



Date: December 15, 2023
 Location: Tampa Airport Marriott
 Time: 8:30am

Call in Number: 1-888-585-9008
 Conference Room: 369-746-945

BOARD MEETING AGENDA

Call to Order, Declaration of Quorum	<i>Board Liaison</i>
Public Comment	<i>Chair</i>
Minutes Approval of Minutes of the October 27, 2023, Board Meeting	<i>Chair</i>
Audit Committee Update	<i>Vice-Chair</i>
Approval of Items on Consent Agenda	<i>Chair</i>
Live Local Update	<i>Marisa Button</i>
Action Items	
I. Fiscal	<i>Angie Sellers</i>
A. 2024 Proposed Operating Budget	
II.CDBG-DR	<i>David Westcott</i>
A. Request Approval of Loan Closing Deadline Extension and RFA Waiver of Extension Fee for Brownsville Transit Village V (RFA 2019-102 / 2020-023BD / 2019-570C)	
III. HOME Rental	<i>David Westcott</i>
A. Request Approval of Additional HOME Funds for Willie Downs Villas	
IV. Legal	<i>Ethan Katz</i>
A. MHP FL IX LLLP vs. Florida Housing Finance Corporation, Ambar Station, LTD., and SP Marsh LLC; FHFC Case No. 2023-071BP; DOAH Case No. 23-4043BID	
V. Professional Services Selection (PSS)	<i>Zach Summerlin</i>
A. Single Source Procurement for the Affordable Housing Locator Subscription Services	
Election of 2024 Chair and Vice-Chair	<i>Board</i>
Public Comment	<i>Chair</i>
Adjournment	

FISCAL

Action

I. FISCAL

A. 2024 Proposed Operating Budget

1. **Background:**

- a) The Florida Housing Operating Budget is created with a conservative approach to both revenue and expenses.
- b) The 2024 budget was created using the following approach, as applicable:
 - a projection of fee revenue based on the current loan portfolio and a conservative estimate of 2024 activity;
 - a projection of revenue from the administration of federal programs;
 - a projection of investment earnings based on input from investment managers;
 - a zero-based budget model for operating expenses, exclusive of salaries and benefits; a 2024 projected work plan developed by each business unit supports the expense budget request from that unit;
 - employee benefits information based on final quotes for insurance.
- c) Upon implementation of the 2024 Operating Budget, Florida Housing will closely monitor all revenues and expenses. Florida Housing will pay special attention to discretionary line items, such as staff development travel and outreach travel, which will be controlled at the executive level. With these measures in place to control expenditures, Florida Housing expects to maintain a positive trend of revenues exceeding expenses.

2. **Present Situation:**

- a) The Proposed Operating Budget for 2024 is provided to the Board as [Exhibit A](#).
- b) An Account Guide describing the budget categories is included with the Proposed 2024 Operating Budget.

3. **Recommendation:**

- a) Staff recommends approval of the 2024 Operating Budget.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY

Action

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

A. Request Approval of Loan Closing Deadline Extension and RFA Waiver of Extension Fee for Brownsville Transit Village V (RFA 2019-102 / 2020-023BD / 2019-570C)

Development Name: Brownsville Transit Village V	Location: Miami-Dade County
Applicant/Borrower: Brownsville Village V, Ltd.	Set-Aside(s): MMRB: 40% @ 60% AMI CDBG-DR & 4%HC: 16.667% @ 30% AMI 58.333% @ 60% AMI 25.000% @ 80% AMI
Developer/Principal: APC Brownsville V Development, LLC. (Howard Cohen)	Demographic/Number of Units: Elderly, Non-ALF/120
Requested Amounts: Multifamily Mortgage Revenue Bonds (MMRB): \$17,370,000 CDBG-DR: \$6,150,000 4% Housing Credits: \$1,667,243	Development Category/Type: New Construction/High-Rise

1. Background:

- 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 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 March 12, 2021, the Board approved the request to extend the firm loan commitment issuance deadline from May 4, 2021 to November 4, 2021.
- d) On September 10, 2021, the Board approved the RFA Waiver to grant a second request to extend the firm loan commitment issuance deadline from November 4, 2021 to May 4, 2022.
- e) On January 21, 2022, the Board approved the final credit underwriting report and authorizing resolutions and directed staff to proceed with loan closing activities.
- f) On June 17, 2022, the Board approved the Applicant’s requested first loan closing extension from July 25, 2022 to November 1, 2022 and waiver of the extension fee.
- g) On August 5, 2022, the Board approved the Borrower’s request to increase the MMRB amount from \$16,510,000 to \$17,370,000, a CDBG-DR Viability Loan in the amount of \$2,250,000, and the execution of the amended authorizing resolutions.
- h) On October 28, 2022, the Board approved an RFA waiver for a second loan

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY

Action

closing extension from November 2, 2022 to February 2, 2023 and to waive the CDBG-DR extension fee. The request was submitted due to ‘HUD’s underwriting timeline for a firm commitment of the FHA 221(d)(4) loan continues to delay the projected closing date of mid-November 2022.’

- i) On January 27, 2023, the Board approved an RFA waiver for a third loan closing extension from February 1, 2023 to May 1, 2023 and to waive the CDBG-DR extension fee. The request was submitted due to HUD’s requirement of a direct land lease with Miami-Dade County which requires the Miami-Dade County Board of County Commission (MCC) approval.
- j) On June 9, 2023, the Board approved an RFA Waiver for a fourth loan closing extension from May 1, 2023 to November 1, 2023 and to waive the CDBG-DR extension fee. The request was submitted due to HUD’s requirement to have a direct lease with Miami-Dade County (County). The new lease must be reviewed by the Federal Transit Administration (FTA) and the seller of the land to the County before final approval by the MCC.

2. **Present Situation:**

- a) On November 20, 2023, the Borrower requested an RFA Waiver for a fifth loan closing extension from through November 1, 2023 to May 1, 2024 and to waive the CDBG-DR extension fee ([Exhibit A](#)). The request was submitted due to the continued delay in securing ‘a direct lease agreement between Brownsville Village V, Ltd. (Applicant) and Miami-Dade County in accordance with HUD requirements.’ The new lease must be reviewed and approved by the FTA and the seller of the land to the County before final approval by the MCC. It is anticipated that the FTA will review, approve, and execute said lease prior to the January 17, 2024 MCC meeting with anticipated closing withing 30 days thereafter.

3. **Recommendation:**

- a) Approve the RFA Waiver request to grant a fifth loan closing extension from November 1, 2023 through May 1, 2024, and continue with loan closing activities, subject to further approvals and verifications by the Florida Department of Commerce, Credit Underwriter, Bond Counsel, Special Counsel, and appropriate Florida Housing Staff. Additionally, due to the funding source and nature of the CDBG-DR funds, waive the extension fee.

HOME RENTAL

Action

III. HOME RENTAL

A. Request Approval of Additional HOME Funds for Willie Downs Villas

Development Name: Willie Downs Villas ("Development")	Location: Highlands County
Developer: Highlands County Housing Authority, Inc.,	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 50 HOME Units
Type: New Construction/Quadplexes	HOME: \$5,531,000
Total Number of Units: 50	Demographics: Family

1. Background:

- a) The Applicant, Highlands, County Housing Authority, applied for funding under Request for Applications (RFA) 2016-101, seeking an allocation of HOME Financing to be Used for Rental Developments in Rural Areas. On August 5, 2016, the Board approved the selection of six (6) Applications, including Willie Downs Villas, for funding and invitation to credit underwriting.
- b) On August 10, 2016, the Corporation issued a preliminary commitment letter. In accordance with Rule 67-48, the Development had a May 5, 2017, deadline to complete the credit underwriting report. At the May 5, 2017, Board Meeting, the developer requested and the Board approved an extension of the credit underwriting deadline from May 5, 2017 to July 28, 2017.
- c) On July 28, 2017, the Board approved an extension of the credit underwriting deadline from July 28, 2017 to October 27, 2017.
- d) On October 12, 2017, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$4,531,000 contingent upon receipt prior to the Board Meeting of an acceptable final site plan or status of final site plan approval, soils test, statement of financial affairs for Brian Smith and Tom Smith and plan and cost review. On October 27, 2017, the date of the Board meeting, the Applicant did not have all required items secured. The Board allowed an extension to the December 2017 Board Meeting to obtain the final necessary items.
- e) On December 12, 2017, against staff recommendation, the Board voted to approve the credit underwriting report dated October 12, 2017 and move towards closing.
- f) On August 8, 2018 the closing occurred for Willie Downs.
- g) General Home Development (GHD), together with the Highlands County Housing Authority each acted as Co-Developers and GHD was the General Contractor on the development. Progress on Willie Downs continued on a normal schedule through 2019. Florida Housing received regular construction draw requests. In 2020, a slowdown started to occur in the draw requests with one submitted in 2020 and one in 2021. This slowdown at first was due to the COVID-19 pandemic which greatly affected all projects ability to complete construction timely. As of the last draw request received, Willie Downs was 87% complete.

HOME RENTAL

Action

Since 2021, very little progress on the development was accomplished and construction progress is estimated, at the time, to be 95% complete. Because of this, Highlands County Housing Authority officially terminated GHD's construction contract due to default on August 12, 2022, and asked Frankenmuth Surety to perform under their Performance Bond. Frankenmuth Surety responded on December 21, 2022, stating that "in order to mitigate costs, the Housing Authority should proceed with completing GHD's contract."

- h) Starting in January 2023, staff authorized Seltzer Management Group to order an appraisal, a Geotechnical Engineering and Construction Materials Evaluation, and a Structural Inspection Report to determine what work is needed to complete construction and achieve a certificate of occupancy. The Florida Housing Coalition (FHC) helped the Applicant assemble a development team to help develop a plan, timeline, and budget to address all identified issues needed to complete Willie Downs. The budget for completing Willie Downs increased \$1,454,753 due to sitework repairs and increases in construction costs from the original credit underwriting report.
- i) On June 27, 2023, Seltzer Management Group provided a Construction Completion Analysis and Recommendation for Additional Funding. The Analysis recommends an additional \$1 million in HOME funds for the construction completion and permanent financing of the development but also noted that this recommendation did not address all items outlined in the needs assessment as further investigation was needed. The Board approved the additional \$1 million at the July 21, 2023 meeting.

2. Present Situation:

- a) On November 30, 2023, Seltzer Management Group provided a Second Construction Completion Analysis and Recommendation for Additional Funding ([Exhibit A](#)). The main issues requiring further investigation were mold throughout the interior, paving, sidewalks, drainage and retention systems.
- b) Plans to address the remaining needed remediation of the project have been provided and work has begun on the remediation. It is anticipated that all interior construction will be completed late December while site work issues will take an additional four months, targeting construction completion in April 2024. Seltzer is recommending an additional \$1,050,000 in HOME funds to fully complete the development.

3. Recommendation:

- a) Approve the Second Construction Completion Analysis and Recommendation for an additional \$1,050,000 in HOME funding and direct staff to proceed with issuance of a firm commitment and closing activities, subject to further approvals and verifications by the Credit Underwriter, Counsels, and appropriate Florida Housing Staff.

LEGAL

Action

IV. LEGAL

A. MHP FL IX LLLP vs. Florida Housing Finance Corporation, Ambar Station, LTD., and SP Marsh LLC; FHFC Case No. 2023-071BP; DOAH Case No. 23-4043BID

1. Background:

- a) This case concerns a protest filed against the preliminary awards for RFA 2023-205: SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits (the “RFA”). Florida Housing received 63 applications in response to the RFA. At the September 8, 2023 Board meeting, 15 applicants were preliminarily recommended for funding, including Ambar Station LTD. (“Ambar”). MHP FL IX LLLP (“MHP”) and SP Marsh LLC (“SP Marsh”) were deemed eligible for funding but, according to the funding selection process outlined in the RFA, were not selected for funding.
- b) MHP timely filed a Notice of Intent to Protest and Formal Written Protest and Petition for Administrative Hearing (the “Petition”). A Notice to Bidders was issued by Florida Housing informing all bidders that their substantial interests might be affected by the Petition. The intervenors timely filed Notices of Appearance and intervened in the matter. The Petition was referred to the Division of Administrative Hearings (“DOAH”).

2. Present Situation:

- a) To reduce the risk and cost associated with litigation and allow all developments to expeditiously move forward into underwriting, on November 2, 2023, prior to hearing, MHP and Florida Housing entered a Settlement Agreement. A copy of the Settlement Agreement is attached as [Exhibit A](#). As part of the Agreement, MHP agreed to voluntarily dismiss its petition. In return, Florida Housing agreed to recommend to the Board the following:
 - (1) Allow MJHS FL South Parcel, Ltd. to withdraw its preliminarily funded Application No. 2024-006S for its Garden House Development and waive any prohibitions, limitations, point reductions, or penalties under the RFA for withdrawing an application at this point in the application process.
 - (2) To perform the funding selection process outlined in Section Five of the RFA without Application No. 2024-006S.
- b) The result of the settlement agreement would be a selection of the Southpointe Vista II Application No. 2024-036S for funding under the terms of the RFA. If approved, the remainder of the preliminarily awarded applications in the RFA will remain unchanged with one exception: Although there is a balance of \$2,377,523 in SAIL funding available, it would not be enough to fund the last Application preliminarily awarded for funding by the Board on September 8, 2023, Yaeger Plaza Application No. 2023-012SN.
- c) Florida Housing has identified an additional \$1,372,477 of available funding that staff further recommends adding to the remaining balance of SAIL to fund the highest-ranking eligible unfunded Family Application that can be fully funded.

LEGAL

Action

The addition of this funding would have the effect of funding Yaeger Plaza Application No. 2023-012SN.

- d) Attached as [Exhibit B](#) is a spreadsheet listing the applications that have been or will be invited to credit underwriting if the Board adopts the forgoing Recommendations. The preliminarily funded applicants not impacted by this litigation were previously offered invitations to credit underwriting.

3. Recommendation:

- a) Staff recommends the Board:
 - (1) Waive any prohibitions, limitations, point reductions, or penalties under the RFA for MJHS FL South Parcel, Ltd. to withdraw its preliminarily funded Application No. 2024-006S for its Garden House Development;
 - (2) Perform the funding selection process outlined in Section Five of the RFA without MJHS FL South Parcel, Ltd. Application No. 2024-006S;
 - (3) Add \$1,372,477 of available funding to the remaining balance of SAIL to fund the highest-ranking eligible unfunded Family Application that can be fully funded; and
 - (4) Issue a Final Order consistent with those actions in this matter.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

V. PROFESSIONAL SERVICES SELECTION (PSS)

A. Single Source Procurement for the Affordable Housing Locator Subscription Services

1. Background:

- a) Florida Housing's affordable housing locator (FloridaHousingSearch.com) has been a public affordable rental housing search resource since 2006. In 2005, Florida Housing's Board of Directors authorized staff to carry out a solicitation process to select an entity to develop and maintain a web-based housing Locator to help Floridians conduct searches for available rental housing financed by Florida Housing. Florida Housing soon opened the locator to non-Florida Housing financed rental units to any affordable rental unit statewide that met Florida Housing's inclusion standards (for example, units that serve households at or below 140% of area median income). Florida Housing also required the locator services to include a call center to assist individuals to conduct housing searches that did not access or use the web-based search engine. The call center's staff also assist landlords initially register rental units, as well as update unit availability.
- b) In annual meetings since 2016, the Board has authorized a single source procurement to purchase housing Locator services directly from Emphasys Computer Solutions, Inc., for a period of one year.
- c) In the last seven years, Florida Housing has also utilized the Locator's on-line and call center services to assist households, displaced by hurricanes, find short and long-term rental housing.

2. Present Situation:

- a) On March 24, 2024, the term for Florida Housing's current contract with Emphasys Computer Solutions, Inc., will expire.
- b) The Locator service has been very successful. It is well-respected for being a very user-friendly service that allows people to locate available housing that best fits their individual and family needs. Throughout the past decade, Florida Housing has never received a complaint about the Locator or attendant call center services.
- c) Florida Housing staff continues to be very satisfied with the provision of services by Emphasys to consumers who may need help with the site, advocates for consumers, landlords and Florida Housing itself. With the end of the current contract approaching, the staff has been researching if there are other prospective vendors that may be qualified and interested in applying to manage the Locator services with the same capacity and quality as the current Locator service.
- d) The services are widely used by supportive services agencies, homeless services providers, and legislators' staffs in their efforts to assist Floridians find affordable and available rental housing that meets their needs. The on-line and call center services are ADA certified for use by persons with disabilities. Individuals can access the information online, in many languages, 24 hours a day. In 2020, the Locator services platform was updated to better accommodate searches conducted on mobile devices, making this more user friendly as individuals can now better access this tool using cell phones. They can easily search for available rental

PROFESSIONAL SERVICES SELECTION (PSS)

Action

housing using a wide variety of search criteria with special mapping features and receive apartment listings that provide a variety of important information about each unit. In addition, the site connects people to other housing and community resources through website links and provides helpful tools for renters such as an affordability calculator, rental checklist, and renter rights and responsibilities information.

- e) The toll-free call center is staffed by specialists who are trained to work with both the public and landlords, with bilingual capacity to assist Spanish-speaking persons. The call center vendor is a non-profit organization that strives to train and hire persons with disabilities, formerly homeless individuals, and those with other special needs. Many of the call center specialists have had experiences similar to the consumers they are now assisting to find housing. Florida Housing has not found any other rental housing locator businesses that provide the call center services. These call center services have been instrumental when households need additional assistance searching for a home. The call center's capacity to quickly identify available rental housing for displaced households has also been extremely useful after a disaster.
- f) There are more than 215,000 units, representing nearly 8,600 landlords now registered in the Locator's database. The services listed below that Florida Housing obtains from Emphasys cannot be replicated by any other vendor in the market:
- Assisting landlords to manage listings by helping to register units, monitoring for accuracy and helping them keep the listings current. It is not an "inventory style" listings like other services; it is real-time availability that is typically not offered through other housing locators and is critical to State disaster response needs as well as for locating available properties in a time-sensitive/time-critical manner. Listings are required to be updated every 14 to 28 days;
 - Screening properties for listing accuracy and Fair Housing violations and removing those in non-compliance;
 - Backing up its online services with a bilingual toll-free call center comprised of housing-specific trained customer service specialists who help tenants locate housing, help landlords initially register and regularly update listings, and support families displaced as a result of natural disasters and economic situations;
 - Conducting rental housing searches for households that do not have access to the internet or need additional assistance;
 - In addition to customer specialists at the call center, providing professionally trained case managers who assist households with special needs and/or are in crisis to search for temporary and permanent housing that meets their immediate and/or long-term needs;
 - Contacting and working with households directly upon request by staff from Florida Housing, State agencies and Legislators' offices; and

PROFESSIONAL SERVICES SELECTION (PSS)

Action

- Assisting state and local emergency management systems in helping displaced households find housing local, regional and statewide. A component of disaster services is to update available housing stock in its database on a 24/7 basis and conduct ongoing searches for additional housing units and options.
- g) As a result of our research, and after consideration of the standards Florida Housing expects for a Housing Locator service and the available vendor options, Florida Housing's staff believes that Emphasys continues to be the only vendor with the capacity, qualifications and experience to maintain the level of service that Florida Housing and the State of Florida relies on and has come to expect for Locator services.
- h) In accordance with Ch. 67-49.0032, F.A.C., the initial single source procurement listing for these services was posted to Florida Housing's website on December 4, 2023. To date, no comments have been received as a result.

3. **Recommendation:**

- a) Staff believes that it is in the best interest of Florida Housing to continue with these services and proceed with a new one-year contract. Staff requests authorization to enter negotiations for a single source contract with Emphasys Computer Solutions, Inc., for this purpose.

FLORIDA HOUSING FINANCE CORPORATION
2024 Proposed Operating Budget

	2024 Proposed Budget	2023 Projected Actual	2023 Approved Budget
REVENUES:			
1. Investment Income	6,628,073	6,152,481	3,828,000
2. Program Fees	17,547,105	14,779,145	16,799,285
3. Administrative Fees	7,141,187	7,089,401	6,278,912
4. Other Income	200,800	432,898	80,000
Subtotal - Revenues	31,517,165	28,453,925	26,986,197
Direct Administration Reimbursement			
1. HOME & NHTF	4,035,554	2,320,348	3,425,511
2. Hardest Hit Fund	534,510	497,140	610,980
3. CWHIP	15,200	14,020	-
4. CDBG-DR	465,079	481,055	689,025
5. State Program and Monitoring Funds	1,047,030	911,909	906,130
6. Single Family MRB	24,118	3,105	40,266
Subtotal - Direct Administration Reimbursement	6,121,491	4,227,577	5,671,912
TOTAL REVENUES	37,638,656	32,681,502	32,658,109
EXPENSES:			
SALARIES AND BENEFITS	21,581,200	17,279,365	18,385,000
OPERATING EXPENSES			
1. Advertising, Marketing and Public Outreach	87,110	66,994	96,015
2. Bank Charges & Other Fees	41,808	30,249	52,444
3. Board Meetings	113,175	134,215	79,140
4. Books & Subscriptions	70,716	62,324	66,334
5. Capital Expenses	428,000	199,000	325,000
6. Furniture, Equipment & Computer Expenses	881,770	950,000	940,750
7. Conferences & Seminars	235,303	96,029	198,358
8. Corporate Insurance	345,600	307,550	307,550
9. General and Administrative Expenses	26,277	15,779	20,974
10. Legal Fees	688,316	300,971	695,102
11. Professional Licenses & Membership Dues	82,119	78,034	85,434
12. Office Supplies	26,987	10,146	13,916
13. Postage	20,779	12,520	23,532
14. Printing and Reproduction	15,325	13,575	18,066
15. Professional Fees	3,398,596	1,760,364	1,836,904
16. Program Administration	6,768,894	6,499,912	7,205,192
17. Rent	848,359	833,524	833,638
18. Repairs and Maintenance	7,670	2,290	2,609
19. Systems Maintenance, Support and Services	482,630	368,580	412,630
20. Telephone	96,144	88,800	91,530
21. Travel - Board Members	76,842	45,924	63,730
22. Travel - Staff to Board Meetings	78,170	64,316	50,405
23. Travel - Reviews/Monitoring	37,430	5,596	31,595
24. Travel - FHFC Workshops	18,650	3,127	16,589
25. Travel - Staff Development	254,048	132,925	272,398
26. Travel - Marketing/Public Outreach	55,588	28,476	52,854
27. Travel - Other	21,873	13,330	17,494
28. Workshops	359,200	276,100	316,250
Subtotal - Operating Expenses	15,567,379	12,400,649	14,126,433
TOTAL EXPENSES	37,148,579	29,680,014	32,511,433
REVENUES OVER EXPENSES	490,077	3,001,488	146,676

FLORIDA HOUSING FINANCE CORPORATION
2024 Proposed Operating Budget Line Item Guide

I. Revenues

1. *Investment Income*

- Earnings on investments of Florida Housing’s unrestricted funds
- Offset by investment related fees and charges

2. *Program Fees*

- Program application and commitment fees
- Fees collected from the multifamily bond program, single family homeownership programs, and the Guarantee Fund (“Agency Fees”)

3. *Administrative Fees*

- Compliance monitoring fees
- Recognition of administrative fees from Housing Credits Program
- Fees collected by Special Assets for renegotiation of SAIL loans and owner transfer requests

4. *Other Income*

- Late fees paid by lenders in conjunction with the Single Family loan program
- Fees collected from participants in realtor trainings
- Revenue not otherwise classified

Direct Administration Reimbursement

Reimbursements for the following programs, including:

- HOME & NHTF
- Hardest Hit Fund
- CDBG-DR
- State Program and Monitoring Funds
- Single Family MRB

FLORIDA HOUSING FINANCE CORPORATION
2024 Proposed Operating Budget Line Item Guide

II. Expenses: Salaries and Benefits

- Wages for regular employees, both management and staff
- Wages for full and part time temporary employees
- Employer's share of FICA and Medicare taxes
- State unemployment taxes
- Employer's share of Insurance Benefits: Health, Dental, Disability and Worker's Compensation
- Pension contributions and Deferred Compensation match
- Tuition Reimbursement Program expenses
- Any other employee benefits

FLORIDA HOUSING FINANCE CORPORATION
2024 Proposed Operating Budget Line Item Guide

III. Expenses: Operating Expenses

1. *Advertising, Marketing and Public Outreach*

- Advertising costs for Florida Administrative Register publications, employee recruiting, other legal advertising
- Sponsorship of housing-related conferences and workshops
- Cost of marketing programs

2. *Bank Charges and Other Fees*

- Monthly account maintenance fees
- Electronic banking fees
- Payroll processing fees

3. *Board Meetings*

- Room and audio-visual equipment rental
- Court reporter fees

4. *Books & Subscriptions*

- Expenses for books and other publications
- Online research tools
- Statutes and technical publications

5. *Capital Expenses*

- Purchases greater than \$5,000 per item including:
 - Furniture
 - Equipment
 - Leasehold improvements
 - Computer software and hardware

6. *Furniture, Equipment & Computer Expenses*

- Computer hardware and software purchases to be expensed (less than \$5,000 per item)
- Computer software licenses and maintenance
- Furniture (less than \$5,000 per item)

FLORIDA HOUSING FINANCE CORPORATION
2024 Proposed Operating Budget Line Item Guide

7. *Conferences & Seminars*

- Costs associated with in-house staff training
- Registration fees associated with outside conference and seminar attendance
- Registration fees associated with National Council of State Housing Agencies (NCSHA) conferences

8. *Corporate Insurance*

- Corporate management and cyber liability insurance
- Errors and omissions insurance
- Directors and Officers liability insurance

9. *General and Administrative Expenses*

- Lobbyist registration fees
- Administrative expenses not otherwise classified

10. *Legal Fees*

- Legal fees associated with real estate closings, programmatic issues, work outs on maturing loans, and general legal issues
- Costs associated with legal proceedings including court reporter, hearing officer fees and court costs
- Expert witness fees
- Recording fees

11. *Professional Licenses & Membership Dues*

- National Council of State Housing Agencies (NCSHA) annual dues
- Professional licenses
- Professional association dues
- Notary public dues

12. *Office Supplies*

- General office supplies

13. *Postage*

- General postage and overnight shipping expenses

14. *Printing & Reproduction*

- Costs associated with brochures, annual reports and other publications
- Copy paper costs

FLORIDA HOUSING FINANCE CORPORATION
2024 Proposed Operating Budget Line Item Guide

15. Professional fees

- Financial statement audit fees
- Consulting fees for data and technology projects
- Housing Locator System
- Housing Data Clearinghouse

16. Program Administration

- Credit underwriting, environmental review and monitoring expenses incurred for the HOME, Housing Credits and other programs under which developments do not pay the provider directly
- Servicing fees associated with programs under which developments do not pay the provider directly, such as the HOME program
- Technical assistance fees for the PLP and Catalyst programs

17. Rent

- Office and offsite storage rent

18. Repairs & Maintenance

- Maintenance agreements for all equipment except computers

19. Systems Maintenance, Support and Services

- Expenses incurred for system support
- Telephone and computer network system maintenance
- Computer hardware maintenance
- Online data storage
- Annual and/or monthly infrastructure (e.g. backups) or software as a service

20. Telephone

- Telephone, cellular, Suncom, and conference call charges

21. Travel – Board Members

- Travel expenses incurred by Board Members in their official capacity

22. Travel – Staff to Board Meetings

- Staff travel expenses related to Board meetings

FLORIDA HOUSING FINANCE CORPORATION
2024 Proposed Operating Budget Line Item Guide

23. *Travel – Reviews/Monitoring*

- Travel expenses associated with compliance monitoring, development site visits, and quality assurance reviews

24. *Travel – FHFC Workshops*

- Travel expenses associated with staff travel to rule development, rule hearings, and application and compliance workshops

25. *Travel – Staff Development*

- Travel expenses associated with staff travel to outside conferences and training seminars, e.g. NCSHA, Florida Housing Coalition, etc.

26. *Travel – Marketing/Public Outreach*

- Travel expenses associated with marketing of Florida Housing and its programs
- Travel expenses associated with legislative member visits

27. *Travel – Other*

- Travel expenses associated with other staff travel including cabinet meetings, disaster recovery testing, etc.

28. *Workshops*

- Facility charges and other costs (including court reporter fees) associated with Florida Housing sponsored programmatic, informational, application and compliance workshops and rule hearings



November 20, 2023

Tim Kennedy
Florida Housing Finance Corporation
227 North Bronough Street, #5000
Tallahassee, FL 32301

RE: Brownsville Transit Village V (2020-023BD), RFA 2019-102
 Loan Closing Deadline

Dear Mr. Kennedy:

Brownsville Transit Village V ("Brownsville") received a firm commitment on January 25, 2022, and the loan closing deadline, approved by the FHFC Board on June 9, 2023, was extended to November 1, 2023. We respectfully request an additional six-month extension of the loan closing deadline from November 1, 2023, to May 1, 2024, and a waiver of the extension fee due to the circumstances detailed below.

Over the last few years, Atlantic Pacific Communities has been diligently working with Brownsville's landlord, Miami-Dade County Department of Transportation & Public Works (the "County"), to transition the site control from an existing sub-sub-lease agreement to a direct lease agreement between Brownsville Village V, Ltd. and the County in accordance with HUD requirements. We have now finalized all lease negotiations and can begin the final approval process of the new lease. This includes obtaining lease approval from the Federal Transit Administration ("FTA"), the original seller of the land to the County, before being presented to the Miami Dade County Board of Commissioners ("BoCC") for final approval. We expect this process to take approximately 60 days with final approval given at the January 17, 2024 BoCC meeting, and closing occurring no more than 30 days thereafter. Out of an abundance of caution, we are submitting what we are confident will be the final request to extend the deadline to May 1, 2024.

Your understanding and consideration are very much appreciated. Should you and or staff have any questions or concerns, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink that reads "Liz Wong".

Liz Wong
Executive Vice President

Cc: Amanda Franklin, FHFC
 Jade Grubbs, FHFC
 Ebony Cargle, FHFC
 Junious D. Brown, III, NGN
 Greg Griffith, APC
 Hanna McQueen, APC

David Woodward, FHFC
Tammy Bearden, FHFC
Nicole Gibson, FHFC
Stephanie Petty, First Housing
Fernando Arimon, APC

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

November 30, 2023

Mr. David Westcott
Managing Director of Homeowner Programs
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Willie Downs Villas – HOME / RFA 2016-101 (2016-321H / 2023-321H)
Second Construction Completion Analysis and Recommendation – Additional Funding
Recommendation

Dear Mr. Westcott:

Florida Housing Finance Corporation's ("FHFC" or "Florida Housing") Staff engaged Seltzer Management Group, Inc. ("SMG" or "Seltzer") to assess the current status of the unfinished construction of Willie Downs Villas ("Development" or "Willie Downs"), and the need for additional funds in connection with the increased construction scope and schedule of values. The objective was, based on Seltzer's review of a construction completion budget and operating pro forma, to determine if the Development can support the anticipated debt service and operating expenses, if there are adequate funding sources to complete construction, and if there is a funding gap, provide a recommendation for the amount of additional funding needed to complete construction and achieve stabilized occupancy.

SMG has reviewed the request and formulated a recommendation that FHFC allocate an additional \$1,050,000 of HOME funds, to be used in conjunction with the remaining portions of the Development's existing loans, for the construction and permanent financing of the Development. All remaining undrawn HOME funds will be allocated in accordance with FHFC's directives. These funds may be returned to FHFC, utilized to reduce existing debt, or allocated as per FHFC's instructions at that time.

Seltzer reviewed the request, performed certain due diligence and formulated an analysis for FHFC's consideration. For purposes of this analysis, Seltzer reviewed the following due diligence:

- Rule 67-48 ("Rule")
- FHFC Request for Applications ("RFA") 2016-101
- Willie Downs Villas Final CUR, dated October 12, 2017
- First Bank Construction Mortgage, dated August 8, 2018
- Final closing sign-off letter, budget, and construction draw schedule dated August 8, 2018
- FHFC HOME Mortgage and Security Agreement, dated August 8, 2018
- FHFC HOME Program Land Use Restriction Agreement ("LURA"), dated August 8, 2018
- First Bank Mortgage Modification Agreement, dated May 29, 2020
- Numerous Site Observation reports completed by C3 Consulting Group, Inc. ("C3")
- HCHAI SHIP Program LURA, dated August 2, 2022
- Highlands County Housing Authority, Inc. ("HCHAI") State Housing Initiatives Partnership ("SHIP") Mortgage, dated August 2, 2022

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- Real Estate Appraisal completed by Meridian Appraisal Group (“Meridian”) dated March 8, 2023, with a valuation date of January 19, 2023
- Title Search completed by Chicago Title Insurance Company, dated February 15, 2023
- Property Condition Assessment (“CNA”) completed by Moran Construction Consultants, LLC (“Moran”), dated February 17, 2023
- Emergency repairs bid/proposal from Bevis dated March 10, 2023, in the amount of \$65,314
- Geotechnical Engineering and Construction Materials Evaluation completed by Ardaman & Associates, Inc. (“Ardaman”), dated April 8, 2023
- AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor, Bevis Construction Inc. (“Bevis”), dated April 26, 2023, in the amount of \$1,172,030, and two subsequent construction draw requests
- First Bank Notice of Loan Payment Due, dated June 29, 2023, notifying the Applicant that a payment in the amount of \$119,888.70 is due no later than July 8, 2023
- Notice of Default and Demand Letter, dated July 14, 2023, prepared by McGahee & Perez on behalf of First Bank, demanding payment in the amount of \$45,361.67 (as of the date of the letter) plus a per diem of \$138.60, no later than thirty (30) days from the date of the letter or face foreclosure by judicial proceedings and sale of the property
- Workout Recommendation Letter #1 prepared by SMG, dated July 14, 2023, recommending additional HOME funds in the amount of \$1,000,000, to reconvince construction and avoid foreclosure
- Development and Completion Plan Summary, completed Steve Kropp, Florida Housing Coalition (“FHC”) Technical Assistance Provider (“TAP”), dated November 15, 2023

Background Summary

The proposed Development is located at 2300 Hammock Road in Sebring, Highland County, Florida 33872. The Development will consist of 50 units within 13 residential quadraplex buildings, and a clubhouse.

The Applicant/Borrower, HCHAI, is a Florida Not for Profit Corporation formed February 19, 2016, and is governed by a Board of Directors. A copy of the Articles of Incorporation was provided for the Applicant. The current Certificate of Status was verified with the Secretary of State.

The Development was preliminarily awarded \$4,531,000 in HOME funds for the construction of 50 new units with a “Family” demographic. SMG submitted a negative recommendation in the final Credit Underwriting Report (“CUR”). With agreement from FHFC Staff, the negative recommendation was presented to the FHFC Board at the December 8, 2017 meeting. Despite the negative recommendation, the FHFC Board approved a HOME Loan in the amount of \$4,531,000 for the Development was approved at the December Board Meeting. The Borrower closed on a First Mortgage with First Bank in the amount of \$1,146,250, and the FHFC HOME loan on August 8, 2018.

Following the closing of Willie Downs, progress proceeded on a normal schedule throughout 2019, with Florida Housing receiving regular construction draw requests. However, in 2020, a slowdown in draw requests occurred, with only one submitted in 2020 and one in 2021. Initially, this slowdown was attributed to the COVID-19 pandemic, which significantly impacted the timely completion of construction projects. Since 2021, there has been minimal reported progress on the Development, with a construction inspection indicating construction was 96% complete. In 2023, an inspection conducted

Mr. David Westcott
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by Moran estimated Willie Downs was approximately 87% complete. The reduction in construction completion is partially due to the Development remaining unfinished and unoccupied for several months. Consequently, HCHAI officially terminated the construction contract with GHD Construction Services, Inc. ("GHD") due to default on August 12, 2022, and requested Frankenmuth Mutual Insurance Company, under their Performance Bond, to assume responsibility. Frankenmuth Mutual Insurance Company responded on December 21, 2022, advising that to mitigate costs, HCHAI should proceed with completing GHD's contract.

Subsequently, at the July 21, 2023, FHFC Board meeting, the Board approved an additional \$1,000,000 of HOME funds to be allocated to the Development for the completion of construction.

Current Summary

To develop a completion plan, the FHC TAP helped the Applicant assemble a development team and engaged with Highlands County Building Department officials. The TAP developed a plan, timeline, and budget to address all other issues needed to complete Willie Downs Villas. The TAP's role includes coordinating team members to fix the outstanding site and unit defect. The TAP has prepared a budget that appears to include all the construction costs needed to complete the Development: the remaining soft costs, third party evaluations/reports, numerous outstanding invoices, as well as a small lease-up reserve to fund the negative cashflow until the units are completed and leased.

The FHFC Board approved the Recommendation Letter dated July 14, 2023. The estimate noted in the letter did not address all the items that the needs assessment outlined as further investigation was necessary. Due to the notice of impending foreclosure by First Bank, approval of the initial request for additional funds was approved to allow construction to reconvene, postponing any further foreclosure action. The main issues requiring additional investigation were mold throughout the interior, paving, sidewalks, drainage and retention systems. The Development suffered flood damage due to poorly constructed drainage and retention systems and mold was found on the interior of all the units. According to Poston Engineering, the construction work was shoddy and numerous items were left incomplete, all while the permits expired without any of the improvements being accepted by Highlands County.

- The interior of each unit was tested for mold due to the length of time the units were left unprotected from the elements. All units failed mold testing and have since undergone the prescribed mold remediation. Air conditioning units are being installed or serviced and turned on to prevent any further mold problems. Improper plumbing installation required dishwasher and sink drain lines being completely removed and reconstructed. Most units did not have vacuum breakers and 20 units were missing shutoff valves on the water heaters.
- The Recommendation Letter included a moderate budget for regrading of the site to address the drainage and retention, however, the issues were much more extensive than originally anticipated. The plans provided for a 12-inch elevation difference between the top of the retention pond to the floor of the units. Elevation measurements in some areas were only four to five inches, requiring the entire system to be modified to comply with building requirements. In addition, there are more than 50 large trees that were left in the retention areas by the original Contractor that must be removed. The retention areas will require further excavation and grading. Several trees are located close to buildings or power lines, increasing their removal costs.

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- The coring report of the paving revealed areas where construction materials did not meet the construction standards in the approved plans. Buildings, sidewalks and paving were not constructed to proper elevations, resulting in numerous problems with the waterlines. The waterlines were installed under the pavement and too close to the sewer lines Highlands County is requiring a complete redesign with the installation of new water lines that minimize the areas under the pavement and away from the sewer lines. Almost half of the pavement and most of the sidewalks will need to be removed and reconstructed. The waterline relocation increased the budget over \$300,000 (included in *Drainage, retention and pavement work* line item below).
- There is an ADA noncompliance issue due to excessive cross sloping in the sidewalks and improper construction where the pavement and the sidewalks connect. Approximately 5,600 square yards of asphalt and almost the entire sidewalk system must be torn up, hauled away and then reconstructed. The reconstruction includes sidewalk areas next to the buildings and the road.
- The original Contractor installed minimal landscaping without irrigation, which is not consistent with the approved plans. The existing landscaping is considered substandard and must be replaced as well as irrigation being installed.

Additional Cost Estimates

○ Drainage, retention and pavement work	\$ 788,000
○ Reconstructing the sidewalk system	\$ 193,000
○ Additional landscaping and irrigation work	\$ 148,000
○ <u>GC fees, other costs and contingency</u>	<u>\$ 150,000</u>
Total Additional Costs	\$1,279,000

This totals to additional sitework costs in the amount of \$1,279,000. Approximately \$420,000 of the original sitework budget remains undrawn (inclusive of remaining hard cost contingency), therefore, an additional \$859,000 is needed to complete the Development. In addition, there is a potential cost of up to \$148,500 added to the request in the unlikely event that the Contractor must replace all 27 sewer connections (\$5,500/each). SMG has rounded the request amount from \$1,007,500, to \$1,050,000. The total HOME funding of \$6,581,000 or \$131,620 per unit. TAP worked with the owner, design professionals and the General Contractor to ensure that this revised budget, inclusive of the sewer connection contingency, will be sufficient to complete construction of the Development.

Mold remediation, including replacing drywall where needed, is nearly complete. Appliances for all the units have been ordered and delivered. The Contractor has fixed the plumbing under the sinks and is completing the closet reconstruction. The interiors of all the units will be finished once each unit passes a final mold test. Units will be ready for occupancy following the required correction to the sitework. The Contractor estimates that all the interior construction will be completed in late-December 2023, while the sitework will take an additional four months, targeting construction completion and a Certificate of Occupancy in late-April 2024.

Total Development Costs

Since closing, Total Development Costs ("TDC") have increased from \$5,767,407 to \$7,843,150, an increase of \$2,075,742.75 (approximately 36%). The change to TDC is primarily due to increases in construction costs, redesign and completion of sitework, and hard and soft cost contingencies.

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Sources of Funds

The construction and permanent sources from the Workout Recommendation Letter #1 (July 14, 2023), as well as the sources proposed in this Workout Recommendation Letter #2 (inclusive of an additional \$1,050,000 of FHFC HOME funding) are reflected in the tables below:

Prior - Sources from Final CUR (October 12, 2017)

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	First Bank	\$844,545	\$1,146,250	\$22,925
Second Mortgage	HOME / FHFC	\$4,531,000	\$4,531,000	\$90,620
Deferred Dev. Fee	Developer	\$320,723	\$19,018	\$380
TOTAL		\$5,696,268	\$5,696,268	\$113,925

Prior – Sources from Workout Recommendation Letter #1 (July 14, 2023)

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	First Bank	\$1,146,250	\$1,146,250	\$22,925
Co-Second Mortgage	HOME / FHFC	\$4,531,000	\$4,531,000	\$90,620
Co-Second Mortgage	New HOME / FHFC	\$1,000,000	\$1,000,000	\$20,000
Third Mortgage	HCHFA SHIP	\$115,900	\$115,900	\$2,318
TOTAL		\$6,793,150	\$6,793,150	\$135,863

New – Proposed Sources for this Workout Recommendation Letter #2

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	First Bank	\$1,146,250	\$1,146,250	\$22,925
Co-Second Mortgage	HOME / FHFC	\$4,531,000	\$4,531,000	\$90,620
Co-Second Mortgage	New HOME 1 / FHFC	\$1,000,000	\$1,000,000	\$20,000
Co-Second Mortgage	New HOME 2 / FHFC	\$1,050,000	\$1,050,000	\$21,000
Third Mortgage	HCHFA SHIP	\$115,900	\$115,900	\$2,318
TOTAL		\$7,843,150	\$7,843,150	\$156,863

Notes to changes to the sources:

1. First Mortgage – First Bank

As of October 27, 2023, \$907,183 of the \$1,146,250 first mortgage loan provided by First Bank has been drawn, leaving \$239,067 available for construction and permanent financing.

The loan is a 3/3 Adjustable Rate Mortgage (“ARM”). Payment terms require nine (9) monthly consecutive interest payments, beginning November 8, 2023, with interest calculated on the unpaid principal balances using an interest rate of 5.500% per annum; then one (1) month’s interest payment on August 8, 2024, followed by thirty-five (35) monthly consecutive principal and interest payments with interest calculated on the unpaid principal balances using an interest rate based on the Index described below, plus a margin of 4.125%; and then three hundred twenty five (325) monthly consecutive principal and interest payments, beginning August 8, 2027, with interest

Mr. David Westcott
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calculated on the unpaid principal balances using an interest rate based on the Index described below, plus a margin of 4.125%.

Based on the current 3-year Treasury rate (4.67% as of November 27, 2023) and the interest margin, the rate would be 8.795%. As confirmed with a Senior Lender at First Bank (Chris Shupe), the interest rate adjustments (every three years) are capped at 2.00%. Therefore, at the next adjustment, Seltzer anticipates the current rate of 5.50% will be increased and locked at 7.50%

2. Second Mortgage – FHFC HOME Loan

As of October 27, 2023, \$3,957,154 of \$4,531,000 second mortgage HOME loan provided FHFC had been drawn, leaving \$573,847 available for construction and permanent financing

The loan is non-amortizing and will bear 0% interest per annum with repayment of principal deferred until maturity. The loan term will be 20 years. Proceeds from the HOME loan will be used to fund construction costs pursuant to Rule 67-48.019(1), F.A.C. and HUD 24 CFR Part 92. Permanent Loan Servicing fees and Compliance Monitoring fees will be required to be paid by the Applicant.

Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month and an annual Compliance Monitoring Program Fee with a base fee of \$183/month plus \$11.24 per set aside unit, with a monthly minimum of \$286, escalating at 3%, per year.

3. Additional FHFC HOME Loan (July 14, 2023)

In order to ensure sufficient funds are available for construction completion and permanent financing of the Development, Seltzer estimates an additional HOME loan (or increase to the existing Mortgage and Note) in the amount of \$1,000,000 will be provided by FHFC. Any unused funds will be returned to FHFC for future deployment.

The additional HOME loan funds will not be subject to a separate Compliance Monitoring Agreement; therefore, the additional HOME loan funds will only be subject to an annual Permanent Loan Servicing Fee based on 25 bps of the outstanding loan amount.

4. New/Additional FHFC HOME Loan (current request)

In order to ensure sufficient funds are available for construction completion and permanent financing of the Development, Seltzer estimates an additional HOME loan (or increase to the existing Mortgage and Note) in the amount of \$1,050,000 will be provided by FHFC. Any unused funds will be returned to FHFC for future deployment.

The additional HOME loan funds will not be subject to a separate Compliance Monitoring Agreement; therefore, the additional HOME loan funds will only be subject to an annual Permanent Loan Servicing Fee based on 25 bps of the outstanding loan amount.

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5. Third Mortgage – Highlands County SHIP Loan

As evidenced by a Mortgage dated August 2, 2022, the Applicant borrowed \$115,900 of SHIP funds from Highlands County to assist with past due debt service. As of October 27, 2023, the amount of the SHIP loan drawn was \$10,028, leaving \$105,873 available for construction and permanent financing.

Loan payments for the SHIP loan are deferred for thirty (30) years, and there will be no payments of principal and no interest will accrue, so long as the Borrower complies with the terms of the Note, as well as the SHIP LURA. Repayment of the original principal balance will be forgiven fifteen (15) years from the date of the SHIP Note (August 2, 2023).

The SHIP LURA requires the Development set aside twelve (12) units for (Persons with Special Needs) households as defined in an Affordable Housing Development Program Agency Agreement.

Remaining Sources:

Sources	Loan Amounts	Drawn	Remaining
First Bank of Clewiston	\$1,146,250	\$907,183	\$239,067
FHFC HOME	\$4,531,000	\$3,957,154	\$573,847
FHFC Additional HOME 1	\$1,000,000	\$0	\$1,000,000
New - FHFC Additional HOME 2	\$1,050,000	\$0	\$1,050,000
Highlands County SHIP	\$115,900	\$10,028	\$105,873
Total	\$7,843,150	\$4,874,364	\$2,968,786

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Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$459,552	\$9,191
	Other Income:		
	Miscellaneous	\$6,000	\$120
	Gross Potential Income	\$465,552	\$9,311
	Less:		
	Physical Vacancy Loss - Percentage: 5.0%	(\$23,278)	(\$466)
Collection Loss - Percentage: 1.0%	(\$4,656)	(\$93)	
Total Effective Gross Revenue		\$437,619	\$8,752
EXPENSES	Fixed:		
	Real Estate Taxes	\$30,000	\$600
	Insurance	\$50,000	\$1,000
	Variable:		
	Management Fee - Percentage: 7.5%	\$32,821	\$656
	General and Administrative	\$20,000	\$400
	Payroll Expenses	\$50,000	\$1,000
	Utilities	\$57,500	\$1,150
	Marketing and Advertising	\$1,250	\$25
	Maintenance and Repairs	\$22,500	\$450
	Grounds Maintenance and Landscaping	\$18,000	\$360
	Contract Services	\$2,500	\$50
	Reserve for Replacements	\$15,000	\$300
Total Expenses		\$299,571	\$5,991
Net Operating Income		\$138,047	\$2,761
Debt Service Payments			
DEBT SERVICE	First Mortgage - First Bank	\$96,177	\$1,924
	Second Mortgage - Existing FHFC HOME	\$0	\$0
	Second Mortgage - FHFC Addtl HOME 1	\$0	\$0
	Second Mortgage - New FHFC HOME 2	\$0	\$0
	Third Mortgage - HCHFA SHIP	\$0	\$0
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - First Bank	\$0	\$0
	Second Mortgage Fees - FHFC HOME	\$14,664	\$293
	Second Mortgage Fees - FHFC HOME	\$2,500	\$50
	Second Mortgage Fees - New FHFC HOME 2	\$0	\$0
	Third Mortgage Fees - HCHFA SHIP	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
Total Debt Service Payments		\$113,341	\$2,267
Cash Flow After Debt Service		\$24,707	\$494

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.435
	DSC - Co-Second Mortgage plus Fees	1.245
	DSC - Co-Second Mortgage plus Fees	1.218
	DSC - Co-Second Mortgage plus Fees	1.218
	DSC - Third Mortgage plus Fees	1.218
	DSC - All Mortgages and Fees	1.218

Financial Ratios		
	Operating Expense Ratio	68.5%
	Break-Even Ratio	89.1%

Mr. David Westcott
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Notes to the Operating Pro Forma and Ratios:

1. Seltzer is in receipt of an appraisal from Meridian. Willie Downs Villas is projected to achieve 2022 Maximum Allowable HOME Rents published by Florida Housing on all units based on the appraiser's estimate of achievable rents per comparable properties surveyed, however, Seltzer has used 2023 HOME Rents as published by HUD. The Applicant utilized a Lakeland Housing Authority - Polk County HUD Utility Chart dated January 1, 2023, and reflect the Applicant paying for water, sewer, trash disposal and pest control and the resident paying for electricity. No manager/employee units are anticipated at this time.

A rent roll for the Development is illustrated in the following table:

MSA/County: Sebring / Highlands County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	1	630	50%	\$614			\$100	\$514		\$372	\$481	\$514	\$6,168
1	1.0	3	630	60%		\$757		\$100	\$657		\$478	\$609	\$657	\$23,652
2	1.0	8	760	50%	\$737			\$128	\$609		\$433	\$569	\$609	\$58,464
2	1.0	34	760	60%		\$937		\$128	\$809		\$591	\$756	\$809	\$330,072
3	2.0	1	923	50%	\$851			\$160	\$691		\$489	\$645	\$691	\$8,292
3	2.0	3	923	60%		\$1,074		\$160	\$914		\$664	\$853	\$914	\$32,904
		50	38,132											\$459,552

2. The Development will be offering a laundry room facility at the property that will feature coin operated washers and dryers. The income from the washers and dryers is included in miscellaneous income.
3. Cable television hookups are available in the units as required; however, the residents will contract directly with the cable provider for service. Therefore, no cable television income to the property is anticipated.
4. Ancillary income reflects revenues generated from vending income, late charges, forfeited security deposits, and other additional services equal to approximately \$10 per unit per month.
5. Vacancy Loss of 5% and Collection Loss of 1% are based on the appraiser's estimate.
6. Real Estate Taxes reflects the TAP's estimate of personal property taxes. The Development is anticipated to received a 501(c)(3) determination from the Internal Revenue Service ("IRS") which would exempt the Development from property taxes.
7. Originally, Southwind, was contracted to manage the property. The owner has contacted Southwind to engage them for property management services. However, the Principal is retiring this year. The TAP has advised the Owner to begin interviewing other property management companies. Southwind's new owners are also being interviewed during the selection process to secure a management company for the Development. For underwriting, Management fees are based upon the final CUR which reflects the greater of \$50 per occupied unit per month or 7.5% of gross operating revenues.
8. Utilities expense reflects water, sewer, trash disposal and pest control. The Applicant also pays for the common area utilities.
9. Seltzer estimated insurance expenses equal to \$1,000/unit/year.

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10. Replacement reserves are budgeted at \$300/unit/year.
11. Other operating expense estimates are based on market comparables and are supported by the appraisal.
12. In the CUR, the Debt Service Coverage ("DSC") for the permanent first and second mortgage loans was calculated to be 1.207 to 1.00. The DSC for the permanent period first mortgage and both HOME loans has improved and is now estimated at 1.245 to 1.00.
 - a. To ensure the collective three Co-Second Mortgage HOME loans meet or exceed the minimum DSC of 1.00 to 1.00, based on the projection/estimates and loan amounts in this letter, the interest rate on the permanent first mortgage may not exceed 10.02%.

Compliance Monitoring and Loan Servicing Fees are detailed in the *Notes to changes to the sources* section of this recommendation letter.

Conclusion

Seltzer has completed a review of an updated Willie Downs construction completion plan, budget, and operating pro forma. We have concluded the Development can support the anticipated debt service and operating expenses, once stabilized. In order to ensure is adequate funding to complete construction and reach stabilization, Seltzer recommends that FHFC allocate an additional \$1,050,000 of HOME funds to be used in conjunction with the remaining portions of the Development's existing loans for the construction and permanent financing of the Development. All remaining undrawn HOME funds will be allocated in accordance with FHFC's directives. These funds may be returned to FHFC, utilized to reduce existing debt, or allocated as per FHFC's instructions at that time.

- Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel and Servicer.
- Review and satisfactory review of the final GC Contract.
- Consent from the First Mortgage Lender.
- All other due diligence required by FHFC, its Legal Counsel and Servicer.

Should you have any questions please feel free to contact me directly.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.



Joshua Scribner
Credit Underwriting Manager

STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS

MHP FL IX LLLP,

Petitioner,

Case No. 23-4043BID

v.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

AMBAR STATION, LTD and SP MARSH,
LLC,

Intervenors.

SETTLEMENT AGREEMENT

IT IS HEREBY AGREED and STIPULATED by and between MHP FL IX LLLP (“MHP” or the “Petitioner”) and the Florida Housing Finance Corporation (“Florida Housing” or “Respondent”), that:

1. Florida Housing issued RFA 2023-205 (the “RFA”), on July 5, 2023, seeking applicants for SAIL Financing of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bond Financing and Non-Competitive Housing Credits. The deadline to submit applications in response to the RFA was August 3, 2023.

2. MHP FL IX LLLP filed Application No. 2024-036S in response to the RFA for its Southpointe Vista II development. This application was found eligible for funding but was not preliminarily selected by Florida Housing for funding.

3. MJHS FL South Parcel, Ltd. (“MJHS”) filed Application No. 2024-006S in response to the RFA for its Garden House development. This application was found eligible for

funding and was preliminarily selected by Florida Housing for funding.

4. MHP filed a Written Protest and Petition for Formal Administrative Proceedings (“Petition”) challenging Florida Housing’s preliminary decision to also fund the Ambar Station development proposed by Ambar Station, Ltd., in Application No. 2024-035S, identified as DOAH Case No. 2023-4043BID

5. MHP and Florida Housing agree that if MJHS’ Application No. 2024-006S for the Garden House development is withdrawn, then MHP’s Application No. 2024-036S for the Southpointe Vista II development would be funded under the terms of the RFA.

6. MHP agrees to voluntarily dismiss its Petition challenging the Ambar Station Application No. 2024-035S within one day of the final signature to this Settlement Agreement.

7. MJHS agrees to withdraw the Garden House Application No. 2024-006S, effective upon the Florida Housing’s Board of Directors adoption and approval of this Settlement Agreement.

8. Following the dismissal of MHP’s challenge to Ambar Station’s Application No. 2024-035S in DOAH Case No. 2023-4043BID, Florida Housing agrees to recommend to its Board to perform the funding selection process outlined in Section Five of the RFA without Garden House Application No. 2024-006S. If approved by Florida Housing’s Board, the result will be a selection of the Southpointe Vista II Application No. 2024-036S for funding under the terms of the RFA. If approved, the remainder of the preliminarily awarded applications in the RFA will remain unchanged with one exception: Although there is a balance of \$2,377,523 in SAIL funding available, it would not be enough to fund the last Application preliminarily awarded for funding by the Board on September 8, 2023, Yaeger Plaza Application No. 2023-012SN.

9. Florida Housing has identified an additional \$1,372,477 of available funding that it will recommend to its Board be added to the remaining balance of SAIL to fund the highest-

ranking eligible unfunded Family Application that can be fully funded. The only Family Application that can be fully funded with this additional funding is Yaeger Plaza. MHP and Florida Housing agree that, with Board approval of the additional \$1,372,477 of funding, the remainder of the preliminarily awarded applications in the RFA will remain unchanged.

10. Notwithstanding sections 4.A.3.b.(3)(b), 4.A.3.b.(3)(b)(ii)(A), and 4.A.3.b.(3)(c) of the RFA, MHP and Florida Housing agree that neither MHP nor MJHS will be assessed any prohibition, priority 1 application limitation, point reduction, or other penalties in future procurements due to the withdrawal of the Garden House Application No. 2024-006S.

11. MHP and Florida Housing understand that Florida Housing's funding decision is subject to final agency action by Florida Housing's Board of Directors. The failure of Florida Housing's Board of Directors to approve, or take the staff recommended action on, any of the recommendations agreed upon in this Settlement Agreement shall not be considered a breach of this Settlement Agreement.

12. MHP, MJHS, and Florida Housing agree to the terms of this Settlement Agreement in order to avoid the time, expense, and uncertainty of further litigation.

13. This Settlement Agreement contains and incorporates the entire understandings and agreements of the parties.

14. This Settlement Agreement supersedes any prior oral or written agreement between the parties.

15. This Settlement Agreement shall be binding on all parties and shall become effective on the date upon which it is fully executed by all parties hereto.

16. This Settlement Agreement shall not be amended except in writing. Any attempted assignment of this Agreement shall be void.

17. If either MHP, MJHS, or Florida Housing breach this Settlement Agreement, the prevailing party, in any action brought to enforce the Agreement's terms shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing party or parties.

18. The parties agree that any action to enforce the terms of this Settlement Agreement will be brought in the Circuit Court for the Second Judicial Circuit in Leon County, Florida.

19. All parties shall be responsible for their own costs and attorney's fees incurred in this matter.

20. The undersigned have read and understand this Settlement Agreement and have the authority to bind their respective principals to the terms herein.

21. All parties agree that a facsimile signature suffices for an original signature.

Executed on the 2nd day of November 2023:



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Application Number	Name of Development	County	County Size	Name of Authorized Principal	Name of Developers	Dev Category	Demo. Commitment	Total SAIL Request (SAIL + ELI)	Eligible For Funding?	Veterans Preference?	Self-Sourced Applicant?	HUD CNI Goal?	Total Number of Units	Priority Level?	Total Points	Leveraging Level	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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Two Elderly Large County New Construction Applications

2024-047BSN	Mariposa Grove	Orange	L	Scott Zimmerman	BDG Mariposa Grove Developer, LLC	NC	E, Non-ALF	11,750,000	Y	Y	N	N	138	1	20	3	Y	Y	45
2024-054SN	Flats on 4th	Pinellas	L	Brett Green	Flats on 4th Developer, LLC; Pinellas County Housing and Economic Development Corporation	NC	E, Non-ALF	6,019,800	Y	Y	N	N	80	1	20	3	Y	Y	62

Three Family Large County New Construction Applications

2024-035S	Ambar Station	Miami-Dade	L	Elena M. Adames	Ambar3, LLC	NC	F	11,000,000	Y	N	Y	N	576	1	26	1	Y	Y	3
2024-033BSN	Pine Island Park	Broward	L	Lewis V Swezy	RS Development Corp	NC	F	6,509,880	Y	N	N	N	120	1	20	2	Y	Y	14
2024-036S	Southpointe Vista II	Miami-Dade	L	Christopher L. Shear	MHP FL IX Developer, LLC	NC	F	9,228,000	Y	N	Y	N	208	1	24	3	Y	Y	19

One Elderly Medium County New Construction Application

2024-032BSN	Hermosa North Fort Myers II	Lee	M	Marcus D. Goodson	Revital Development Group, LLC; DDER Development, LLC; LCHA Developer, LLC	NC	E, Non-ALF	6,080,500	Y	Y	N	N	88	1	20	2	Y	Y	23
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Two Family Medium County New Construction Applications

2024-019S	Riverbend Landings	Seminole	M	Jay P. Brock	Atlantic Housing Partners, L.L.L.P.	NC	F	4,099,700	Y	N	Y	N	89	1	26	2	Y	Y	46
2024-028S	Lake Bradford Apartments	Leon	M	C. Hunter Nelson	ECG Lake Bradford Developer, LLC	NC	F	7,146,000	Y	N	Y	N	156	1	24	4	Y	Y	41

Application Number	Name of Development	County	County Size	Name of Authorized Principal	Name of Developers	Dev Category	Demo. Commitment	Total SAIL Request (SAIL + ELI)	Eligible For Funding?	Veterans Preference?	Self-Sourced Applicant?	HUD CNI Goal?	Total Number of Units	Priority Level?	Total Points	Leveraging Level	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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One HUD Choice Neighborhoods Implementation Grant Application

2024-018SN	3611/3621 Cleveland Avenue	Lee	M	Vincent R Bennett	Fort Myers Developer, LLC; Southwest Florida Affordable Development, LLC	NC	F	9,402,500	Y	N	N	Y	92	1	20	5	Y	Y	55
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Small County Application(s)

2024-020BSN	Arbours at Emerald Springs	Walton	S	Sam Johnston	Arbour Valley Development, LLC	NC	F	8,609,400	Y	N	N	N	84	1	20	5	Y	Y	22
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Medium County Application(s)

2024-001BSN	Hawthorne Heights	Alachua	M	Michael Ruane	CORE Hawthorne Heights Developer LLC	NC	E, Non-ALF	7,794,600	Y	Y	N	N	86	1	20	4	Y	Y	29
2024-055BSN	Casa San Juan Diego	Collier	M	Eric C. Miller	NDA Developer, LLC; CSJD Developer, Inc.; CCHA Developer, LLC	NC	F	7,000,000	Y	N	N	N	80	1	20	4	Y	Y	49

Large County Application(s)

2024-060SN	Egret Landing	Duval	L	Deion R. Lowery	DDER Development, LLC	NC	E, Non-ALF	8,984,300	Y	Y	N	N	88	1	20	5	Y	Y	10
2024-058SN	Tampa 47th Street Apartments	Hillsborough	L	Alberto Milo, Jr.	Tampa 47th Street Apartments Developer, LLC	NC	F	7,750,000	Y	N	N	N	175	1	20	2	Y	Y	34
2024-012SN	Yaeger Plaza	Miami-Dade	L	Kareem T. Brantley	Integral Florida, LLC	NC	F	3,750,000	Y	N	N	N	135	1	15	1	Y	Y	27