

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

April 30, 2021

Consent Items



COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

Consent

I. COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

A. Request Approval of CDBG-DR Credit Underwriting Report 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-Aside(s): 90% @ 80% AMI (Workforce) 10% @ 25% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developer/Principal: The Housing Authority of the City of Key West, Florida / Randy Sterling	Demographic/Number of Units: Disaster Relief/Workforce/103 units
Requested Amounts: Community Development Block Grant – Disaster Relief (CDBG-DR) \$8,000,000 (Development Funding); \$3,600,000 (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) At the September Board meeting staff received a request and the Board approved an extension of the October 1, 2020 firm loan commitment deadline for six months until April 1, 2021.
- e) On February 1, 2021, staff received a request from the developer to waive the RFA requirement and grant an additional two-month extension on the firm loan commitment deadline until June 1, 2021, due to conditions created by the COVID-19 pandemic. They also requested a waiver of the extension fee. Both requests were approved at the March 12, 2021 Board Meeting.
- f) On April 21, 2021, staff received a final credit underwriting report with a positive recommendation for a CDBG-DR loan in the total amount of \$11,600,000, including \$8,000,00 in development funding and \$3,600,000 in Land Acquisition funding ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets the requirements of the RFA.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

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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.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

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B. Request Approval of CDBG-DR Credit Underwriting Update Letter to the final Credit Underwriting Report for Cardinal Corner (2020-005D)

Development Name: Cardinal Corner (“Development”)	Location: DeSoto County
Developer: Heartland Development Group, LLC. (“Developer”)	Set-Aside: 90% @ 80% AMI 10% @ 40% AMI
Type: New Construction/Duplexes	CDBG-DR: \$4,994,200
Total Number of Units: 48	Demographics: Disaster Relief/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 26, 2019, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Developer had a December 26, 2020 deadline to complete the credit underwriting report.
- d) At the October 16, 2020 Board meeting the Board approved the credit underwriting report dated September 23, 2020 for a CDBG-DR loan in the amount of \$4,994,200. The loan is tentatively scheduled to close in May 2021.
- e) Due to increases in construction costs the Borrower requested an increase in their construction and permanent first mortgage from \$2,896,728 to \$3,600,000. Additionally, the Borrower requested a CDBG-DR set-aside reduction from 48 units to 41 units keeping the remaining 7 units as market rate units.
- f) On April 16, 2021, staff received an updated credit underwriting letter ([Exhibit B](#)) with a positive recommendation for approval of the proposed changes. Staff has reviewed this report and finds that the Development meets the requirements of the RFA.

2. Recommendation

- a) Approve the increase in the first mortgage amount from \$2,896,728 to \$3,600,000, reduce the CDBG-DR units from 48 to 41 CDBG-DR units.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

Consent

C. Request Approval of Firm Loan Commitment Issuance Deadline Extension and Waiver of Extension Fees for Civitas of Cape Coral (2020-018BD)

Development Name: Civitas of Cape Coral Applicant/Borrower: Pine Island Cape, LLC.	Location: Lee County Set-Aside(s): 90% @ 80% AMI (Workforce) 10% @ 33% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developer/Principal: Catalyst Pine Island Housing Developer, LLC. & LCHA Developer, LLC.	Demographic/Number of Units: Disaster Relief/Workforce/96 units
Requested Amounts (Development Funding): Community Development Block Grant – Disaster Relief (CDBG-DR): \$5,633,218 Housing Credits (4% HC): \$799,222 Multifamily Mortgage Revenue Bonds (MMRB): \$11,075,000	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On July 30, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-102 for Community Development Block Grant – Disaster Recovery to be used in conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities.
- b) On April 17, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the thirteen (13) eligible Applicants.
- c) On April 27, 2020, staff issued a preliminary commitment letter. In accordance with the RFA, the Developer has a May 1, 2021 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 March 17, 2021 staff received a request from the Applicant to extend the May 1, 2021 firm loan commitment deadline for six months until November 1, 2021 and waive applicable extension fees due to conditions created by the COVID-19 pandemic ([Exhibit C](#)).

2. Recommendation

- a) Approve the request to allow an additional six months to complete the credit underwriting report and issue a firm loan commitment. Additionally, due to the funding source and nature of the CDBG-DR funds, approve the request to waive applicable extension fees.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

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D. Request Approval of Firm Loan Commitment Issuance Deadline Extension and Waiver of CDBG-DR Extension Fees for Parker Pointe (2020-019BD)

Development Name: Parker Pointe Applicant/Borrower: Tigertown GM, Ltd.	Location: Polk County Set-Aside(s): 90% @ 80% AMI (Workforce) 10% @ 40% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developer/Principal: Tigertown GM Dev, LLC.	Demographic/Number of Units: Disaster Relief/Workforce/88 units
Requested Amounts (Development Funding): Community Development Block Grant – Disaster Relief (CDBG-DR): \$7,990,000 Housing Credits (4% HC): \$745,000 Multifamily Mortgage Revenue Bonds (MMRB): \$11,500,000	Development Category/Type: New Construction/Mid-Rise, 4-stories

1. Background/Present Situation

- a) On July 30, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-102 for Community Development Block Grant – Disaster Recovery to be used in conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities.
- b) On April 17, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the thirteen (13) eligible Applicants.
- c) On April 27, 2020, staff issued a preliminary commitment letter. In accordance with the RFA, the Developer has an April 30, 2021 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 February 5, 2021, staff received written correspondence from the Applicant requesting to extend the April 30, 2021 firm loan commitment deadline for six months until October 30, 2021 and waive applicable extension fees due to conditions created by the COVID-19 pandemic ([Exhibit D](#)).

2. Recommendation

- a) Approve the request to allow an additional six months to complete the credit underwriting report and issue a firm loan commitment. Additionally, due to the funding source and nature of the CDBG-DR funds, approve the request to waive applicable extension fees.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

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E. Request Approval of Waiver and Reimbursement of Extension Fee for Welford Place (2020-011D)

Development Name: Welford Place	Location: Bradford County
Applicant/Borrower: Welford Place, LLC.	Set-Aside(s): 90% @ 80% AMI (Workforce) 10% @ 40% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developers: Welford Place Developer, LLC. and Judd Roth Real Estate Development, Inc.	Demographic/Number of Units: Disaster Relief/Workforce/50 units
Requested Amount (Development Funding): Community Development Block Grant – Disaster Relief (CDBG-DR): \$4,930,000	Development Category/Type: New Construction/Garden Apartments

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 had a December 23, 2020 deadline to complete the credit underwriting report which had been extended through June 23, 2021 (see letter “d” below).
- d) On December 4, 2020, the Board approved RFA Waiver Requests regarding structure changes in the Manager Entity, Developer Entity, and Applicant Entity, replacement of the Co-Developer, and a six-month extension to complete Credit Underwriting. The Credit Underwriting one percent (1%) extension fee was received December 30, 2020.
- e) On, January 22, 2021, the Board approved the final credit underwriting report, dated January 13, 2021, with a positive recommendation for a CDBG-DR loan in the amount of \$4,930,000.
- f) On March 11, 2021, staff received written correspondence from the Applicant requesting to waive applicable extension fees due to conditions created by the COVID-19 pandemic to include increased construction costs ([Exhibit E](#)). The loan closed March 31, 2021.

2. Recommendation

- a) Due to the funding source and nature of the CDBG-DR funds, approve the request to waive applicable extension fees and reimburse the one percent extension fee paid December 30, 2020.

HOME RENTAL

Consent

I. HOME RENTAL

A. Request Approval of Change in General Contractor for Marianna Crossings (2019-406H)

Development Name: Marianna Crossings (“Development”)	Location: Jackson County
Developer: Marianna Crossings LLC, AHM Marianna Crossings Developer, LLC (“Developers”)	Set-Asides: 100% @ 60% AMI 30 HOME Units
Type: New Construction/Garden Apartments	HOME: \$5,000,000
Total Number of Units: 30	Demographics: Disaster Relief/Family

1. Background/Present Situation

- a) On February 21, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-109 for HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and Rural Areas.
- b) On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Jordan Bayou, the Board on June 21, 2019 approved the funding of all Tier I Applicants, including Jordan Bayou and three additional Applicants, as well as the original six Applicants for a total of ten (10) Applicants.
- c) On June 24, 2019, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a June 24, 2020 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On May 14, 2020, staff received a request from the Applicant to extend the June 24, 2020 firm loan commitment for six months, due to delays in receiving local approval as a result of the COVID 19 Pandemic.
- e) The Board approved at the December 4, 2020 Board meeting, a request from the Applicant for the removal of Design Consortium Development, LLC as a co-Developer, citing an inability to meet Credit Underwriting and Loan Closing guidelines. The Board also approved a 90-day loan closing extension as permitted by Rule 67-48.0072(26), until March 8, 2021 referencing the pending request to remove the co-Developer.
- f) The Applicant was granted a Rule Waiver by the Board at the March 12, 2021 Board meeting to allow the loan closing to be extended from March 8, 2021 to June 18, 2021 to complete an anticipated change in the General Contractor.

HOME RENTAL

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- g) On April 1, 2021, staff received a request from the Applicant to change the General Contractor from AHP Development, LLC (AHP) to Marmer Construction, Inc. (Marmer) ([Exhibit A](#)) as AHP was unable to obtain the required payment and performance bond for construction. On April 16, 2021 Florida Housing received a positive credit underwriting recommendation ([Exhibit B](#)) approving the change in General Contractors.

2. Recommendation

- a) Approve the request to change the General Contractor from AHP to Marmer.

HOME RENTAL

Consent

B. Request Approval of Extension of Loan Closing Deadline for Gateway Manor (2019-400H)

Development Name: Gateway Manor (“Development”)	Location: Gulf County
Developer: Paces Gateway Manor, LLC/ The Paces Foundation, Inc./Mark du Mas/Renee Sandell/Kevin Kirby/Betty Jones/Julie Bowen/Russell Dye (“Developers”)	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 26 HOME Units
Type: New Construction/Garden Apartments	HOME: \$4,700,000
Total Number of Units: 30	Demographics: Disaster Relief/Family

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2019-109, seeking an allocation of HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and in Rural Areas.
- b) On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Jordan Bayou, the Board on June 21, 2019 approved the funding of all Tier I Applicants, including Jordan Bayou and three additional Applicants, as well as the original six Applicants for a total of ten (10) Applicants.
- c) On June 24, 2019, the Corporation issued a preliminary commitment letter. In accordance with Rule 67-48 and the RFA, the Developers have a June 24, 2020 deadline to complete the credit underwriting report.
- d) On April 17, 2020, the Developer requested and the Board approved the extension of the firm loan commitment deadline until December 24, 2020.
- e) At the December 4, 2020 Board meeting the Board approved the credit underwriting report for a HOME loan in the amount of \$4,700,000. In accordance with Rule 67-48.0072(26), the Developer has 120 days from the execution of the firm loan commitment or April 9, 2021 to close the loan. The developer may also request one 90-day extension to that date.
- f) On April 9, 2021, staff received a request from the Developer ([Exhibit C](#)) to extend the loan closing for 90 days until July 8, 2021 to allow the Developer to resolve unforeseen increases in construction expenses.

2. Recommendation

- a) Approve the request to extend the loan closing deadline until July 8, 2021, subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing Staff.

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I. LEGAL

A. In Re: Oasis at Renaissance Preserve I, LP - FHFC Case No. 2021-022VW

Development Name: (“Development”):	Oasis at Renaissance Preserve
Developer/Principal: (“Developer”):	Integral Development, LLC Housing for Urban Communities, LLC Egbert Perry
Number of Units: 124	Location: Lee County
Type: New Construction / Garden Apartments	Set Asides: 22 units @ 30% AMI 54 units @ 60% AMI 30 units @ 80% AMI 18 units market rate
Demographics: Elderly ALF	Funding: 9% HC: \$1,700,000

1. Background

- a) Oasis at Renaissance Preserve I, LP (“Petitioner”) successfully applied for an award of competitive Housing Credits under Request for Applications 2018-110 (the “RFA”) to assist in the construction of a 124 unit elderly assisted living facility in Lee County.
- b) On March 16, 2021, Florida Housing received a Petition for Waiver of Rule 67-48.002(96), F.A.C. and the 2018 QAP from Petitioner. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-48.002(96), Fla. Admin. Code (2018), defines and incorporates by reference the following provision of the 2018 QAP at Section II.2:

K. ...where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may issue a Carryover Allocation Agreement allocating such Housing Credits to the Application for either the current year or the year after the year in which the Development was otherwise required to be placed in service...
- b) Petitioner received an award of 2019 tax credits and the carryover agreement was fully executed on December 20, 2019. Under the terms of the agreement and federal regulations, Petitioner was required to place the development in service by December 31, 2021. Florida Housing granted an extension of the 10% Test deadline to June 20, 2021 and an extension of the placed-in-service date to December 31, 2022 via Revenue Procedure 2014-49, due to COVID-

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related impacts on the Development. Petitioner requests a waiver of the above Rule and the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2021. Petitioner asserts that because of unforeseen delays in obtaining required approvals and commitments from the Agency for Healthcare Administration, its managed care operator, and the Department of Housing and Urban Development, which were at least partly a result of COVID-related impacts, it will not be able to place the development in service by December 31, 2022. Petitioner therefore requests a waiver of the timing requirements found in the 2018 QAP to permit Florida Housing to approve a tax credit exchange now and to allow the allocation of 2021 tax credits pursuant to that exchange. Petitioner notes that it expects the Development to be placed in service in the second quarter of 2023.

c) On March 17, 2021, the Notice of Petition was published in the Florida Administrative Register in Volume 47, Number 52. To date, Florida Housing has received no comments concerning the Petition.

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

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

e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. 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 67-48.002(96), Fla. Admin. Code (2018) and the 2018 QAP to permit Petitioner to exchange its 2019 credits for an allocation of 2021 credits.

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B. In Re: Orlando Leased Housing Associates XI, LLLP - FHFC Case No. 2021-024VW

Development Name: (“Development”):	Chapel Trace Apartments
Developer/Principal: (“Developer”):	Orlando Leased Housing Development XI, LLC / Armand Brachman
Number of Units: 312	Location: Orange County
Type: Acquisition/Rehab / Garden	Set Asides: 100% at 60% AMI
Demographics: Family	Funding: 4% HC: \$1,733,550

1. Background

- a) Petitioner applied for non-competitive housing credits to assist in financing the rehabilitation of Chapel Trace Apartments, an affordable housing development in Orange County, Florida. On April 11, 2021, Florida Housing received a Petition for Waiver of the Rule 67-21.027(6) F.A.C. and the Final cost Certification Application Package Requirement to Confirm Certain Items with the Three Largest Dollar Subcontractors (the “Petition”). A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-21.027(6) Fla. Admin. Code, in relevant part, adopts and incorporates the Final Cost Certification Application Package (“Form FCCAP”).
- b) Specifically, Petitioner requests a waiver from the Form FCCAP’s requirement that the certified public accountant auditing the General Contractor Cost Certification request confirmation of certain cost related items by the general contractor’s three largest dollar subcontractors. Each applicant requesting housing credits must use the Form FCCAP to itemize all expenses incurred in association with construction or rehabilitation of a housing credit development, including expenses associated with the general contractor’s use of subcontractors. Among other things, each applicant must submit a General contractor Cost Certification and an unqualified audit report prepared by an independent certified public accountant for the General Contractor Cost Certification (the “GCCC”). The GCCC is used to establish the actual total costs incurred by the general contractor and assists Florida Housing in determining certain development costs and the amount of housing credits to allocate to the development. Florida Housing will not allocate housing credits until all required items in the Form FCCAP are received and processed.
- c) As part of the FCCAP process, the certified public accountant must confirm certain amounts with the three largest dollar subcontractors. Additionally, the certified public accountant must randomly select other subcontractors sufficient in number, but no less than five, that, when taken together with the three largest dollar subcontractors, account for at least 40 percent of the total construction costs. The certified public accountant must review certain documentation and verify the amounts paid to each of those subcontractors.
- d) According to Petitioner, the certified public accountant was able to confirm the costs of two of the three largest dollar subcontractors. However, Petitioner states that the one of the three largest dollar subcontractors, Global Cross Sourcing, Inc. (“Global Cross”) is no longer in business and the certified public accountant has been unable to confirm the costs of Global Cross. According to

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Petitioner, the certified public accountant included Global Cross in its review of subcontractors that, when taken together with the three largest dollar subcontractors, account for at least 40 percent of the total contract construction costs, and verify the amounts paid to each subcontractor by reviewing check copies, contract documents, change orders, and other supporting information to verify amounts included with the cost certification for each subcontract listed. Petitioner asserts that through that process the certified public accountant materially verified the amounts paid to Global Cross. Additionally, according to Petitioner, the certified public accountant did confirm the costs with the fourth, fifth, and sixth highest dollar amount subcontractors.

- e) Petitioner requests that Florida Housing grant a waiver or variance and allow the certified public accountant to submit the required confirmation requests to the fourth largest dollar subcontractor, instead of Global Cross. According to Petitioner, with the substitution of the fourth largest dollar subcontract for Global Cross, the certified public accountant was able to confirm the cost related items of the first, second, fourth, fifth, and sixth highest dollar subcontractors, along with three other subcontractors, which represents 44.24 percent of the total construction costs of the development. Additionally, Petitioner states that the certified public accountant traced the costs attributable to Global Cross to the source documents, which would bring the total percentage of total construction costs either confirmed or tested to 51.95 percent. In essence, according to Petitioner, the certified public accountant was able to verify a substantial portion (more than the required 40 percent) of total costs for subcontractors including Global Cross. Petitioner asserts that without the requested waiver or variance, the certified public accountant will not be able to complete the required audit and Petitioner will not be able to submit a complete Form FCCAP, thereby jeopardizing its housing credit allocation and Petitioner's ability to rehabilitate the Development.
- f) On April 14, 2021, Notice of the Petition was published in the Florida Administrative Register in Volume 47, Number 72. To date, Florida Housing has received no comments concerning the Petition.
- g) Section 120. 542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- h) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

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3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.027(6), Fla. Admin. Code, and the requirement of the Final Cost Certification Application Package to confirm the construction costs of the general contractors three largest dollar subcontractors, to allow Petitioner's certified public account to confirm costs of the general contractor's first, second, and fourth largest dollar amount subcontractors.

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C. In Re: St. John Plaza Apartments, LLC – FHFC Case No. 2021-023VW

Development Name: (“Development”):	St. John Plaza Apartments
Developer/Principal: (“Developer”):	St. John CDP-BC Developer, LLC Eric Haynes
Number of Units: 90	Location: Miami- Dade County
Type: Mid-Rise (5-6)	Set Asides: 100% @ 60% AMI
Demographics: Family	Funding: 4% HC (\$1,064,867)

1. Background

- a) St. John Plaza Apartments, LLC (“Petitioner”) has applied for an award of 4% non-competitive Housing Credits, in conjunction with a local government bond allocation, to assist in the financing of the development described above.
- b) On April 1, 2021, Florida Housing received a Petition for Waiver of Rule 67-21.027(6), Fla. Admin Code, including requests for relief as provided under related Rules as set forth below. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-21.027(6), Fla. Admin. Code (Rev. 6-23-20) provides:

The Final Cost Certification Application Package (Form FCCAP) shall be used by an Applicant to itemize all expenses incurred in association with construction or Rehabilitation of a Housing Credit Development, including Developer's and General Contractor's fees as described in rule 67-21.026, F.A.C. Such form package shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC) included in the form package, along with the executed Extended Use Agreement and appropriate recording fees, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries if requested by the Corporation, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter for both the DFCC and GCCC, an unmodified audit report prepared by an independent certified public accountant for both the DFCC and GCCC, photographs of the completed Development, the monitoring fee, and documentation of the placed-in- service date as specified in the Form FCCAP instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation...

- b) Petitioner also requests relief provided under two related rules, for which Board consent is required. Rule 67-21.026(13)(f) imposes a limitation on the percentage of construction costs that may be subcontracted (the "31% Subcontractor Cap"):

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

...

(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...

c) Rule 67-21.003(8)(b), Fla. Admin. Code provides:

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 Petitioner has been invited to enter Credit Underwriting.

d) The 4% Non-Competitive Application Form (Rev. 04-2020) (“NCA”), incorporated by reference within Rule 67-21.003(1)(b), provides:

For purposes of (1) and (2) below, a material change shall mean 33.3 percent or more of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant, and a non-material change shall mean less than 33.3 percent of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant.

(1) For Applicants requesting Non-Competitive Housing Credits only: The Applicant entity shall be the recipient of the Housing Credits and the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form and cannot be changed in any way (materially or non-materially) until after the Preliminary Determination is issued. Once the Preliminary Determination has been issued, (a) any 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.

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.

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- e) Petitioner requests the above Rule waiver and associated relief to:
- submit a final cost certification based on Agreed Upon Procedures in lieu of the required audit;
 - exceed the “31% Subcontractor Cap” by 0.42%; and
 - permit a change in the Principals of its Applicant and Developer.
- f) Petitioner reports that the above changes are necessary as a result of ongoing litigation with its General Contractor, in which Petitioner is the plaintiff, and for a variety of reasons as set forth in the Petition. Petitioner filed suit on July 30, 2020, and subsequently terminated its contract with the General Contractor on August 6, 2020. As a result of these circumstances, and lack of cooperation with the General Contractor, Petitioner cannot complete the final cost certification with a full audit, and instead proposes to submit an Agreed Upon Procedures (AUP) auditing standard. Without a final cost certification, Petitioner cannot close on its permanent financing, resulting in a substantial financial hardship. The circumstances have also resulted in a 0.42% increase in the subcontractor fee, which now exceeds the Subcontractor Cap. Due to the minimal increase, the Credit Underwriter has made no changes to its recommendation.
- g) In an unrelated matter, Petitioner requests Board consent to change the Principals of its Applicant and Developer entities, due to errors made in its non-competitive Application (see exhibits 3 and 4 to Exhibit ____, attached).
- h) On April 6, 2021, the Notice of Petition was published in the Florida Administrative Register in Volume 47, Number 66. To date, Florida Housing has received no comments concerning the Petition.
- i) Section 120.542(2), Florida Statutes provides in pertinent part:
- Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- j) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

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3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.027(6), Fla. Admin. Code, and the relief request under 67-21.003(8)(b) and 67-21.026(13)(f), Fla. Admin. Code and the NCA, to permit Petitioner to: submit a final cost certification based on AUP in lieu of an audit; to exceed the subcontractor fee limit by 0.42%; and to change its Applicant and Developer Principals as set.

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Consent

D. In Re: Block 55 Residential, LP – FHFC Case No. 2021-025VW

Development Name: (“Development”):	Sawyer’s Walk
Developer/Principal: (“Developer”):	Swerdlow Group, LLC / Flynn Janisse
Number of Units: 578	Location: Miami-Dade County
Type: New Construction / High Rise	Set Asides: 289 Units @ 40% AMI 177 Units @ 70% AMI 112 Units @ 80% AMI
Demographics: Family	Funding: 4% HC: \$8,582,044

1. Background

- a) Block 55 Residential, LP (“Petitioner”) has applied for an award of non-competitive Housing Credits to be used in conjunction with multifamily housing revenue bonds issued by Miami-Dade County to assist in the construction of a 578 unit affordable housing development in Miami-Dade County. The mixed use development will also include commercial and retail space and a parking garage, and 96% of the affordable units will serve an elderly population.
- b) On April 14, 2021, Florida Housing received a Petition for Waiver of Rules 67-21.0025(7)(c) and 67-21.003(1)(b) Fla. Admin. Code and the Non-Competitive Application Package (Rev. 4/2020) from Petitioner and on April 20, 2021, Petitioner filed an Amended Petition for Waiver of Rules 67-21.0025(7)(c) and 67-21.003(1)(b) Fla. Admin. Code and the Non-Competitive Application Package (Rev. 4/2020). A copy of the Amended Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-21.0025(7)(c), Fla. Admin. Code, provides in relevant part:

The Applicant must disclose all of the Principals of all of the entities identified in paragraph (b) above (third principal disclosure level). Unless the entity is a trust, all of the Principals must be natural persons.
- b) Rule 67-21.003(1)(b), Fla. Admin. Code adopts and incorporates by reference the Non-Competitive Application (NCA) Package (Rev. 04-2020). The NCA package includes the following requirements:

Section A.6.a., provides in relevant part:

6. Principals Disclosure for Petitioner and each Developer:

 - a. Provide the Principals of the Applicant and Developer(s) Disclosure Form in effect at the time of Application submission (“Principal Disclosure Form”), as “Exhibit 3” to the Application form.

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Consent

- c) The Instructions provide in relevant part:

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.

- d) Section 13(c)(2)(a) requires in relevant part:

If the Credit Underwriting for the bonds was prepared by a Credit Underwriter under contract with the Corporation, provide a complete copy of the final Credit Underwriting Report as “Exhibit 7.”

- e) Section 15(k) provides in relevant part:

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) ...

- f) The contemplated ownership structure for this large, mixed use development is especially complex. It is anticipated to include condominium ownership for the various components, with partial common upper tier ownership of the commercial/retail space and the residential units. The financing plan is also complex, and a multi-tier ownership structure is necessary to accommodate the ownership and financing of the commercial components. For these reasons the anticipated ownership structure will include entities to the fifth level of disclosure, with all natural person principals of these entities being disclosed by the sixth level. The creation of wholly different entities for the residential and commercial components is not feasible or beneficial to the Development.
- g) Petitioner also asserts that it will not be possible to complete the Credit Underwriting Report until final action is take on this waiver request. Petitioner also asserts that it was necessary to submit an Application in order to submit this waiver request. It will therefore not be possible to submit the Application after completing Credit Underwriting, and Petitioner requests that it be allowed to submit its Application without a final Credit Underwriting Report.
- h) The total proposed equity for this Development is approximately \$70,000,000. Petitioner is proposing that the equity amount to be paid by closing of construction financing be 10% of the total proposed equity (\$7,000,000) rather than the 15% required by the NCA package. Petitioner asserts that the size and complexity of the Development and the unusually long construction schedule mean that investors will not receive the Housing Credits for substantially longer than is typical in this type of transaction. Further, Petitioner asserts that since it must prioritize spending bond proceeds before using other financing sources, and since the construction schedule is approximately three years, it will not have any need for more than 10% of the total proposed equity at construction closing. For these reasons Petitioner asserts that if the 15% criteria is not waived it will

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create a hardship because the credit pricing will be reduced if it must request an additional \$3,500,000 from the investor up front.

- i) On April 15, 2021, the Notice of Petition was published in the Florida Administrative Register in Volume 47, Number 73. 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 have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. 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 67-21.0025(7)(c) and 67-21.003(1)(b), Fla. Admin. Code, and the above-cited provisions of the Non-Competitive Application Package to permit Petitioner to:
 - (1) Submit a Principal Disclosure Form modified as necessary to allow disclosure of all natural person principals by the sixth disclosure level;
 - (2) Submit a Non-Competitive Application package prior to completing Credit Underwriting; and
 - (3) Assure that the proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 10 percent of the total proposed equity to be provided.

MULTIFAMILY BONDS

Consent

I. MULTIFAMILY BONDS

A. Request Approval to Transfer the 2021 Series A-2 Note for Landon Preserve fka Brandon Preserve (RFA 2019-116 / 2020-416BS / 2019-514C)

Development Name: Landon Preserve fka Brandon Preserve	Location: Hillsborough County
Applicant/Borrower: Brandon Preserve, Ltd	Set-Aside(s): 40% @ 60% AMI (MMRB) 10.435% @ 70% AMI (SAIL & 4% HC) 84.348% @ 60% AMI (SAIL & 4% HC) 5.217% @ 40% AMI (SAIL & 4% HC)
Developer/Principal: TVC Development, Inc / John D. Rood	Demographic/Number of Units: Family / 230 units
Requested Amounts: \$24,650,000 Multifamily Mortgage Revenue Notes (MMRN) \$6,500,000 State Apartment Incentive Loan (SAIL) \$1,436,448 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On November 6, 2019, Florida Housing issued a Request for Applications (RFA) 2019-116 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. On July 20, 2020, staff issued an invitation to enter credit underwriting to the Applicant.
- b) On December 4, 2020, the Board approved the final credit underwriting report and directed staff to proceed with the closing activities. On January 22, 2021, the Board subsequently approved a Credit Underwriting Update Letter increasing the MMRN amount and adding a Second Note Purchaser for the Series A Notes.
- c) On February 26, 2021, the Applicant closed on the MMRN and SAIL funding loans.
- d) On March 16, 2021, bond counsel received notice from STI Institutional & Government, Inc., the purchaser of the 2021 Series A-2 Governmental Note, requesting consent to the transfer of the Note to its parent company, Truist Financial Corporation. On April 21, 2021, staff received a credit underwriting update letter with a positive recommendation for approval of the proposed change ([Exhibit A](#)).

2. Recommendation

- a) Approve the credit underwriting update letter for the transfer of the 2021 Series A-2 Governmental Note, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of Release of a Parking Parcel from the Land Use Restriction Agreement and the Extended Low-Income Housing Agreement for Federation Towers (MMRN 2019 Series O / 2018-103B / 2018-525C)

Development Name: Federation Towers	Location: Miami-Dade County
Applicant/Borrower: Federation Towers Preservation LP	Set Aside(s): 100% @ 60% AMI (MMRN & 4% HC)
Developer/Principal: FA Developer LLC / Stuart Feldman	Demographic/Number of units: Elderly / 114
Requested Amounts: \$26,500,000 Multifamily Mortgage Revenue Note (MMRN) \$887,983 Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation / High Rise

1. Background/Present Situation

- a) Florida Housing financed the acquisition and rehabilitation of the above referenced Development in 2019 with \$26,500,000 in tax exempt MMRN designated as 2019 Series O and \$887,983 in 4% HC.
- b) On November 30, 2020, staff received a request from the Borrower for consent to release a parking parcel from the Land Use Restriction Agreement (LURA) and the Extended Low-Income Housing Agreement (ELIHA). At the time of closing, the Borrower entered into a parking lease on an adjacent parcel to provide 24 parking spaces to the Development. The Borrower is requesting the release of the parking parcel to facilitate the sale of the adjacent parcel to a third party for the construction of a parking garage. The Development will retain 24 parking spaces within the parking garage. AmeriNat® has reviewed this request and provided a positive recommendation for the release of the parking parcel ([Exhibit B](#)).

2. Recommendation

- a) Approve the release of the parking parcel 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

C. Request Approval to Execute Acknowledgment Resolution

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 the proposed Development referenced below intending to finance the acquisition, construction and/or rehabilitation of the Development. A brief description of the Development is detailed below. The resolution being presented to the Board for approval is attached as [Exhibit C](#).

2. Recommendation

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

Development Name	Name of Applicant	County	Number of Units	Applicable Application	Exhibit
Pine Grove Apartments	Powers Avenue Apartments, Ltd.	Duval	168	Non-Competitive Application / 2020-103B	Exhibit C

MULTIFAMILY BONDS

Consent

D. Request Approval of the Transfer of Ownership for Mill Creek Apartments (2004 Series K/2004-516C)

Development Name: Mill Creek Apartments	Location: Orange County
Applicant/Borrower: Prime/Commander Drive, LLC	Set-Asides: 85% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developers/Principals: Whiteco Residential LLC / Timothy J. Connelly	Demographic/Number of Units: Family / 312
Requested Amounts: \$15,500,000 Multifamily Mortgage Revenue Bonds(MMRB) \$1,273,588 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. **Background**

- a) Florida Housing financed the above referenced Development in 2004 with \$15,500,000 in tax exempt MMRB designated as 2004 Series K. In addition, \$1,273,588 in 4% Housing Credits was allocated to this Development.

2. **Present Situation**

- a) The Borrower has requested Florida Housing’s consent to the transfer of the Development to FFAH Mill Creek FL, LLC, an affiliate of Foundation for Affordable Housing, Inc., and transfer and subordination of the MMRB Land Use Restriction Agreement (MMRB LURA) and the Extended Low-Income Housing Agreement (ELIHA). Seltzer Management Group 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 Berkadia Commercial Mortgage LLC ([Exhibit D](#)). The Bonds will be redeemed upon transfer of the Development.

3. **Recommendation**

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

MULTIFAMILY PROGRAMS

Consent

I. MULTIFAMILY PROGRAMS

A. Request Approval of Credit Underwriting Update Letter Increasing the Permanent First Mortgage Amount for Denton Cove (2020-494C / 2018-337V)

Development Name: Denton Cove	Location: Franklin County
Applicant/Borrower: Denton Cove, Ltd.	Set-Aside(s): 10% @ 45% AMI (9% HC and Viability Loan) 90% @ 60% AMI (9% HC and Viability Loan)
Developer/Principal: Denton Cove Developer, Inc., Jonathan L. Wolf	Demographic/Number of Units: Family/52
Requested Amounts: \$1,314,370 Housing Credits (9% HC) \$2,250,000 Viability Loan	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On November 21, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-114 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties. On March 20, 2015, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting on May 13, 2015, and the Carryover Allocation Agreement was executed on December 27, 2016. Subsequent credit exchanges were approved by the Board, and new Carryover Allocation Agreements were executed on December 21, 2017, and June 10, 2019.
- b) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding (Viability Loan) for Developments. On May 4, 2018, 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 June 6, 2018.
- c) On September 21, 2020, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2020-211 for Housing Credit Financing for Proposed Developments Located in Small Counties that have an Aged Active Award of 9% Housing Credits. On October 16, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting on October 22, 2020. With acceptance of this invitation, the Applicant returned their Active Award of 9% Housing Credits to the Corporation and was issued a new 9% Housing Credit Allocation; a new Carryover Allocation Agreement was executed on December 23, 2020.
- d) On March 12, 2021, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities. On March 15, 2021, staff issued a firm commitment letter to the Borrower and the Viability Loan closed on April 6, 2021.

MULTIFAMILY PROGRAMS

Consent

- e) The borrower requested to increase the permanent first mortgage amount Neighborhood Lending Partners of Florida, Inc. (“NLP”). NLP increased its first mortgage from \$500,000 to \$600,000 for a difference of \$100,000. Per RFA 2018-109, after accepting a notice of preliminary award, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the mortgage without prior approval of the Corporation’s Board of Directors. However, an Applicant may reduce the interest rate on any superior or inferior mortgage loan without the Board’s permission, provided that no other terms of the loan are changed. The Corporation must be notified in writing of any such change. On April 15, 2021, staff received a Credit Underwriting Update Letter with a positive recommendation for the increased permanent first mortgage ([Exhibit A](#)).
- f) Staff has reviewed this letter and finds that it meets all the requirements of RFA 2020-211 and RFA 2018-109.

2. **Recommendation**

- a) Approve the credit underwriting update letter increasing the permanent first mortgage amount.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

I. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Neighborhood Housing Foundation., a not-for-profit entity, for Liberty City Homes (2020-007P-09)

DEVELOPMENT NAME (“Development”):	Liberty City Homes
APPLICANT/DEVELOPER (“Developer”):	Neighborhood Housing Foundation
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	48
LOCATION (“County”):	Miami-Dade County
TYPE:	Family
MINIMUM SET ASIDE:	50% @80% AMI and 50% @120% AMI
PLP LOAN AMOUNT:	\$650,390
ADDITIONAL COMMENTS:	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On August 25, 2020, the Developer submitted a PLP application for Liberty City Homes.
- c) On August 31, 2020, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 10, 2021, 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 \$650,390. Of this amount, \$376,000 is being requested for the acquisition of the development site and by rule is subject to a review by a credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$650,390 to Neighborhood Housing Foundation, for Liberty City Homes and allow staff to commence with the loan closing process the closing process on the non-site acquisition funds and assign the applicant to a credit underwriter for the acquisition portion of the loan.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Neighborhood Housing Services of South Florida, Inc., a not-for-profit entity, for Pompano Beach Duplex (2021-001P-09)

DEVELOPMENT NAME (“Development”):	Pompano Beach Duplex
APPLICANT/DEVELOPER (“Developer”):	Neighborhood Housing Services of South Florida (HSSF), Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	2
LOCATION (“County”):	Broward
TYPE:	Family
MINIMUM SET ASIDE:	50% @80% AMI and 50% @120% AMI
PLP LOAN AMOUNT:	\$181,700
ADDITIONAL COMMENTS:	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On January 14, 2021, the Developer submitted a PLP application for Pompano Beach Duplex.
- c) On January 14, 2021, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 10, 2021, 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 \$181,700. Of this amount, \$120,000 is being requested for the acquisition of the development site and by rule is subject to a review by a credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$181,700 to Neighborhood Housing Services of South Florida, Inc. for Pompano Beach Duplex and allow staff to commence with the loan closing process on the non-site acquisition funds and assign the site acquisition portion of the loan to a credit underwriter for review.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Loan Closing 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) 12% @ 50% AMI (SAIL) 80% @ 60% AMI (SAIL)
Developers/Principals: Rural Neighborhoods, Inc. / Steve 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 Financing Farmworker and Commercial Fishing Worker Housing.
- b) On June 21, 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 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 4, 2020, the Board approved the request to extend the firm loan commitment issuance deadline from September 23, 2020 to March 23, 2021.
- e) On January 22, 2021, the Board approved the final credit underwriting report with a positive recommendation for SAIL funding and directed staff to proceed with the closing activities. On January 26, 2021, staff issued a firm commitment to the Applicant giving them a loan closing deadline of May 26, 2021. A request for an extension of the loan closing deadline may be considered by the Board for an extension term of up to 90 Calendar Days. An extension fee of one percent of each loan amount will be required if the Board approves the extension request.
- f) On April 2, 2021, the Borrower requested a loan closing deadline extension from May 26, 2021 to August 24, 2021 ([Exhibit A](#)). While the Borrower fully expects to close on the loan prior to the May 26, 2021 deadline, due to deadline occurring prior to the June 18, 2021 Board meeting this request was submitted in an abundance of caution in case the loans do not close in time.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

- a) Approve the request for a loan closing deadline extension from May 26, 2021 to August 24, 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval for Applicant Name Change and RFA Waiver for Applicant Entity Structure for Christian Manor (2020-405S)

Development Name: Christian Manor	Location: Palm Beach County
Applicant/Borrower: Christian Manor Restoration, LLC	Set-Asides: 10% @ 28% AMI (SAIL & ELI) 90% @ 60% AMI (SAIL) 100% @ 60% AMI (4% HC)
Developers/Principals: Integrity Development Partners, LLC / Rhett Holmes, SCG Development Partners, LLC	Demographic/Number of Units: Elderly (Non-ALF) / 200 units
Requested Amounts: \$5,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$887,200 Housing Credits (4% HC)	Development Category/Type: Acquisition & Rehabilitation/Garden Apartments

1. Background/Present Situation

- a) On November 6, 2019, Florida Housing issued a Request for Applications (RFA) 2019-116 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 6, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 17, 2020, 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 July 20, 2020, 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 July 24, 2020, giving them a firm loan commitment issuance deadline of July 24, 2021.
- d) On March 4, 2021, staff received a request from the Applicant to change the Applicant Name of Christian Manor Restoration, LLC ([Exhibit B](#)). The Applicant is requesting that the Applicant Name be changed from Christian Manor Restoration, LLC to Christian Manor Restoration, LP. Per the RFA, the name of the Applicant entity or Developer entity 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 that it meets all the requirements of the RFA.
- e) The Applicant is also requesting a change to the Applicant entity structure. The Applicant entity structure at time of application included Christian Manor GP, LLC as Managing/Non-Investor Member (0.01%) with Phase Housing Corporation, Inc., a Florida nonprofit, as the sole member of Christian Manor GP, LLC. The Applicant is requesting that Christian Manor GP, LLC as Managing/Non-Investor Member be removed and replaced with Phase Housing Corporation, Inc. as the new General Partner of the new Applicant entity. The Borrower has requested the change in order for the Development to maintain its tax exemption under Florida Statute 196.1975. Pursuant to the RFA, the

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

Applicant Entity shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until after loan closing. Therefore, the change in the Applicant Entity requires an RFA Waiver.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Credit Underwriting Report for Jacaranda Place (2020-451CS)

Development Name: Jacaranda Place	Location: Charlotte County
Applicant/Borrower: Blue CASL Charlotte, LLC	Set-Aside(s): 15% @ 40% AMI (SAIL) 85% @ 60% AMI (SAIL & 9% HC)
Developer/Principal: Blue JP Developer, LLC/ Shawn Wilson / CASL Developer, LLC	Demographic/Number of Units: Persons with Disabling Condition/Homeless / 88 units
Requested Amounts: \$4,000,000 State Apartment Incentive Loan (SAIL) \$1,700,000 Housing Credits (9% HC)	Development Category/Type: New Construction / Garden Apartments

1. **Background/Present Situation**

- a) On February 25, 2020, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2020-106 for Financing for the Development of Housing for Persons with a Disabling Condition or Developmental Disabilities.
- b) On June 11, 2020, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 9, 2020 staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on July 13, 2020, giving them a firm loan commitment issuance deadline of July 13, 2021.
- d) On December 4, 2020, the Board approved a change in the Developer Entity Structure. The co-Developer, Blue Sky Developer, LLC was replaced with Blue JP Developer, LLC. The principals remained the same.
- e) On April 21, 2021, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit C](#)). Staff has reviewed this report and finds that it meets all the requirements of RFA 2020-106.

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 Credit Underwriting Report for La Estancia Apartments (2020-493S)

Development Name: La Estancia Apartments	Location: Hillsborough County
Applicant/Borrower: La Estancia, Ltd.	Set-Aside(s): 11% @ 35% AMI (SAIL) 10% @ 40% AMI (SAIL) 79% @ 50% AMI (SAIL) 100% @ 60% AMI (4% HC)
Developer/Principal: DDER Development, LLC/ Deion R. Lowery / EMW La Estancia, LLC	Demographic/Number of Units: Farmworker / 84 units
Requested Amounts: \$4,200,000 State Apartment Incentive Loan (SAIL) \$335,232 Housing Credits (4% HC)	Development Category/Type: Acquisition/Rehabilitation / Quadraplexes

1. Background/Present Situation

- a) On April 15, 2020, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2020-104 for SAIL Funding for Farmworker and Commercial Fishing Worker Housing.
- b) On July 17, 2020, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On October 16, 2020, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. On October 21, 2020 staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on October 26, 2020, giving them a firm loan commitment issuance deadline of October 26, 2021.
- d) On March 10, 2021, staff received a request from the Applicant to waive Rule Chapter 67-21.003(1)(b) to be allowed to apply for local tax exempt bonds combined with 4% tax credits. The Applicant stated the combined SAIL and tax credit financing will provide a more complete and comprehensive scale of improvements for the development that will benefit the Farmworker tenants.
- e) On March 12, 2021, staff received the completed 4% Housing Credit Application.
- f) Pursuant to delegation of authority in Resolution 2020-007, the Executive Director approved the request to allow the application submission prior to completion of the credit underwriting report for the Bonds for the Development.
- g) On April 21, 2021, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit D](#)). Staff has reviewed this report and finds that it meets all the requirements of RFA 2020-104.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval of Co-Developer Name Change for Orange Blossom Village (2020-404S)

Development Name: Orange Blossom Village	Location: Indian River County
Applicant/Borrower: Orange Blossom Village, LLLP	Set-Aside(s): 15% @ 30% AMI (SAIL, ELI & 4% HC) 62.50% @ 60% AMI (SAIL & 4% HC) 22.50% @ 80% AMI (SAIL & 4% HC)
Developer/Principal: Psalms 127 Development, LLC / ReBuild America of Florida, Inc. / SHAG Orange Blossom, LLC / Timothy Henzy	Demographic/Number of Units: Elderly (Non-ALF) / 80 units
Requested Amounts: \$4,500,000 State Apartment Incentive Loan (SAIL) \$463,200 Elderly Low Income (ELI) \$429,749 Credits (4% HC)	Development Category/Type: Acquisition & Rehabilitation / Garden Apartments

1. Background/Present Situation

- a) On November 6, 2019, Florida Housing issued a Request for Applications (RFA) 2019-116 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 6, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 17, 2020, 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 July 20, 2020, 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 July 24, 2020, giving them a firm loan commitment issuance deadline of July 24, 2021.
- d) On April 13, 2021, staff received a request from the Applicant to change the Co-Developer Name of Psalms 127 Development, LLC ([Exhibit E](#)). The Applicant is requesting that the Co-Developer Name be changed from Psalms 127 Development, LLC to Mansermar Development, LLC. Per the RFA, the name of the Applicant or Developer entity(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 the request and finds that it meets all requirements of the RFA.

2. Recommendation

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

SINGLE FAMILY PROGRAMS

Consent

I. SINGLE FAMILY PROGRAMS

A. Repeal of Chapter 67-51, Fla. Admin. Code

1. Background/Present Situation

- a) At the request of Governor DeSantis, Florida Housing is conducting a review of its rules to see which ones may need to be amended and which may need to be repealed. Rule chapter 67-51, Homeownership Assistance for Moderate Income Loan Program was created in 2006 and was offered as a down payment assistance loan product through 2013. It has since been replaced and no longer serves any purpose and therefore can be repealed. If this loan product is needed in the future, the corporation can proceed with new rule development as necessary and appropriate.

2. Recommendation

- a) Authorize staff to file a Notice of Rule Repeal for Rule chapter 67-51 with the Secretary of State and publish such notice in the Florida Administrative Register.

SPECIAL ASSETS

Consent

I. SPECIAL ASSETS

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

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

1. Background

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$11,020,000, and FHFC issued taxable bonds in the original amount of \$2,180,000 to fund a first mortgage loan to Hampton Point Limited Partnership, a Florida limited partnership (“Borrower”), for the development of a 284-unit apartment complex in Charlotte County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on September 25, 2003. The first mortgage loan was guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”). The Development also received a 2003 allocation of low-income housing tax credits (“HC”) of \$947,753.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$600,682.40 and two State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loans of \$1,125,000 and \$2,500,000. The SMI loan closed on June 11, 2009. The first SAIL ELI loan closed on April 29, 2011 and matures on April 29, 2026. The second SAIL ELI loan closed on April 23, 2013 and matures on April 23, 2028.
- c) In November 2013, the Board approved the refinancing of the existing first mortgage loan. The proceeds were used to satisfy the existing first mortgage thereby redeeming the underlying bonds and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan was paid off. The MMRB Land Use Restriction Agreement (“LURA”) remains outstanding.
- d) In July 2020, the Board approved the transfer of the ownership of the Development. Approval was granted for the refinance of the existing first mortgage, and to subordinate the SAIL ELI loan documents, MMRB LURA, and HC Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage, and to assume the SAIL ELI loan documents, MMRB LURA, and HC ELIHA.

SPECIAL ASSETS

Consent

2. **Present Situation**

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

3. **Recommendation**

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

SPECIAL ASSETS

Consent

B. Request Approval of HUD Refinance with SAIL Payoff and Subordinate the SAIL ELI and Extended Low-Income Housing Agreement for Indian Trace Associates, Ltd., a Florida Limited Partnership, for Indian Trace Apartments (2002-042S/2002-531C/RFP 2011-05-13)

Development Name: Indian Trace Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Cornerstone (“Developer”)/Indian Trace Associates, Ltd. (“Borrower”)	Set-Aside: SAIL 20%@50%; 80%@60%; SAIL ELI 10%@28%; HC 100%@60% LURA: 50 years; ELI: 15 years; EUA: 50 years
Number of Units: 330	Allocated Amount: SAIL \$2,000,000; SAIL ELI \$2,475,000; HC \$890,358
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,000,000 to Indian Trace Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 330-unit apartment complex in Palm Beach County, Florida. The SAIL loan closed on September 29, 2003 and will mature on May 1, 2048. The Development had local bonds issued by the Housing Finance Authority of Palm Beach County and the mortgage loan was guaranteed by the Florida Housing’s Guarantee Program (“Guarantee Program”) which closed on 12/24/2003. The Development also received a 2002 allocation of low-income housing tax credits of \$890,358.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$541,816.36 and a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$2,475,000. The SMI loan closed on August 12, 2009 and was paid off in April 2013 when the Development refinanced its first mortgage debt. The SAIL ELI loan closed on May 29, 2012 and will mature on May 1, 2048.
- c) On February 1, 2013, the Board approved the Borrower’s request to refinance the then existing first mortgage loan. The Borrower obtained a HUD insured 223(f) program first mortgage loan originated by Oak Grove Commercial Mortgage, the proceeds of which were used to satisfy the existing first mortgage, redeem the underlying bonds previously issued by the Housing Finance Authority of Palm Beach County, and effectively terminated the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC.

2. Present Situation

- a) The Borrower requests approval of refinancing of the first mortgage loan and the amendment and subordination of the SAIL LURA and ELI Loan documents and HC ELIHA, with intentions of paying off the SAIL Loan and HOME Loan from Palm Beach County Housing Finance Authority and extending the ELI mortgage to be co-terminus with the new first mortgage loan for the Development. The Borrower would like to refinance the existing first mortgage from HUD with a 223(f) FHA Loan from HUD.

SPECIAL ASSETS

Consent

- b) The Borrower has been awarded funds from the State Housing Initiatives Partnership (“SHIP”) program through the Palm Beach County Commission, in the amount of \$310,000. The funding will be used for capital improvements. The SHIP loan will be subordinate to the SAIL and SAIL ELI loans.
- c) Staff received a credit underwriting report ([Exhibit B](#)) from First Housing with a positive recommendation for approval of the refinancing and subordination.

3. **Recommendation**

- a) Approve the first mortgage refinancing, subordination of the existing SAIL ELI and HC ELIHA documents subject to the conditions outlined 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.