountant will confirm and/or audit all payments between the affiliated entities in addition to the eight (8) subcontractors representing 40% of the costs that are already required to be confirmed and/or verified per the GCCC instructions.

2. **Recommendation**

- a) Approve the request to allow the use of an affiliated subcontractor to perform site security under the following conditions:
- (1) No General Contractor Fee will be taken on the costs subcontracted to the affiliated entity.
 - (2) An independent Certified Public Accountant will confirm and/or audit all payments between the affiliated entities in addition to the 8 subcontractors representing 40% of the costs that are already required to be confirmed and/or verified per the GCCC instructions.
 - (3) No Developer Fee will be taken on the costs subcontracted to the affiliated entity.

HOUSING CREDITS

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C. Request Approval of Applicant Entity and Co-Developer Entity Structure Changes for Parramore Oaks (RFA 2016-113/2017-200C)

Development Name: Parramore Oaks	Location: Orange County
Applicant/Borrower: Parramore Oaks, LLC	Set Aside(s): 10% @ 40% AMI and 70% @ 60% AMI
Developer/Principal: InVictus Development, LLC / Paula McDonald Rhodes; ADC Communities, LLC / Shawn Horwitz; and Royal American Development, Inc. / Jeannette B. Chapman	Demographic/Number of units: Family/120 units
Requested Amounts: \$2,110,000 Housing Credits	Development Category/Type: New Construction / Mid-Rise 4 Stories

1. Background/Present Situation

- a) Parramore Oaks, 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 construction of a 120-unit Family development in Orange County. On June 19, 2017, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a 2017 Carryover Allocation Agreement on October 17, 2017. A credit underwriting report was approved on January 10, 2019, recommending an allocation of \$2,110,000 in 9% Housing Credits.
- b) On May 4, 2018, the Board approved a change to the Applicant Entity structure to allow for the insertion of Special Purpose Entities for the two non-investor members of the Applicant. On August 5, 2020, staff received a letter requesting Board approval to make an additional material change to the Applicant and a change to one of the Co-Developers. The letter is provided as [Exhibit F](#), and the current and proposed Organizational Charts are provided as Exhibits [G](#), [H](#), [I](#) and [J](#).
- c) ADC Parramore Member, LLC (“ADC Parramore”) is a non-investor member of the Applicant, Parramore Oaks, LLC and ADC Communities, LLC (“ADC Communities”) is a Co-Developer of the Parramore Oaks development. Alliant II, Inc (“Alliant”) is a non-member manager of both ADC Parramore and ADC Communities. ADC Parramore, ADC Communities, and Alliant are owned by Shawn Horwitz (Member of ADC Parramore/ADC Communities and 22.5% Shareholder of Alliant), Scott Kotick (Member of ADC Parramore and ADC Communities and 22.5% Shareholder of Alliant), Robert Kohl (Member of ADC Parramore and ADC Communities and 22.5% Shareholder of Alliant), and James Jenkins (Member of ADC Parramore and ADC Communities and 22.5% Shareholder of Alliant). Under the proposed change, Shawn Horwitz would become the sole member of ADC Parramore and ADC Communities and the sole shareholder of Alliant. Brian Goldberg currently serves as the President of Alliant and will continue to do so. In addition, Jeannette B. Chapman served as the experienced Developer Principal for this Application and will remain a Principal of Co-Developer, Royal American Development, Inc.

HOUSING CREDITS

Consent

- d) Florida Housing staff consulted with the underwriter, Amerinat, LLC who confirmed that the removal of these three Principals would not have affected their recommendation and that Mr. Horwitz had sufficient financial capacity and experience.
- e) Per the RFA, once the Carryover Allocation Agreement has been executed by all parties, replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change. Furthermore, the RFA goes on to state that 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.
- f) Staff has reviewed this request and finds that it meets all of the RFA requirements.

2. Recommendation

- a) Approve the request for changes to the Applicant and Co-Developer entity structures.

HOUSING CREDITS

Consent

D. Request Approval of Developer Principal Change for Madison Highlands (RFA 2019-114/2020-366C)

Development Name: Madison Highlands	Location: Hillsborough County
Applicant/Borrower: Madison Highlands, LLC	Set Aside(s): 10% @ 33% AMI and 90% @ 60%
Developer/Principal: ARC 2019, LLC / Patrick E. Law & New South Residential, LLC / Lindsey Sultan	Demographic/Number of units: Elderly (Non-ALF)/102
Requested Amounts: \$2,180,000 Housing Credits	Development Category/Type: New Construction / Mid Rise (5 to 6-stories)

1. Background/Present Situation

- a) Madison Highlands, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2019-114 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. The funds are being utilized to finance the construction of a 102-unit Elderly, Non-ALF development in Hillsborough County. On April 1, 2020, staff issued an invitation to the Applicant to enter credit underwriting and subsequently issued a 2020 Carryover Allocation Agreement on August 14, 2020, with a preliminary allocation of \$2,180,000 in 9% Housing Credits.
- b) On August 10, 2020, staff received a letter requesting Board approval to allow a Developer name change. Under the proposed change, co-Developer, ARC 2019, LLC would become a single purpose entity, ARD Madison Highlands, LLC. Both ARC 2019, LLC and ARD Madison Highlands, LLC are owned 100% by Patrick E. Law. Patrick E. Law served as the experienced Developer Principal in the Application and will remain a Principal of ARD Madison Highlands, LLC. The letter is provided as [Exhibit K](#), and the current and proposed Organizational Charts are provided as Exhibits [L](#) and [M](#).
- c) 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.
- d) Staff has reviewed this request and finds the Development meets all the requirements of RFA 2019-114.

2. Recommendation

- a) Approve the request to allow for the change in Developer name as referenced above.

HOUSING CREDITS

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E. Request Approval of Developer Principal Change for Madison Square (RFA 2019-113/2020-227C)

Development Name: Madison Square	Location: Lee County
Applicant/Borrower: Madison Square, LLC	Set Aside(s): 10% @ 33% AMI and 90% @ 60%
Developer/Principal: ARC 2019, LLC / Patrick E. Law & New South Residential, LLC / Lindsey Sultan	Demographic/Number of units: Elderly (Non-ALF)/76
Requested Amounts: \$1,700,000 Housing Credits	Development Category/Type: New Construction / High Rise

1. **Background/Present Situation**

- a) Madison Square, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2019-113 for Housing Credit Financing for Affordable Housing Development Located in Medium and Small Counties. The funds are being utilized to finance the construction of a 76-unit Elderly, Non-ALF development in Lee County. On July 24, 2020, staff issued an invitation to the Applicant to enter credit underwriting and subsequently issued a 2020 Carryover Allocation Agreement on August 14, 2020, preliminarily allocating \$1,700,000 in 9% Housing Credits.
- b) On August 10, 2020, staff received a letter requesting Board approval to allow a Developer name change. Under the proposed change, co-Developer, ARC 2019, LLC would become a single purpose entity, ARD Madison Square, LLC. Both ARC 2019, LLC and ARD Madison Square, LLC are owned 100% by Patrick E. Law. Patrick E. Law served as the experienced Developer Principal in the Application and will remain a Principal of ARD Madison Square, LLC. The letter is provided as [Exhibit N](#), and the current and proposed Organizational Charts are provided as [Exhibits O](#) and [P](#).
- c) 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.
- d) Staff has reviewed this request and finds the Development meets all the requirements of RFA 2019-113.

2. **Recommendation**

- a) Approve the request to allow for the change in Developer name as referenced above.

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I. LEGAL

A. In Re: Seven on Seventh, LTD. – FHFC Case No. 2020-052VW(2019-371CS)

Development Name: (“Development”):	Seven on Seventh
Developer/Principal: (“Developer”):	GM Seven on Seventh Dev, LLC Seven on Seventh Dev, LLC
Number of Units: 72	Location: Broward County
Type: High Rise	Set Asides: 85% @ 60% AMI 15% @ 28% AMI
Demographics: Homeless	SAIL: \$5,040,000 ELI: \$370,800 9% Housing Credits: \$2,110,000

1. Background

- a) Seven on Seventh, LTD. (“Petitioner”) was selected to receive SAIL funding and an allocation of 9% Housing Credits under RFA 2019-106 (Housing Credit and SAIL Financing for the Development of Housing for Homeless Persons) to assist in the construction of Seven on Seventh (“Development”).
- b) On August 19, 2020, Florida Housing received a “Petition for Waiver of Rule 67-48.0072(21)(b)” (“Petition”), a copy of which is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-48.0072(21)(b), *Florida Administrative 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. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment....
- b) Petitioner was invited to credit underwriting on April 1, 2019. On March 6, 2020, the Board granted Petitioner’s request to extend the firm loan commitment deadline to October 2, 2020. Petitioner now requests an additional firm loan commitment deadline extension until April 2, 2021. Petitioner alleges that permitting and design has been delayed due to COVID-19 and site constraints.
- c) On August 20, 2020, Notice of the Petition was published in the *Florida Administrative Register* in Volume 46, Number 163. 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), *Florida Administrative Code* (2018), to extend the firm loan commitment deadline six months from October 2, 2020 to April 2, 2021.

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B. In Re: Poinciana Crossing, Ltd. - FHFC Case No. 2020-049VW

Development Name: (“Development”):	Poinciana Crossing
Developer/Principal: (“Developer”):	APC Poinciana Crossing Development, LLC; HEF Development, LLC Howard D. Cohen
Number of Units: 113	Location: Broward County
Type: High-rise	Set Asides: 18 units at 30% AMI 60 units at 60% AMI 27 units at 80% AMI 8 units at market rate
Demographics: Family	9% HC: \$2,882,000

1. Background

- a) Petitioner was selected to receive an allocation of 9% Housing Tax Credits under RFA 2018-112, Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties, to assist in the development of Poinciana Crossing in Broward County, Florida. On August 3, 2020, Florida Housing received a Petition for Waiver of Rule 67-48.0072(17)(h), Fla. Admin. Code, to allow it to use a subcontractor affiliated with Poinciana Crossing’s Developer. An Amended Petition was filed with Florida Housing on August 14, 2020. A copy of the Amended Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.0072(17)(h), Fla. Admin. Code (2018) provides:
 - (17) The General Contractor must meet the following conditions:
 - (h) Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-48.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”
- b) Florida Housing invited Petitioner into credit underwriting and Petitioner accepted on March 14, 2019. The Co-Developer of Petitioner, HEF Development LLC and its sole member, Housing Enterprises of Florida, Inc., and the General Contractor Suncrest Court GC, LLC, are affiliated with the Housing Authority of the City of Fort Lauderdale (“HACFL”). According to Petitioner, HACFL operates a state-certified Step-Up Apprenticeship Program (“Step-Up”) that handles the facilities maintenance for HACFL’s housing portfolio and operates as the cabinet manufacturing and installation subcontractor for HACFL’s new developments. Step-Up’s mission is to provide a job training program designed to enhance vocational and educational skills resulting in employment opportunities for residents of low-income housing. Application of Rule 67-48.0072(17)(h), Fla. Admin. Code (2018) prohibits Petitioner from using Step-Up for the cabinet manufacturing and installation subcontractor because it is affiliated with the Co-Developer for Poinciana Crossings.

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- c) Petitioner solicited bids from Step-Up and two other subcontractors. Step-Up was the second lowest bidder. Additionally, First Housing Development Corporation (“First Housing”), the Underwriter on this Development, prepared a recommendation in conjunction with the Construction Consultant, On Solid Ground, LLC (“OSG”). While OSG noted that the costs presented by Step-Up were approximately 15.5% above the costs incurred for other developments in South Florida, First Housing did acknowledge the community benefit provided by utilizing this subcontractor and made a positive recommendation.
- d) Petitioner asserts that the General Contract has also agreed not to charge a general contractor fee on the scope of work to be performed by Step-Up. Petitioner also asserts that a Certified Public Accountant (CPA) will confirm and/or audit all payments between the Affiliated entities, and the CPA will verify 100% of the work performed by the Affiliate entity (in addition to the 40% of costs that already have to be confirmed/verified per the General Contractor Cost Certification instructions).
- e) On August 5, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 152. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120. 542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) Granting the requested waiver does 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 67-48.0072(17)(h), Fla. Admin. Code, to allow Petitioner to use an Affiliate subcontractor, Step-Up, for the cabinet manufacturer and installer under the following conditions:
 - (1) The General Contractor may not charge a general contractor fee on the scope of work performed by Step-Up; and
 - (2) A Certified Public Accountant (CPA) must confirm and/or audit all payments between the Affiliated entities, and the CPA must verify 100% of the work performed by the Affiliate entity (in addition to the 40% of costs that already have to be confirmed/verified per the General Contractor Cost Certification instructions).

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C. In Re: Platform 3750, LLP - FHFC Case No. 2020-053VW

Development Name: (“Development”):	Platform 3750
Developer/Principal: (“Developer”):	Cornerstone Group Partners, LLC / Mara Mades
Number of Units: 191	Location: Miami-Dade County
Type: High Rise	Set Asides: 1 unit at 30% AMI 5 units at 50% AMI 40% at 60% AMI 1 unit at 80% AMI 60% at Market
Demographics: Family	Funding: 4% HC: \$972,314

1. Background

- a) Petitioner applied for non-competitive housing credits to assist in the construction of Platform 3750, a mixed-income, mixed-use, transit oriented affordable housing development in Miami Dade County, Florida. The Application has yet to meet threshold. On August 18, 2020, Florida Housing received a Petition for Waiver of the Rules 67-21.003(1)(b), 67-21.026(13)(f) and 67-21.026(13)(h), Florida Administrative Code to allow Petitioner’s General Contractor to contract with an affiliated company to perform the shell work, to exceed the 31% limitation of the construction cost for a subcontract for the shell work, and to allow Petitioner to apply for the non-competitive housing credits early. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-21.003(1)(b) Fla. Admin. Code, in relevant part, states:
 - (b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or [NCA \(Rev. 04-2020\)](#) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-12011>, which shall be completed and submitted to the Corporation in accordance with this rule chapter.

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b) Rule 67-21.026(13)(f) and (h) Fla. Admin. Code, in relevant part, states:

(f) For Developments with a Development category of new construction, unless otherwise approved by the Board for a specific Development, ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor):

...

2. 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; or

...

With regard to said approval, the Board shall require an analysis from the Credit Underwriter and consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of paragraph (f), "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor";

...

(h) 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."

c) Petitioner requests waiver of the above cited rules to allow Petitioner to subcontract with an affiliate of its General Contractor, for more than 31% of the construction cost to deliver the building shell for a building of at least 5 stories, and to submit its application for non-competitive housing credits prior to completion of credit underwriting for the bonds. Petitioner states that Platform 3750 is the first mixed-use, mixed income, transit-oriented development project to be developed in Miami-Dade County that consists of office space, retail space, county office space, 79 affordable residential units, and 112 market rate residential units.

d) Petitioner states that Cornerstone Group Partners, LLC ("Cornerstone") was awarded the lease on the proposed site in 2017 from Miami-Dade County and has been working on the design of the development with Current Builders, Inc. and others including CB Structures, Inc. ("CB Structures") for the past two years. According to Petitioner, the mixed-use nature of the Development makes it a complicated construction project and construction costs are over fifty (50) million dollars with the shell costs in excess of fifteen (15) million dollars. Petitioner asserts that the Development has almost completed underwriting with

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HUD, the first mortgage lender, and the financing must close in the fall or it will lose the retail tenants it has already secured which will jeopardize the successful completion of the Development. The 79 affordable residential units, with corresponding community space will comprise approximately 27% of the proposed development site.

- e) Due to the complex nature of the development, Petitioner states it sought bids for the Shell work only from established and experienced subcontractors. Two complete bids were received: one from CB Structures for \$15,998,178 and one from Baker Concrete Construction, Inc. (“Baker”) \$18,217,185 (over \$2 million more). 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 of all types of developments including serving as a third-party subcontractor for the construction of shells for numerous affordable housing developments.
- f) Petitioner asserts that the coordination with public and private stakeholders will be greatly enhanced by the use of CB Structures because CB Structures has been participating in the development process for the past several years and has the necessary relationships with the different stakeholders. Petitioner states that if it brings in an unaffiliated third-party to perform the Shell work, it would result in a delay in the provision of the affordable housing units and may lead to significant increases in the cost of the work. According to Petitioner, all labor and materials provided by CB Structures for the affordable residential units will be performed at cost with no built-in profit or fees. Current Builders, the General Contractor, is not an affiliate of the Developer. Petitioner states that of the total cost of the Shell work, approximately \$4,203,645 is attributed to the 79 affordable residential units. The allocation of costs will be vetted at credit underwriting and whatever costs are agreed to be appropriate for the affordable units, those costs will be at cost and the 10% limitation would be applied to those agreed upon costs. Petitioner agrees that the General Contractor fee on the costs subcontracted to CB Structures for the affordable units will be capped at 10% and the General Contractor fees on all other shell costs not attributed to the affordable residential units will be capped at 14%. Additionally, Petitioner agrees that an independent Certified Public Accountant (“CPA”) will confirm and audit all payments between the General Contractor and CB Structures and the independent CPA will audit and confirm all payments and report those costs within the General Contractors Cost Certification. Also, the independent CPA will confirm and/or verify an additional 40% of the Development’s construction costs per the Final Cost Certification Application Package.
- g) Petitioner asserts that the contracted cost to deliver the building shell is 36.27% of the total construction cost exclusive of General Contractor fees which exceeds the 31% limitation in Rule 67-21.026(13)(g), Fla. Admin. Code. According to Petitioner, the higher percentage is due to the mixed-use nature of the Development which includes, among other things, additional covered parking to satisfy the needs of residents as well as retail and office occupants. The credit underwriter analyzed the proposed costs and gave a positive recommendation. Petitioner asserts that approval of this waiver request will allow the Development to proceed to completion providing much needed affordable housing and permanent employment for residents in Miami-Dade County.

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- h) Petitioner requests to apply for the housing credits prior to completion of the Bond underwriting in order to ensure that the above discussed issues are cleared up prior to construction in order to avoid unnecessary delays.
- i) On August 20, 2020, Notice of the Petition and Amended Petition was published in the Florida Administrative Register in Volume 46, Number 163. To date, Florida Housing has received no comments concerning the Petition.
- j) 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.
- k) 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 Rules 67-21.003(1)(b), 67-21.026(13)(f) and 67-21.026(13)(h) Fla. Admin. Code, to allow Petitioner’s General Contractor to contract with an affiliated company, CB Structures, Inc., to perform the shell work, to exceed the 31% limitation of the construction cost for a subcontract for the shell work, and to allow Petitioner to apply for the non-competitive housing credits early under the following conditions:
 - (1) All costs for the affiliated work attributable to the affordable units will be at cost with no profit or other fees built in;
 - (2) The General Contractor Fee on the affiliated costs attributable to the affordable units will be capped at 10%;
 - (3) An independent CPA will confirm/audit all payments between the Affiliate entities and will verify 100% of the work performed by the Affiliate entity; and
 - (4) As part of the cost certification process, in addition to confirming/auditing all payments between the Affiliate entities, an independent CPA will confirm and/or verify an additional 40% of the Development’s costs per the Final Cost Certification Application Package.

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D. In Re: Lakeview Tower Venture LP - FHFC Case No. 2020-051VW

Development Name: (“Development”):	Lakeview Tower
Developer/Principal: (“Developer”):	MRK Partners, Inc. Sydney Garchik
Number of Units: 156	Location: Polk County
Type: High-rise	Set Asides: 82 units at 40% AMI 74 units at 80% AMI
Demographics: Elderly, non-ALF	4% HC: \$803,699

1. Background

- a) Petitioner has applied to the Housing Finance Authority of Polk County requesting \$20,000,000 in tax exempt bonds, and has also requested \$803,699 in Non-Competitive Housing Credits to assist in the acquisition and rehabilitation of Lakeview Tower Apartments in Polk County, Florida. On August 19, 2020, Florida Housing received a Petition for Waiver of Rule 67-21.003(1)(b), Fla. Admin. Code, to waive the requirement that 15% of the total proposed equity be paid at construction closing, and to waive the requirement that the Non-Competitive Application be submitted only after Credit Underwriting is completed. A copy of the Amended Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-21.003(1)(b), Fla. Admin. Code incorporates the Non-Competitive Application by reference:
 - (b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or NCA (Rev. 04- 2020) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-12011>, which shall be completed and submitted to the Corporation in accordance with this rule chapter.
- b) The Non-Competitive Application Form provides in relevant part:

Non-Competitive Housing Credits (4 Percent HC) only, to be used for a Tax-Exempt Bond-Financed Development where the bonds are issued by a County Housing Finance Authority (HFA) established pursuant to Section 159.604, F.S. The Non-Competitive Application Form can be submitted anywhere from the time the Applicant completes Credit Underwriting for the Bonds up until the last Corporation business day of December of the year the Development is placed in service. . . .

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15. Applicant Certification: By completing, executing and submitting this Application form and all applicable exhibits, the Applicant certifies and acknowledges that:

k. The proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria). . . .

- c) Petitioner desires to close on the tax-exempt bonds in September of 2020 in order to complete construction no later than December 31, 2021. Petitioner alleges that the uncertainty caused by the Covid-19 pandemic resulted in a delay of the investor limited partner's fund closing until January of 2021. Petitioner states that it has received approval from Freddie Mac for a funding structure involving a third-party bridge loan that would provide the Development with 15 percent or more of the required equity at closing.
- d) Petitioner also alleges that the need for a waiver of the 15% criteria has also caused a delay in the issuance of the final Credit Underwriting Report, and Petitioner will be unable to complete Credit Underwriting before submission of the Non-Competitive Application. Petitioner also alleges that it cannot submit a request for a waiver of the 15% criteria until it has submitted an Application, but that it cannot submit an Application until it completes Credit Underwriting. Petitioner is therefore requesting permission to submit the Non-Competitive Application before it completes Credit Underwriting.
- e) On August 20, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 163. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120. 542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) Granting the requested waiver does 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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- h) It bears noting that the Corporation rarely waives the 15% equity requirement set forth in the Non-Competitive Application. In submitting this recommendation for approval staff gives considerable weight to the fact that the closing of the investor limited partner fund has been delayed due to COVID-19. Staff also relies on the consideration that funding partner Freddie Mac has also waived its own similar regulatory requirement of an equity installment from the investor limited partner at closing, as well as the confirmation that a third-party bridge loan will provide the Development with 15 percent or more of the required equity at closing. Additionally, this Development is not being funded with competitive Corporation resources or through the Corporation MMRB program.

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.003(1)(b), Fla. Admin. Code, and a waiver of the above-cited portions of the Non-Competitive Application Form, to allow Petitioner to close on construction financing even though the investor limited partner will not have paid 15% of the total proposed equity at the time of closing, and to submit a Non-Competitive Application even though Credit Underwriting has not been completed.

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E. In Re: Valencia Park Preservation, Ltd. - FHFC Case No. 2020-050VW

Development Name: (“Development”):	Valencia Park Apartments
Developer/Principal: (“Developer”):	Valencia Park Developer LLC
Number of Units: 208	Location: Orange County
Type: Garden	Set Asides: 40% @ 60% AMI
Demographics: Family	Funding: \$25,500,000 MMRB (Corporation) \$1,319,555 4% HC

1. Background

- a) Petitioner applied for Corporation bonds and non-competitive housing credits to assist in the acquisition and rehabilitation of Valencia Park Apartments. On August 17, 2020, Florida Housing received a Petition for Waiver of the Rule 67-21.003(b) Fla. Admin. Code and the incorporated Non-Competitive Application Instructions to permit a change to its Principal Disclosure information. A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-21.003(1)(b) Fla. Admin. Code, in relevant part, states:
 - (b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or [NCA \(Rev. 04-2020\)](#) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-12011>, which shall be completed and submitted to the Corporation in accordance with this rule chapter.
- b) The Non-Competitive Application Package provides, in pertinent part:

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

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therein will not result in disqualification, however, the Corporation must be notified of the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval.

- c) Petitioner requests waiver of the above cited Rule and Instructions to remove an entity and its sole member from two levels of its organizational structure. Specifically, Petitioner requests to remove 13 Hazeltine LLC, who holds a 5% interest in Valencia Park GP, LLC, and to redistribute its interest among the remaining members, as set forth in the Petition. As a result of this change, 13 Hazeltine LLC's sole member (Ulman) should also be removed from the third disclosure level. The natural person principals otherwise disclosed in the Application will not change.
- d) On August 19, 2020, Notice of the Petition and Amended Petition was published in the Florida Administrative Register in Volume 46, Number 162. 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 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" (§420.50q99, Fla. Stat.), would still be achieved if the waiver is granted.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.003(1)(b), to permit the removal of 13 Hazeltine LLC from its organizational structure, as set forth in the Petition.

MULTIFAMILY BONDS

Consent

I. MULTIFAMILY BONDS

A. Request Approval of the Credit Underwriting Report, Authorizing Resolutions, and Developer Entity Change for Valencia Park Apartments (2019-103B)

Development Name: Valencia Park Apartments	Location: Orange County
Applicant/Borrower: Valencia Park Preservation, Ltd.	Set-Aside(s): 40% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developer/Principal: Valencia Park Developer LLC / Jonathan Gruskin	Demographic/Number of Units: Family/208
Requested Amounts: \$24,000,000 Multifamily Mortgage Revenue Bonds (MMRN) \$1,505,281 Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation/Garden Apartments

1. Background/Present Situation

- a) On October 10, 2019, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$25,500,000 and Non-Competitive Housing Credits in the amount of \$1,319,555. Subsequently, the MMRB request amount was reduced to \$24,000,000 during underwriting.
- b) On December 6, 2019, staff issued an invitation to enter credit underwriting to the Applicant.
- c) On August 25, 2020, staff received a final credit underwriting report with a positive recommendation for MMRB funding ([Exhibit A](#)). Staff finds that the development meets all requirements of the Non-Competitive Application.
- d) 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.
- e) On August 7, 2020, staff received a request from the Applicant to change the structure of the Developer entity ([Exhibit C](#)). Valencia Park Developer LLC is removing 13 Hazeltine LLC (5% Member) and adding LACM Advisors LLC as a pass-through entity for tax purposes (99.99% Member). The five percent ownership of 13 Hazeltine LLC will be distributed among the remaining four members. Per Rule 67-21.003(8)(b), Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) 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. Staff has reviewed this request and finds the development meets all of the requirements of Non-Competitive Application.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the final credit underwriting report, authorizing resolutions, and Developer entity change and direct staff to proceed with 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 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 Development referenced below, the final credit underwriting report is being presented to the Board for approval simultaneously with this request to assign the appropriate professional for the transaction and approval of the recommended method of sale. Brief description of the Development is detailed below, along with staff's recommendation.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond/note sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond/note sale for the Development. The recommendation letter is attached as Exhibit D.

2. Present Situation

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

3. Recommendation

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

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Valencia Park Apartments	Orange County	208	Public Offering	RBC Capital Markets, LLC	Exhibit D

MULTIFAMILY BONDS

Consent

C. Request Approval of Partial Release of Land for Brisas del Rio Apartments (2020 Series B / RFA 2017-108 / 2018-030BSN / 2016-583C)

Development Name: Brisas del Rio Apartments	Location: Miami-Dade County
Applicant/Borrower: Brisas del Rio Apartments, LLC	Set Aside(s): 10% @ 28% AMI (MMRN, SAIL, ELI & 4% HC) 90% @ 60% AMI (MMRN, SAIL, ELI & 4% HC) 3.571% @ 22% AMI (NHTF)
Developer/Principal: Brisas del Rio Apartments Developer, LLC / Alberto Milo	Demographic/Number of units: Elderly / 168
Requested Amounts: \$19,500,000 Multifamily Mortgage Revenue Note (MMRN) \$4,346,770 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,257,475.06 National Housing Trust Fund (NHTF) \$1,480,934 Housing Credits (4% HC)	Development Category/Type: New Construction / Highrise

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. National Housing Trust Funds were also awarded to the proposed Development for funding.
- b) On May 4, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- c) On August 2, 2019, the Board approved the final credit underwriting report containing a positive recommendation for MMRN in the amount of \$19,500,000, SAIL in the amount of \$4,346,770, ELI in the amount of \$600,000 and NHTF in the amount of \$1,257,475.06.
- d) On January 31, 2020, the Applicant closed on the MMRN, SAIL, ELI, and NHTF funding loans.
- e) Brisas del Rio Apartments, LLC is requesting Florida Housing to release approximately 1,168 square feet of land from the MMRN, SAIL, ELI and NHTF loan documents.
- f) Brisas del Rio Apartments, LLC is requesting Florida Housing to release approximately 1,168 square feet of land from the MMRN, SAIL, ELI and NHTF loan documents.

MULTIFAMILY BONDS

Consent

- g) Miami-Dade County is requiring a Riverwalk pathway as a public amenity, and a small portion of the walkway encroaches on the Development's site. The portion of land to be released is not being improved on as part of Development. First Housing has reviewed this request and provided a positive recommendation ([Exhibit E](#)).

2. **Recommendation**

- a) Approve the partial release of land and direct staff to proceed with amending the loan documents, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

D. Request Approval of the Credit Underwriting Update Letter Increasing the Permanent Note Amount and Subordinate SHIP Funding for Osprey Pointe (2019 Series E / RFA 2017-108 / 2018-050BS / 2016-571C)

Development Name: Osprey Pointe	Location: Pasco County
Applicant/Borrower: HTG Osprey Pointe, LLC	Set Aside(s): 100% @ 60% AMI (MMRN & 4% HC) 10% @ 40% AMI (SAIL & ELI) 90% @ 60% AMI (SAIL & ELI)
Developer/Principal: HTG Osprey Pointe Developer, LLC / Matthew Rieger	Demographic/Number of units: Family / 110
Requested Amounts: \$11,050,000 Multifamily Mortgage Revenue Note (MMRN) \$6,000,000 State Apartment Incentive Loan (SAIL) \$556,900 Extremely Low Income (ELI) \$844,098 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On May 10, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- c) On March 22, 2019, the Board approved the final credit underwriting report containing a positive recommendation for MMRN in the amount of \$11,050,000, SAIL in the amount of \$6,000,000 and ELI in the amount of \$556,900.
- d) On August 8, 2019, the Applicant closed on the MMRN, SAIL, and ELI funding loans.
- e) On July 8, 2020, staff received a request from the Borrower to increase the permanent period first mortgage loan from \$5,925,000 to \$6,500,000. However, AmeriNat® recommends an increase from \$5,925,000 to \$6,345,000 to meet the debt service ratio requirement of Rule 67-48. This request will reduce the paydown of the Note at conversion to permanent financing by \$420,000. The rents have increased since underwriting, allowing the Development to support an increase in the permanent first mortgage. Additionally, the Borrower requested to increase the subordinate SHIP funding from \$50,000 to \$450,000, an increase of \$400,000. However, this funding is in the form of a forgivable zero interest loan. AmeriNat® has reviewed these requests and provided a positive recommendation ([Exhibit F](#)).

MULTIFAMILY BONDS

Consent

2. Recommendation

- a) Approve the credit underwriting update letter increasing the permanent Note amount and the subordinate funding and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

E. Request Approval to Execute Acknowledgment Resolution(s)

1. Background/Present Situation

- a) Pursuant to Rule 67-21, F.A.C., the Acknowledgement Resolution is the official action taken by the Corporation to reflect its intent to finance a Development provided that the requirements of the Corporation, the terms of the MMRB Loan Commitment, and the terms of the Credit Underwriting Report are met. The resolution designates the period within which the Borrower is able to be reimbursed for allowable project costs incurred with MMRB proceeds (with such period starting 60 days prior to the adoption of the resolution).
- b) Staff requests the execution of an Acknowledgement Resolution for each of the proposed Developments referenced below intending to finance the acquisition, construction and/or rehabilitation of the Developments. Brief descriptions of the Developments are detailed below. The resolutions being presented to the Board for approval are attached as Exhibits G through M.

2. Recommendation

- a) Approve the execution of an Acknowledgment Resolution for each of the proposed Developments, as shown in the chart below.

Development Name	Name of Applicant	County	Number of Units	Applicable Application	Exhibit
Villa Verde	CORE MHP Collier, Ltd.	Collier	160	RFA 2019-116	Exhibit G
Royal Park Apartments	BDG Royal Park Apartments, LP	Alachua	176	RFA 2019-116	Exhibit H
Ambar Trail	Ambar3, LLC	Miami-Dade	210	RFA 2019-116	Exhibit I
Arbours at Quincy	Arbours at Quincy, LLC	Gadsden	80	RFA 2019-116	Exhibit J
Culmer Apartments	Culmer Apartments, Ltd.	Miami-Dade	239	RFA 2019-116	Exhibit K
Brandon Preserve	Brandon Preserve, Ltd.	Hillsborough	230	RFA 2019-116	Exhibit L
Parrish Oaks II	SP Braden LLC	Manatee	48	RFA 2019-116	Exhibit M

MULTIFAMILY BONDS

Consent

F. Request Approval of the Transfer of Ownership for Enclave at Pine Oaks (2004 Series A/2003-532C/ Guarantee/ HUD Risk Sharing)

Development Name: Enclave at Pine Oaks fka Garfield Place	Location: Volusia County
Applicant/Borrower: Garfield Place Apartments, Ltd.	Set-Asides: 85% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developers/Principals: Dominion LLC/ Mark S. Moorhouse	Demographic/Number of Units: Family / 228
Requested Amounts: \$10,480,000 Multifamily Mortgage Revenue Bond (MMRB) \$761,111 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background

- a) Florida Housing financed the above referenced Development in 2004 with \$10,480,000 in tax exempt MMRB designated as 2004 Series A. The Bonds were credit enhanced by the Florida Affordable Housing Guarantee Fund Program (GP) and HUD Risk Sharing. In addition, \$761,111 in 4% Housing Credits was allocated to this Development. The Bonds were redeemed in September 2015 effectively terminating the mortgage loan guaranty issued by the GP and its associated financial risk to FHFC.
- b) On August 9, 2013, the Board approved the Borrower's request to transfer the General Partnership interest from KGH II, Inc. to Deland Leased Housing Associates I, L.L.C. as a general partner and Polaris Holdings I, L.L.C., as a new limited partner, both affiliates of Dominion Development & Acquisition L.L.C.

2. Present Situation

- a) Garfield Place Apartments, Ltd. has requested Florida Housing's consent to the transfer of the Development to Deland Leased Housing Associates II, LLLP, which is an affiliated entity of Dominion Development & Acquisition L.L.C., and subordination of the MMRB Land Use Restriction Agreement (LURA) and the Extended Low-Income Housing Agreement (ELIHA). Seltzer Management Group, Inc., has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption, and subordination of the MMRB LURA and the ELIHA to the new first mortgage provided by JLL Real Estate Capital, LLC under the Freddie Mac Multifamily Target Affordable Housing Tax-Exempt Loan Program ([Exhibit N](#)).

3. Recommendation

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

MULTIFAMILY BONDS

Consent

G. Request Approval of the Transfer of Ownership for Andrews Place (2003 Series M/2003-511C/ Guarantee/HUD Risk Sharing)

Development Name: Andrews Place	Location: Bay County
Applicant/Borrower: Andrews Place, LLC	Set-Asides: 85% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developers/Principals: Rea Companies, LLC/ William J. Rea, Jr.	Demographic/Number of Units: Family / 200
Requested Amounts: \$9,660,000 Multifamily Mortgage Revenue Bond (MMRB) \$616,406 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background

- a) Florida Housing financed the above referenced Development in 2003 with \$9,660,000 in tax exempt MMRB designated as 2003 Series M. The Bonds were credit enhanced by the Florida Affordable Housing Guarantee Fund Program (GP) and HUD Risk Sharing. In addition, \$616,406 in 4% Housing Credits was allocated to this Development. The Bonds were redeemed in December 2014 effectively terminating the mortgage loan guaranty issued by the GP and its associated financial risk to FHFC.

2. Present Situation

- a) Andrews Place, LLC has requested Florida Housing's consent to the transfer of the Development to Hallmark Andrews Place I, LLC, which is an affiliated entity of The Hallmark Companies, Inc., and subordination of the MMRB Land Use Restriction Agreement (LURA) and the Extended Low-Income Housing Agreement (ELIHA). Seltzer Management Group, Inc., has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption, and subordination of the MMRB LURA and ELIHA to the new first mortgage provided by CBRE Capital Markets, Inc. under the Freddie Mac Capital Markets Execution Program ([Exhibit O](#)).

3. Recommendation

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

MULTIFAMILY BONDS

Consent

H. Request Approval of Credit Underwriting Update Letter Increasing Permanent Bond Amount and Execution of Authorizing Resolutions for Fairlawn Village (2019-166BSN)

Development Name: Fairlawn Village	Location: Orange County
Applicant/Borrower: Blue CASL Orlando, LLC	Set-Aside(s): 5.17% @ 22% AMI (NHTF) 10% @ 35% AMI (SAIL/ELI) 90% @ 60% AMI (SAIL) 100% @ 60% AMI (MMRB & 4% HC)
Developer/Principal: CASL Developer, LLC & Blue FV Developer, LLC / Shawn Wilson	Demographic/Number of Units: Family/Persons with Special Needs / 116 units
Requested Amounts: \$12,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$6,250,000 State Apartment Incentive Loan (SAIL) \$1,308,000 National Housing Trust Fund (NHTF) \$600,000 Extremely Low Income (ELI) \$906,999 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 May 16, 2019, staff issued an invitation to enter credit underwriting to the Applicant.
- c) On September 20, 2019, the Board approved a change in developer structure. Blue FV Developer, LLC was added as a Special Purpose Entity above Blue Sky Communities, LLC.
- d) On April 17, 2020, the Board approved the final credit underwriting report with a positive recommendation for MMRB, SAIL, ELI, and NHTF funding and directing staff to proceed with the closing activities.
- e) On August 25, 2020, staff received a request from the Applicant to increase the permanent first mortgage loan from \$4,300,000 to \$5,000,000 due to significant increase in construction hard costs. This request will reduce the paydown of the MMRB at conversion to permanent financing by \$700,000. The rents have increased since underwriting, allowing the Development to support an increase in the permanent first mortgage. AmeriNat® has reviewed this request and provided a positive recommendation ([Exhibit P](#)).
- f) Staff reviewed the Amended and Restated Authorizing Resolutions ([Exhibit Q](#)) 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) Approve the credit underwriting update letter increasing the permanent Bond amount and execution of the 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 PROGRAMS

Consent

I. MULTIFAMILY PROGRAMS

A. Request Approval to Exceed the 20% Subcontractor Limitation for Woodlawn Trail (RFA 2016-109/2016-385S/2016-555C)

Development Name: Woodlawn Trail	Location: Pinellas County
Applicant/Borrower: SP Trail LLC	Set Aside(s): HC: 100% @ 60% AMI SAIL & ELI: 10% @ 40% AMI, 90% @ 60% AMI
Developer/Principal: Southport Development, Inc. / J. David Page	Demographic/Number of units: Family/80 units
Requested Amounts: \$4,100,000 SAIL; \$410,400 ELI; \$607,994 Housing Credits	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) SP Trail LLC (“Applicant”) applied for and was awarded SAIL and ELI funding from Request for Applications (RFA) 2016-109 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. The funds are being utilized to finance the construction of an 80-unit Family development in Pinellas County. On March 31, 2017, Loan staff issued an invitation to the Applicant to enter credit underwriting. On February 28, 2018, staff received a credit underwriting report giving a positive recommendation for a SAIL loan in the amount of \$4,100,000, an ELI Loan in the amount of \$410,400, and a 4% Housing Credit Allocation of \$607,994, which was approved at the March 16, 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 A](#) for Applicant's request.
- c) Pursuant to Rules 67-21.026(13)(e) and 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:
 - (1) 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, among other items, the Applicant's request, correspondence from the General Contractor, Rule Chapters 67-21 and 67-48, the AIA A102-2007 Standard Form of Agreement between Owner and Contractor, Schedule of Values, listing of change orders, draft General Contractor’s Cost Certification, multiple bids for site work, and the executed subcontractor agreement between the General Contractor and Central Site Development. After review and analysis, Seltzer, in conjunction with the Construction Consultant, On Solid Ground, LLC (“OSG”), found the cost to be appropriate for the scope of work. Seltzer 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 Seltzer’s recommendation.
- e) Since this information was first discovered by FHFC during review of the General Contractor’s Cost Certification, after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rules 67-21.026(13)(e) 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 for the Construction of Workforce Housing in Miami-Dade County and Monroe County. 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) At the July 17, 2020 Board meeting, the Board of Directors (“Board”) approved a subcontractor to exceed 20% of the construction cost for Ambar Key Homes. However, this development consists of two GC Contracts, one reflecting the work on the new construction units and one reflecting the work on the rehabilitation units. The approval provided at the July Board meeting was in reference to the new construction GC contract. However, Florida Housing Finance Corporation (“Florida Housing”) became aware that there was also a subcontractor on the rehabilitation contract that exceeded the 20% limitation.
- c) The Applicant is seeking Florida Housing’s 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 C](#) for Applicant's request.

MULTIFAMILY PROGRAMS

Consent

- d) 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:
- (1) 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)
- e) 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, Applicant's comparison of exterior painting costs between new and rehab units, and breakdown of invoices from subcontractor. 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.
- f) This information was provided to FHFC after the construction work had already been completed and after the Development had been placed-in-service. Typically, in these circumstances staff proposes a workout whereby no General Contractor or Developer Fee can be taken on the amounts that surpass the maximum contract amount allowed under the Rule. However, this Development differs in that it has two contracts and the contract in question only represented \$453,544 in costs. Additionally, the approval regarding the new construction contract at the July Board meeting included the standard workout. The rule does not contemplate a scenario whereby two general contractors are hired on one development or that a contract would represent this low level of costs regarding the rehabilitation contract. The Applicant has represented that it would be very difficult to keep the subcontractors below 20% of the costs on a contract of such a small amount. Therefore, staff has not recommended a workout be implemented on this particular request.

2. **Recommendation**

- a) Approve the request to exceed the 20% subcontractor limitation.

MULTIFAMILY PROGRAMS

Consent

C. Request Approval of Credit Underwriting Report for Babe’s House (2020-067G)

Development Name: Babe’s House	Location: Palm Beach County
Applicant/Borrower: Autism Project of Palm Beach County, Inc.	Set-Asides: 33% @ 28% AMI (Grant) 67% @ 60% AMI (Grant)
Developers/Principals: Autism Project of Palm Beach County, Inc./Richard Busto	Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents
Requested Amounts: \$588,000 Grant Funding	Development Category/Type: New Construction/Community Residential Home (CRH)

1. Background/Present Situation

- a) On August 30, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-117 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 13, 2019, the Board approved the final scores and recommendations, and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 20, 2019, staff issued a Letter of Preliminary Award and subsequently, on March 27, 2020, staff issued an invitation to enter credit underwriting to the Borrower.
- d) On August 25, 2020, staff received a final credit underwriting report with a positive recommendation for a grant amount of \$588,000 to be allocated to the Development ([Exhibit E](#)). 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.

MULTIFAMILY PROGRAMS

Consent

D. Request Approval of Developer Principal Change for Silver Pointe (RFA 2016-110/RFA 2018-109/2017-002C/2018-361C/2018-334V)

Development Name: Silver Pointe	Location: Marion County
Applicant/Borrower: Silver Pointe Development Partners, LLC	Set Aside(s): HC: 10% @ 45% AMI and 90% @ 60% AMI
Developer/Principal: Gardner Capital Development Florida, LLC / Mark Gardner	Demographic/Number of units: Family/90 units
Requested Amounts: \$1,400,000 Housing Credits \$1,250,000 Viability Loan Funding	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Silver Pointe Development Partners, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2016-110 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties. The Applicant also applied for and was awarded funding from Request for Applications (RFA) 2018-109 for Development Viability Loan Funding. The funds are being utilized to finance the construction of a 90-unit Family development in Marion County.
- b) The Applicant was invited to enter credit underwriting on August 2, 2017, and subsequently, Florida Housing staff executed a 2017 Carryover Allocation Agreement on December 22, 2017. An exchange of credits was approved by a final order executed on November 6, 2018, which allowed the Applicant to exchange its 2017 tax credits for an allocation of 2018 tax credits, and in turn a 2018 Carryover Allocation Agreement was executed on November 13, 2018.
- c) In addition, a Notice of Preliminary Award for the Viability Loan Funding was issued to the Applicant on June 6, 2018. A credit underwriting report was approved by the Board on December 13, 2019, recommending an allocation of \$1,400,000 in 9% Housing Credits and \$1,250,000 in Viability Loan Funding.
- d) On August 7, 2020, staff received a letter requesting Board approval to allow a Developer Principal change. The letter also requested an immaterial change to the Applicant structure, which was approved by Florida Housing staff. The request letter is provided as [Exhibit F](#), and the current and proposed Developer ownership structures are provided as Exhibits [G](#) and [H](#). Under the proposed change, Joseph Chambers and Martin Moore are being removed as Managers of the Developer, Gardner Capital Development Florida, LLC. In addition, Mr. Moore is also being removed as an Officer of Gardner Capital Development, Inc, the sole member of the Developer. Mark Gardner served as the experienced Developer Principal in the Application and will remain a Principal of the Developer.

MULTIFAMILY PROGRAMS

Consent

- e) 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.
- f) Staff has reviewed this request and finds the Development meets all the requirements of RFA 2016-110.

2. **Recommendation**

- a) Approve the request to allow for the change in Developer Principals as referenced above.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

I. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Provident Housing Solutions, Inc., a not-for-profit entity, for Daytona Brentwood (2020-006P-09)

DEVELOPMENT NAME (“Development”):	Daytona Brentwood
APPLICANT/DEVELOPER (“Developer”):	Provident Housing Solutions, Inc.
CO-DEVELOPER:	Turnstone Development Corporation
NUMBER OF UNITS:	84
LOCATION (“County”):	Volusia County
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On July 6, 2020, the Developer submitted a PLP application for Daytona Brentwood. On July 7, 2020, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On July 29, 2020, staff received a development plan and a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$750,000. Of this loan amount, \$480,000 is being requested for land acquisition. This portion of the loan will be subject to review and a positive recommendation from an assigned credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$750,000 to Provident Housing Solutions, Inc., for Daytona Brentwood and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$270,000 and assign the development to a credit underwriter for review of the acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Innovare/Volunteers of America Florida, Inc., a not-for-profit entity, for Innovare (2020-004P-09)

DEVELOPMENT NAME (“Development”):	Innovare
APPLICANT/DEVELOPER (“Developer”):	Innovare/Volunteers of America Florida, Inc.
CO-DEVELOPER:	Lincoln Park LLC
NUMBER OF UNITS:	50
LOCATION (“County”):	Pinellas County
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On June 5, 2020, the Developer submitted a PLP application for Innovare. On June 8, 2020, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On July 31, 2020, staff received a development plan and a letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$750,000. Of this loan amount, \$300,000 is being requested for land acquisition. This portion of the loan will be subject to review and a positive recommendation from an assigned credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$750,000 to Innovare/Volunteers of America Florida, Inc., for Innovare and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$450,000 and assign the development to a credit underwriter for review of the acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. **Request Approval of PLP Loan for Community Assisted and Supportive Living, Inc., a not-for-profit entity, for Independence Place (2020-005P-09)**

DEVELOPMENT NAME (“Development”):	Independence Place
APPLICANT/DEVELOPER (“Developer”):	Community Assisted and Supportive Living, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	32
LOCATION (“County”):	Pinellas County
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$628,000

1. **Background**

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On June 26, 2020, the Developer submitted a PLP application for Independence Place. On June 26, 2020, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. **Present Situation**

- a) On July 31, 2020, staff received a development plan and a letter ([Exhibit C](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$628,000. Of this loan amount, \$500,000 is being requested for land acquisition. This portion of the loan will be subject to review and a positive recommendation from an assigned credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. **Recommendation**

- a) Approve the PLP Loan in the amount of \$628,000 to Community Assisted and Supportive Living, Inc., for Independence Place and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$128,000 and assign the development to a credit underwriter for review of the acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of Credit Underwriting Report for Neighborhood Renaissance, Inc., a not-for-profit entity, for Coleman Park Renaissance (2019-013P-09)

DEVELOPMENT NAME (“Development”):	Coleman Park Renaissance
APPLICANT/DEVELOPER (“Developer”):	Neighborhood Renaissance, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	62
LOCATION (“County”):	Palm Beach County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) On October 31, 2019, the Board approved a PLP loan in the amount of \$750,000 for Coleman Park Renaissance. 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 November 1, 2019, First Housing accepted the assignment as credit underwriter for the PLP acquisition loan.

2. Present Situation

- a) On August 10, 2020, staff received a credit underwriting report ([Exhibit D](#)) 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 from the credit underwriter.

3. Present Situation

- a) Approve the credit underwriting report for the acquisition portion of the PLP Loan in the amount of \$500,000 to Neighborhood Renaissance, Inc., for Coleman Park Renaissance and allow staff to commence with the loan closing process for the site acquisition funds.

SPECIAL ASSETS

Consent

I. SPECIAL ASSETS

A. Request Approval of the Refinance of the First Mortgage, Transfer of Membership Interests, and Release of Guarantors for The Portland Property, LLC, a Florida Limited Liability Company for The Portland Apartments (RFP 2009-04/2010-009X/2009-263X)

Development Name: The Portland Apartments (“Development”)	Location: Pinellas County
Developer/Principal: Equity Management Partners (“Developer”); The Portland Property, LLC (“Borrower”)	Set-Aside: TCEP 10%@35%, 90%@60% AMI TCEP 50 years;
Number of Units: 68	Allocated Amount: TCEP \$14,110,000
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2009 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a Tax Credit Exchange Program (“TCEP”) loan in the original amount of \$14,110,000 to The Portland Apartments, Ltd., a Florida limited partnership (“Original Borrower”), for the construction of a 68-unit development in Pinellas County, Florida. The TCEP loan closed on July 30, 2010 and matures on October 28, 2026.
- b) In January 2018, the Board approved the Borrower’s request to transfer the ownership of the Development from The Portland Apartments, Ltd. to The Portland Property, LLC. The approval also included the refinance of the first mortgage loan and the release and replacement of guarantors.

2. Present Situation

- a) The Borrower requests approval to transfer the membership interests of the Development from The Portland Property, LLC (“Seller”) to Millbrook Realty Group, LLC, with assignment to 300 8th Street, LLC (“Buyer), and the assumption of TCEP documents and the Extended Low-Income Housing Agreement (“ELIHA”).
- b) The Seller requests the release of the Original Borrower and principals, as current guarantors, and the substitution of Mark Carbone, and related entities and affiliates, as the replacement guarantors.
- c) The Buyer requests consent from the Board to refinance the existing first mortgage, and to subordinate the TCEP documents and the ELIHA to the new first mortgage.
- d) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, assumption and subordination of the TCEP documents and ELIHA, transfer of membership interests, and the release and replacement of the guarantors.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the refinance of the first mortgage, assumption, and subordination of the TCEP documents and ELIHA to the new first mortgage, transfer of membership interests, and the release and replacement of guarantors, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

B. Request Ratification of Negotiated SAIL Payment for Affordable/Citrus Glen, Ltd., for Citrus Glen Apartments (1993-013S & HC 94L-006)

Development Name: Citrus Glen (“Development”)	Location: Orange County
Developer/Principal: Affordable/Citrus Glen, Ltd./Kenneth G. Dixon (“Developer”)	Set-Aside: SAIL & HC 100% @ 60% AMI, SAIL 56 Years & HC 50 Years
Number of Units: 176	Allocated Amount: SAIL \$1,670,000 HC \$848,250
Demographics: Family	Servicer: First Housing Development Corporation/FHFC

1. Background

- a) Citrus Glen Apartments (“Development”) is a 176-unit multifamily development in Orange County, financed with \$1,670,000 of funds from the SAIL Program and \$848,250 in Housing Credits. A Land Use Restriction Agreement (“LURA”), dated December 28, 1993, restricted the occupancy for families with 100% @ 60% Area Median Income (“AMI”) in perpetuity.
- b) Citrus Glen was also financed with a first mortgage, which was originally issued by Home Savings of America, FSB. That bank was acquired by Washington Mutual Bank in 1998. Washington Mutual eventually failed and its assets were acquired by JPMorgan Chase in 2008. JPMorgan Chase assigned the loan on its maturity date to Xterra Mortgage, the current holder of the first mortgage.
- c) The SAIL loan had an original maturity date of June 28, 2009. On March 13, 2009, the Board approved the extension of the loan and LURA for an additional year. At its October 30, 2014 Board meeting, Florida Housing approved the Borrower’s request for a five -year extension of the loan to allow time to refinance with a maturity date of June 28, 2015. At this maturity date a demand letter was sent to the Borrower for payment of the loan. Since that time, Florida Housing staff and the Borrower have been in negotiations to satisfy the loan.
- d) On June 12, 2020, Notice of Lis Pendens was filed by Florida Housing. The Borrower again reached out to staff to try to come to an agreement on payment of the loan. Since a foreclosure by Florida Housing would result in all proceeds going to pay off the first mortgage and no funds to Florida Housing as well the loss of the affordability restrictions on the development, staff negotiated with the Borrower.
- e) Those negotiations resulted in a proposed payoff price of \$750,000. In addition, the Borrower would pay all past due fees in the amount of \$17,183.23. The Borrower also agreed to keep the SAIL affordability restrictions on the Development. The Borrower agreed to close the transaction by the end of August to stay the foreclosure action.
- f) As a foreclosure would result in no funds to Florida Housing and loss of the affordability restrictions on 176 units, staff proposed that the \$750,000 negotiated offer be accepted allowing Florida Housing to recover a portion of the SAIL loan amount as well as past due fees and allowing the Development to remain affordable.

SPECIAL ASSETS

Consent

2. **Present Situation**

- a) Pursuant to Board Resolution 2010-002 dated January 22, 2010, the Board delegated authority to the Chair or Vice Chair, with the advice of Florida Housing's Financial Advisor, to, upon approval by the Chair, or in the absence of the Chair, the Vice Chair to (i) engage in activities to sell the Development (the "Sale"), (ii) to negotiate, finalize, execute, deliver and perform on behalf of Florida Housing any and all agreements, documents, certificates and instruments required in connection with the Sale of the Development, and (iii) bind Florida Housing thereby, as may become necessary between Board meetings to maintain or recover the maximum value from such properties.
- b) On August 10, 2020, the Board Chair authorized staff to proceed with the negotiated payoff of Citrus Glen Apartments.

3. **Recommendation**

- a) Ratify the negotiated payoff of Citrus Glen Apartments.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Additional Subordinate Debt for Casa Juarez (2018-328S)

Development Name: Casa Juarez	Location: Miami-Dade County
Applicant/Borrower: Casa Juarez, LLC	Set Aside(s): 15% @ 28% AMI (SAIL & ELI) 5% at 50% AMI (SAIL) 80% @ 60% AMI (SAIL)
Developer/Principal: Rural Neighborhoods, Incorporated/Steven C. Kirk	Demographic/Number of Units: Unaccompanied Farmworker/32
Requested Amounts: \$5,992,000 State Apartment Incentive Loan (SAIL) \$508,000 Extremely Low Income (ELI)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On March 13, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-104 for SAIL Financing for Unaccompanied Farmworker and Commercial Fishing Worker Housing.
- b) On June 15, 2018, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. On June 27, 2018, staff issued an invitation to enter credit underwriting to the Applicant, which was accepted was June 28, 2018, giving them a firm loan commitment issuance deadline of March 28, 2019.
- c) On March 22, 2019, the Board approved extending the firm loan commitment issuance deadline from March 28, 2019 to September 28, 2019.
- d) On September 20, 2019, the Board approved an RFA waiver changing Applicant Entity and Developer principals as well as the approval of the final credit underwriting report, and directed staff to proceed with the issuance of a firm commitment and closing activities. The Borrower was issued a firm commitment on September 23, 2019, giving them a loan closing deadline of January 21, 2020.
- e) On December 13, 2019, the Board approved a loan closing extension from January 21, 2020 to April 20, 2020. The extension was not necessary since all funding sources closed on January 21, 2020.
- f) On July 8, 2020, staff received a request from the borrower to add \$500,000 in subordinate financing from Federal Home Loan Bank of Atlanta to the Casa Juarez development. ([Exhibit A](#)). On August 24, 2020, staff received an updated credit underwriting letter with a positive recommendation for approval of the proposed change ([Exhibit B](#)). Staff has reviewed this request and finds that it meets all requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. **Recommendation**

- a) Approve the addition of \$500,000 in subordinate debt.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Additional Subordinate Debt for Delmar 745 (2015-158CS/2017-253CS/2017-285V)

Development Name: Delmar 745 f/k/a Delmar Terrace	Location: Pinellas County
Applicant/Borrower: Delmar Terrace South, LLC	Set Aside(s): 15% @ 40% AMI (SAIL & ELI) 85% @ 60% AMI (SAIL & 9% HC)
Developer/Principal: Delmar Terrace Developers, LLC/Eugenia Anderson	Demographic/Number of Units: Homeless/65
Requested Amounts: \$3,250,000 State Apartment Incentive Loan (SAIL) \$540,093 Viability Loan \$1,660,000 Housing Credits (9% HC)	Development Category/Type: New Construction/High Rise

1. Background/Present Situation

- a) On November 11, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-115 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties.
- b) On May 8, 2015, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. On November 2, 2015, staff issued an at-risk opportunity to enter credit underwriting to the Applicant with a loan closing deadline of November 2, 2016. On September 16, 2016, the Board approved a request to extend the loan closing deadline from November 2, 2016 to November 2, 2017.
- c) On July 20, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-109 for Development Viability Loan Funding. On September 22, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on October 3, 2017.
- d) On October 27, 2017, the Board approved a waiver to allow an additional loan closing extension from November 2, 2017 to January 31, 2018. On January 26, 2018, the Board approved the final credit underwriting report and a Rule Waiver for an additional extension of the closing from January 31, 2018 to April 28, 2018, directing staff to proceed with issuance of a firm commitment and closing activities.
- e) The firm loan commitment was issued on January 30, 2018. All funding sources closed on April 27, 2018.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- f) On June 30, 2020, staff received a request from the borrower to add \$500,000 in subordinate financing from the Pinellas County Planning Department to the Delmar 745 development ([Exhibit C](#)). On August 25, 2020, staff received an updated credit underwriting letter with a positive recommendation for approval of the proposed change ([Exhibit D](#)). Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. **Recommendation**

- a) Approve the addition of \$500,000 in subordinate debt.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Credit Underwriting Report for Ashley Square (2019-167SN)

Development Name: Ashley Square	Location: Duval County
Applicant/Borrower: Ashley Square Jacksonville, Ltd.	Set-Aside(s): 5% @ 22% AMI (NHTF) 10% @ 33% AMI (SAIL & ELI) 90% @ 60% AMI (SAIL & 4% HC)
Developer/Principal: Blue AS Developer, LLC / Shawn Wilson & Cathedral Foundation of Jacksonville, Inc. / Teresa K. Barton	Demographic/Number of Units: Elderly / 120 units
Requested Amounts: \$6,500,000 State Apartment Incentive Loan (SAIL) \$1,426,800 National Housing Trust Fund (NHTF) \$600,000 Extremely Low Income (ELI) \$933,400 Housing Credits (4% HC)	Development Category/Type: New Construction / Mid-rise, 5-6 stories

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 an invitation to enter credit underwriting to the Applicant on May 13, 2019, 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 14, 2019, giving them a firm loan commitment issuance deadline of May 14, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On September 20, 2019, the Board approved a change in the Developer structure of Blue Sky Communities, LLC, one of the Co-Developers. Blue AS Developer, LLC was added as a Special Purpose Entity above Blue Sky Communities, LLC.
- e) On October 31, 2019, the Board approved a change to the name of the Applicant Entity from Ashley Square Associates, LLC to Ashley Square Jacksonville, Ltd., and an RFA waiver to add CFJ Ashley, Inc., as a General Partner.
- f) On April 17, 2020, the Board approved extending the firm loan commitment issuance deadline from May 14, 2020 to November 16, 2020.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- g) On August 25, 2020, staff received a final credit underwriting report with a positive recommendation for SAIL funding ([Exhibit E](#)). 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Firm Loan Commitment Issuance Extension for Casa Amigos (2019-424S)

Development Name: Casa Amigos	Location: Collier County
Applicant/Borrower: Casa Amigos EHT, LLC.	Set-Asides: 8% @ 30% AMI (SAIL/ELI) 12% @ 50% AMI (SAIL) 80% @ 60% AMI (SAIL)
Developers/Principals: Rural Neighborhoods, Incorporated / Steven C. Kirk	Demographic/Number of Units: Unaccompanied Farmworker/24 Units
Requested Amounts: \$5,150,000 State Apartment Incentive Loan (SAIL)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On April 11, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-108 for SAIL Funding for Farmworker and Commercial Fishing Worker Housing.
- b) On June 21, 2019, the Board approved the final scores and recommendations for the RFA which resulted in no eligible applications.
- c) On September 20, 2019, the Board approved the Consent Agreement and issued a Final Order in accordance with the Consent Agreement. The Consent Agreement resulted in Casa Amigos being an eligible application and selected for funding.
- d) On September 23, 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 September 23, 2019, giving them a firm loan commitment issuance deadline of September 23, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- e) On August 12, 2020, staff received a request from the Applicant to extend the September 23, 2020 firm loan commitment issuance deadline to March 23, 2021 ([Exhibit F](#)). Delays have been due to COVID-19 slowdowns impacting preparation, initial review and local government comments on the PUD Site Development Plan amendment. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the firm loan commitment issuance deadline from September 23, 2020 to March 23, 2021, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.