

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
June 21, 2019
Consent Items



HOUSING CREDITS

Consent

I. HOUSING CREDITS

A. Request Approval to Exceed the 20% Subcontractor Limitation for Wedgewood Apartments (RFA 2015-104/2015-254C)

Development Name: Wedgewood Apartments	Location: Palm Beach County
Applicant/Borrower: SP Preservation II LLC	Set Aside(s): 20% @ 33% AMI and 80% @ 60% AMI
Developer/Principal: Southport Development, Inc./J. David Page	Demographic/Number of units: Elderly Non-ALF/81 units
Requested Amounts: \$784,000 Housing Credits	Development Category/Type: Acquisition & Preservation/Garden

1. Background/Present Situation

- a) SP Preservation II LLC ("Applicant") applied for and was awarded funding from Request for Applications (RFA) 2015-104 for Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the preservation of an 81-unit Elderly Non-ALF development in Palm Beach County. On October 30, 2015, staff issued an invitation to the Applicant to enter credit underwriting and subsequently issued a Carryover Allocation Agreement on December 21, 2015.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontract to exceed the 20% limitation in Rule 67-48.0072(17)(f), F.A.C. See [Exhibit A](#) for Applicant's request.
- c) Pursuant to Rule 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:

Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) At the request of Florida Housing staff, AmeriNat reviewed the Applicant's request, Rule Chapter 67-48, explanation letters and contract proposals and change orders from J. Miles (subcontractor). After review and analysis, AmeriNat, in conjunction with the Construction Consultant, On Solid Ground, LLC, found the proposed cost to be appropriate for the proposed scope of work. AmeriNat recommends that Florida Housing approve the General Contractor's use of a subcontractor which will provide work at a cost which exceeds 20% of the total construction cost for the Development. See [Exhibit B](#) for AmeriNat's recommendation.

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- e) Since this information was discovered by FHFC during review of the General Contractor's Cost Certification after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum subcontract amount allowed under Rule 67-48.0072(17)(f), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

2. **Recommendation**

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

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B. Request Approval of the Addition of a Co-Developer for Cannery Row at Redlands Crossing (RFA 2018-111/2019-058C)

Development Name: Cannery Row at Redlands Crossing	Location: Miami-Dade County
Applicant/Borrower: Cannery Row at Redlands Crossing, LLLP	Set-Asides: Average Income Test: 17 Units @ 30% AMI 61 Units @ 60% AMI 17 Units @ 70% AMI 17 Units @ 80% AMI
Developers/Principals: Rural Neighborhoods, Inc / Steven Kirk	Demographic/Number of Units: Elderly Non-ALF/112
Requested Amounts: \$2,270,000 Housing Credits (HC)	Development Category/Type: New Construction/Mid-Rise, 4-Stories

1. Background/Present Situation

- a) Cannery Row at Redlands Crossing, LLLP. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2018-111 for Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County. The funds are being utilized to finance the construction of a 112-unit Elderly Non-ALF development. On April 22, 2019, staff issued an invitation to the Applicant to enter credit underwriting.

- b) On May 22, 2019, Florida Housing received a request for the admission of a Co-Developer. The letter is provided as [Exhibit C](#). The Developer has been awarded four developments in the 2018-2019 RFA cycle with another still pending litigation. The Developer has requested the addition of a Co-Developer as a method to manage risk and ensure successful completion of these low-income developments. The Co-Developer to be inserted is Pinnacle Communités, LLC, which is owned by Louis Wolfson III (33.3% Member), David Deutch (33.33% Member), and Mitchell M. Friedman (33.3% Member). The original and proposed org charts are provided as Exhibits [D](#) and [E](#).

- c) A Settlement Agreement between Florida Housing Finance Corporation and Pinnacle Housing Group, LLC, PHG Builders, LLC, Felix Braverman, David O. Deutch, Mitchell M. Friedman, Michael D. Wohl, and Louis Wolfson, III was agreed to and executed by both parties in August 2017. The Settlement Agreement pertains to certain RFAs in RFA cycles for the 2017-2018 and 2018-2019 fiscal years (of which RFA 2018-111 applies) and states:
 - (1) *...the Pinnacle-related applicant, if applying as the sole developer or general contractor, will not be entitled to collect more than the following fees:*
 - *Developer Fee Maximum 5%*
 - *General Contractor Fee Maximum 6%*

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- (2) *To the extent any Pinnacle-related applicant is applying as a co-developer, the Pinnacle-related developer shall receive a maximum 5% developer fee while the non-affiliated developer shall be entitled to receive up to the remaining 11%. If, in connection with any development application submitted by any Pinnacle-related applicant, the general contractor applicant is unaffiliated with Pinnacle, the unaffiliated general contractor may receive the maximum General Contractor fee permitted by FHFC rules.*
- d) Rural Neighborhoods, Inc has confirmed that Pinnacle Communities, LLC has agreed to the settlement limitation as specified above for both the Developer and General Contractor Fee limitations.
- e) Per the RFA, the Principals of each Developer identified in the Application, including all Co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to credit underwriting.
- f) Staff has reviewed this request and finds that the development meets all of the requirements of RFA 2018-111 and the Settlement Agreement.

2. **Recommendation**

- a) Approve the addition of the Co-Developer with adherence to the Settlement Agreement referenced above, specifically that Pinnacle Communities, LLC will be subject to a maximum 5% Developer Fee.

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C. Request Approval of Applicant Entity Change for Father Marquess-Barry Apartments (RFA 2018-102/2018-320C)

Development Name: Father Marquess-Barry Apartments	Location: Miami-Dade County
Applicant/Borrower: HTG Rainbow, LLC	Set-Asides: 10% @ 28% AMI and 80% @ 60% AMI
Developers/Principals: HTG Rainbow Developer, LLC/Matthew A. Rieger	Demographic/Number of Units: Elderly Non-ALF/60
Requested Amounts: \$955,000 Housing Credits (HC)	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) HTG Rainbow, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2018-102 for Housing Credit Financing to Provide Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives. The funds are being utilized to finance the construction of a 60-unit Elderly Non-ALF development in Miami-Dade County. On September 19, 2018, staff issued an invitation to the Applicant to enter credit underwriting, and subsequently executed a Carryover Allocation Agreement on December 17, 2018.
- b) On May 14, 2019, staff received a request from the Applicant for a change of the Applicant entity from a limited liability company (HTG Rainbow, LLC) to a limited partnership (HTG Rainbow Housing, Ltd.). Additionally, under the proposed structure, Rainbow Housing Corporation will become the sole general partner of the Applicant. HTG Rainbow Member, LLC was originally a 0.008% Member of the Applicant, but will be re-named HTG Rainbow, LLC and will become a 0.001% Special Limited Partner. The request letter from the Applicant is provided as [Exhibit F](#). The current and proposed Applicant structures are provided as Exhibits [G](#) and [H](#).
- c) According to RFA 2018-102, once the Carryover Agreement has been executed by all parties, replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change.

2. Recommendation

- a) Approve the request to allow for a change of the Applicant entity as referenced above.

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A. In Re: Tacolcy Edison Gardens, LLC - FHFC Case No. 2019-044VW

Development Name: (“Development”):	Edison Gardens
Developer/Principal: (“Developer”):	Tacolcy Economic Development Corporation Inc. SHAG Edison Gardens, LLC.
Number of Units: 200	Location: Miami-Dade County
Type: High Rise	Set Asides: HC: 40% @ 60% AMI; 5% @ County AMI Workforce Housing: 55% @ 80% AMI
Demographics: Family	SAIL: \$8,500,000 HC: \$722,479

1. Background

- a) Petitioner timely submitted an application for an allocation of loan funding under the State Apartment Incentive Loan program (“SAIL”) under RFA 2017-107 to assist in the financing of rehabilitation to two existing apartment buildings (containing 100 units) and construction of a new-100 unit high-rise residential development (Edison Place). Petitioner was preliminarily awarded \$8,500,000 in SAIL funding and was invited to enter credit underwriting on March 23, 2018. On November 9, 2018, Petitioner requested an extension of the loan commitment issuance deadline in order to have additional time to finalize plans and specifications and complete the credit underwriting process. Petitioner’s request for an extension was granted December 14, 2018 by the Board of Directors, extended to June 23, 2019, subject to the payment of the required non-refundable extension fee pursuant to Rule 67-48.0072. Petitioner paid such fee.
- b) On May 16, 2019, Florida Housing received a “Petition for Waiver of Rule 67-48.0072(21)(b) (the “Petition”). A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Tacolcy Edison Gardens, LLC requests a waiver of the provisions of the Rule, which provide, in relevant part, as follows:

Rule: The Rule provides as follows (See Section 67-48.072 (21) (b), F.A.C.):

(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the

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preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Tacolcy requests a waiver from the relevant restrictions in the Rule, in order to allow for a further extension of time from June 23, 2018 to December 23, 2019 to obtain the SAIL award firm loan commitment. Petitioner has not yet been able to obtain a firm loan commitment pursuant to the rule because the City of Miami has not yet confirmed permit availability for either the rehabilitation project or new high-rise construction project (Edison Place). Petitioner has finalized and submitted plans to obtain permits from the City of Miami for both projects as of March 2019. Petitioner expects that permits will be available in the third quarter of 2019 and the fourth quarter of 2019 respectively. As such, additional time is needed to complete permitting, bidding, and credit underwriting for the SAIL award. Accordingly, Tacolcy's request for further extension requires waiver of the rule.
- c) On May 16, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 98. To date, Florida Housing has received no comments concerning the Petition.
- d) Granting the requested waiver will not adversely affect the Development, Florida Housing, or any other applicant seeking funds pursuant to the RFA. However, a denial of this Petition (a) will result in a substantial economic hardship to Tacolcy as it has incurred over \$285,000.00 in costs to date toward ensuring that the Development proceeds to completion; (b) could deprive Miami-Dade County, Florida of essential affordable housing units in a timely manner and (c) would violate principles of fairness. The requested waiver being sought is permanent in nature and seeks that no additional extension fee be imposed and to award such further relief as may be deemed appropriate.
- e) The delay in permitting and bidding of the proposed rehabilitation and new construction of the Development and loss of a substantial sum of money illustrate the hardship which justify Petitioner's request for a Rule waiver. The requested waiver serves the purposes of Section 420.087, Florida Statutes, and the Act's primary goal of facilitating the availability of decent, safe and sanitary housing in Florida to low income persons and households. Further, by granting the requested waiver, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing.

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3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0072(21)(b) pertaining to a further extension of time to December 23, 2019 to obtain a firm loan commitment for the preliminary SAIL award.

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B. In Re: Northside Property II, Ltd. - FHFC Case No. 2019-046VW

Development Name: (“Development”):	Northside Transit Village II
Developer/Principal: (“Developer”):	APC Northside Property II Development, LLC; Howard D. Cohen
Number of Units: 180	Location: Miami-Dade County
Type: High Rise	Set Asides: 10% @ 60% AMI; 90% @ 60% AMI
Demographics: Elderly	SAIL: \$7,000,000; HC: \$1,435,399 ELI: \$600,000; NHTF: \$1,047,895.89 MMRB: \$20,000,000

1. Background

- a) Petitioner timely submitted an application for an allocation of loan funding under the State Apartment Incentive Loan program (“SAIL”) under RFA 2017-108 to assist in the financing and construction of a new development (Northside II). Petitioner was preliminarily awarded \$7,000,000 in SAIL funding and was invited to enter credit underwriting on May 4, 2018. On October 16, 2018, Petitioner requested an extension of the commitment issuance deadline in order to have additional time to obtain the required firm loan commitment. Petitioner’s request for an extension was granted December 14, 2018 by the Board of Directors, extended to August 4, 2019, subject to the payment of the required non-refundable extension fee pursuant to Rule 67-48.0072. Petitioner paid such fee.
- b) On May 20, 2019, Florida Housing received a “Petition for Waiver of Rule 67-48.0072(21)(b) (the “Petition”). A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Northside Transit Village II requests a waiver of the provisions of the Rule, which provide, in relevant part, as follows:
 - (1) Section 67-48.072 (21) (b), F.A.C.:

(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the

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Development timely. The Corporation shall charge a non-refundable extension of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Northside II requests a waiver from the relevant restrictions in the Rule to allow for a further extension of time obtain the SAIL award firm loan commitment. Petitioner has not yet been able to obtain a firm loan commitment pursuant to the rule because of, in part, tariffs proposed and enacted by President Trump, have resulted in subcontractors refusing to commit to hard cost pricing. Petitioner estimates that the uncertainty and inability to gain hard cost pricing has increased the total cost of the project by \$3,000,000, or 15%. To cover the increased costs, Petitioner is pursuing further financing from the Department of Housing and Urban Development (“HUD”) through the Federal Housing Administration (“FHA”) 221(d)(4) program. This program entails a prolonged underwriting period and sophisticated construction drawings, which Petitioner believes will extend the closing date to August or September of 2019. Perhaps most significant, petitioner has not yet been able to progress through final design and permitting, and therefore obtaining the firm loan commitment, due to delays caused by Florida Power & Light Co. (“FPL”). Northside II is located on top of a FPL duct bank, which FPL requires access to for future maintenance. FPL originally approved the design of Northside II in 2012 but has since changed the original approvals. Northside II has proposed a solution and is waiting on approval of the proposed solution from FPL. Petitioner expects that these situations will be resolved within 180 days (up to and including January 31, 2020) from the current firm loan commitment deadline of August 4, 2019. Accordingly, Northside II’s request for further extension requires waiver of the rule.
- c) On May 20, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 99. To date, Florida Housing has received no comments concerning the Petition.
- d) Granting the requested waiver will not adversely affect the Development, Florida Housing, or any other applicant seeking funds pursuant to the RFA. However, a denial of this Petition (a) will result in a substantial economic hardship to Northside II as it has incurred substantial costs to date toward completing the Development; (b) could deprive Miami-Dade County, Florida of essential affordable housing units in a timely manner and (c) would violate principles of fairness. The requested waiver being sought is permanent in nature and seeks that no additional extension fee be imposed and to award such further relief as may be deemed appropriate.
- e) The delay caused by FPL and substantial increased costs from tariffs illustrate the hardship which justify Petitioner’s request for a Rule Waiver. The requested waiver serves the purposes of Section 420.087, Florida Statutes, and the Act’s primary goal of facilitating the availability of decent, safe and sanitary housing in Florida to low income persons and households. Further, by granting the requested waiver, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing.

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3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0072(21)(b) pertaining to a further extension of time to January 31, 2020 to obtain a firm loan commitment for the preliminary SAIL award.

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C. In Re: Fair Oaks, LLC. - FHFC Case No. 2019-048VW

Development Name: (“Development”):	Fair Oaks
Developer/Principal: (“Developer”):	Landmark Development Corp. / Francisco Rojo
120	Location: Miami-Dade County
Type: Mid-rise 5 to 6 stories	Set Asides: 10% @ 28% AMI 90% @ 60% AMI
Demographics: Family	9% HC: \$2,400,000

1. Background

- a) Petitioner was selected to receive 9% Housing Credits under RFA 2017-112 to assist in the construction of a development serving families in Miami-Dade County, Florida. On May 23, 2019 Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(i)(j), F.A.C., to change the total set-aside percentage and the total number of units respectively. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-48.004(3), Fla. Admin. Code, provides in relevant part:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

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

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

- b) Petitioner has requested approval from the Corporation to increase the total number of units from 120 to 124 pursuant to Rule 67-48.004(3)(i). Petitioner also seeks a waiver from Rule 67-48.004(3)(j) to reduce the Total Set-Aside Percentage from 100% to 96.77%. This would have the effect of allowing the development of four additional units and for these units to be rented at market rate. Without this waiver, these four additional units would also have to be limited to low-income tenants, which the Petitioner asserts would negatively affect the financial viability of this Development. Petitioner has committed to provide an additional ELI unit (limited to tenants with income at or below 28%

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AMI) out of the total 120 set-aside units so that it will meet the 10% ELI set-aside requirement.

c) On May 28, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 102. To date, Florida Housing has received no comments concerning the Petition.

d) Section 120. 542(2), Florida Statutes provides in pertinent part:

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

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

3. **Recommendation**

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.004(3)(j), Fla. Admin. Code, so that Petitioner will be able to reduce its Total Set-Aside Percentage from 100% to 96.77% and to add four additional units at market rate. As a condition of this waiver, Petitioner must provide one additional ELI unit, which results in a new set-aside commitment of 13 units (10.48%) at 28% AMI or less and 107 units (86.29%) at 60% AMI or less. This waiver will not decrease the total number of units set aside for low-income tenants and will increase the number of ELI units being delivered at the Development.

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D. In Re: Venetian Walk Partners II, LLLP - FHFC Case No. 2019-049VW

Development Name: (“Development”):	Venetian Walk II
Developer/Principal: (“Developer”):	Norstar Development USA, LP; Venetian Walk Developers, LLC. Richard L. Higgins
Number of Units: 52	Location: Sarasota County
Type: New Construction/Garden	Set Asides: 10% at 33% AMI 90% at 60% AMI
Demographics: Family	SAIL: \$2,290,000 ELI: \$464,200 Annual 4% HC: \$486,713

1. Background

- a) Petitioner was selected to receive State Apartment Incentive Loan (SAIL) and Extremely Low Income (ELI) funding under Request for Applications (RFA) 2017-108, to assist in the construction of a Development serving low-income families in Sarasota County, Florida. On May 24, 2019, Florida Housing received a “Petition for Waiver of Rules 67-48.0072(4)(c) and 67-48.0072(21)” (the “Petition”) requesting to extend the SAIL/ELI loan commitment issuance deadline from June 12, 2019 to July 12, 2019. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) R. 67-48.0072(4)(c), Fla. Admin. Code (2017), provides:

(c) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, the credit underwriting process must be completed within the time frame outlined in subsection 67-48.0072(21), F.A.C., below and the loan must close within the time frame outlined in subsection 67-48.0072(26), F.A.C., below.

- b) Rule 67-48.0072(21), Fla. Admin. Code (2017), provides:

(b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment.

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- c) Petitioner was invited to credit underwriting on March 8, 2018, and received a 6-month extension of firm loan commitment issuance deadline to June 12, 2019. Petitioner now requests a one-month extension of this deadline to July 12, 2019. The credit underwriting process has been completed with a positive recommendation, and Petitioner had planned to seek Board approval of the credit underwriting report at the May 10, 2019 Board meeting. Because of a last-minute issue this matter was pulled from the Board's agenda, but that issue has now been resolved and Petitioner anticipates seeking Board approval at its June 21 meeting.
- d) On May 29, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 104. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

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

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rules 67-48.0072(4)(c), and 67-48.0072(21), Fla. Admin. Code (2017), so that the firm loan commitment deadline may be extended from June 12, 2019, to July 12, 2019.

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E. In Re: Sulzbacher Center for Women and Children, Ltd. - FHFC Case No. 2019-053VW

Development Name: (“Development”):	Sulzbacher Village
Developer/Principal: (“Developer”):	Sulzbacher Village Developer, LLC TVC Development, Inc. Cindy Funkhouser / John Rood
Number of Units: 70	Location: Duval County
Type: New Construction	Set Asides: 15% at 33% AMI 85% at 60% AMI
Demographics: Homeless	SAIL: \$3,500,000 9% HC: \$922,492

1. Background

- a) Petitioner was selected to receive SAIL funding and 9% housing credits (HC) under RFA 2014-115 to assist in the construction of a development serving homeless individuals in Jacksonville, Florida. On May 30, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(j), F.A.C. (2014), to increase the total number of units and reduce the total set-aside percentage. On June 4, 2019, Petitioner filed an amended Petition. A copy of the amended Petition is attached as [Exhibit E](#). Petitioner has also requested a waiver of Section 4(A)(7)b.(2) of the RFA to reduce the total ELI set-aside percentage.

2. Present Situation

- a) Rule 67-48.004(3)(i) - (j), Fla. Admin. Code, provides:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

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

(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application. Notwithstanding the foregoing, the Total Set-Aside Percentage may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said

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approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant's request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development.

- b) Section 4(A)(7)b.(2) of RFA 2014-115 provides:¹

7. Set-Aside Commitments:

b. Set-Aside Commitments per Corporation Requirements:

The Corporation has set-aside requirements beyond those required by Section 42 of the IRC which must be reflected on the Total Set-Aside Breakdown Chart at question 7.b. of Exhibit A, as outlined below:

(a) (2) ELI Set-Aside Commitments:

(b) Homeless Demographic Commitment ELI Set-Aside Requirements:

The Applicant must set aside at least 15 percent of the total units as ELI Set-Aside units, one-third of which must be set-aside for Persons with a Disabling Condition (i.e., 5 percent of the total units must be set aside as ELI Set-Aside units that serve Persons with a Disabling Condition).

- c) Petitioner has requested approval from the Corporation to increase the total number of units from 70 to 97, pursuant to Rule 67-48.004(3)(i). Petitioner now seeks a waiver from Rule 67-48.004(3)(j) to reduce the Total Set-Aside Percentage from 100% to 72.1649%. This would have the effect of allowing the development of 27 additional non-housing credit units. These units will be labeled as market rate units but will be utilized to serve Female Homeless Veterans as well as respite units providing places for the Homeless to recover after a hospital stay. Without this waiver, these additional units would also have to be limited as housing credit units, and the units would not be able to be utilized to serve the Homeless population on a transitional basis or provide respite care to the most vulnerable population.
- d) Petitioner also seeks a waiver from the ELI set-aside requirements of the RFA. Currently, Petitioner is required to set aside 11 of the original 70 units as ELI units. If Petitioner is allowed to increase the total number of units to 97, it would be required to set aside 15 of the total units as ELI units under the RFA requirements. Petitioner asks to be allowed to continue to set aside 11 of the total units as ELI units, which would have the effect of lowering the Total ELI Set-Aside to 11.34%. Petitioner asserts that because all of the additional units are intended to provide respite care to homeless persons it would create a substantial hardship and serve no useful purpose to require an additional 4 units be set aside as ELI units.

¹ Exhibit C to the RFA also contains the same ELI set-aside requirement.

LEGAL

Consent

- e) On June 3, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 107. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120. 542(2), Florida Statutes provides in pertinent part:

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

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request to increase the total number of units from 70 to 97, to **GRANT** Petitioner’s request for a waiver of Rule 67-48.004(3)(j), Fla. Admin. Code, and to **GRANT** Petitioner’s request for a waiver of Section 4(A)(7)b.(2) of RFA 2014-115, so that Petitioner will be able to reduce its Total Set-Aside Percentage from 100% to 72.1649%, reduce its Total ELI Set-Aside Percentage from 15% to 11.34%, and add 27 additional non-housing credit units. This waiver will not decrease the total number of units set aside for low-income tenants, for homeless individuals or families, or for extremely low-income tenants.

LEGAL

Consent

F. In re: Resolution 2019-020, Signature Authority (Federal Housing Administration)

1. Background/Present Situation

- a) In addition to the resolutions that the Board has previously executed to authorize key staff to execute routine documents and to affect bond transactions, the U.S. Department of Housing and Urban Development has requested that Florida Housing issue a similar resolution designating the Executive Director, Chief Financial Officer, and General Counsel to serve as Corporate Officers and Florida Housing's Certifying Officials for the Federal Housing Administration's insured mortgage loan program.

2. Recommendation

- a) Staff recommends that the Board adopt Resolution 2019-020 designating the Corporate Officers and Florida Housing's Certifying Officials as described.

MULTIFAMILY BONDS

Consent

III. MULTIFAMILY BONDS

A. Request Approval of the Credit Underwriting Update Letter Increasing the Permanent Bond Amount for Osprey Pointe (2018-050BS)

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

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 8, 2017, the Board approved the final scores and recommendations for RFA 2017-108 and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order allowing staff to proceed with invitations to credit underwriting and closing activities.
- d) On May 10, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On March 22, 2019 the Board approved the final credit underwriting report containing a positive recommendation for MMRN, SAIL, and ELI Funding.
- f) On April 29, 2019, HTG Osprey Point, LLC requests Florida Housing's consent to increase the permanent first mortgage tax-exempt loan by KeyBank National Association from \$5,325,000 to \$5,925,000. This request will reduce the paydown of the bonds at conversion to permanent financing by \$600,000. Interest rates have decreased, and rents have increased since underwriting allowing the Development to support an increase in the permanent first mortgage. AmeriNat has reviewed this request and provided a positive recommendation ([Exhibit A](#)).

MULTIFAMILY BONDS

Consent

2. **Recommendation**

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

MULTIFAMILY BONDS

Consent

B. Request Approval of the Transfer of Partnership Interest for Brooke Commons f/k/a East Lake Apartments (1999 Series B / 2000-521C)

Development Name: Brooke Commons f/k/a East Lake Apartments	Location: Orange County
Applicant/Borrower: East Lake Partners, Ltd	Set Aside(s): 5% @ 55% AMI (MMRB) 50% @ 60% AMI (MMRB)
Developer/Principal: Associated Housing Development Partners V, Ltd. / Alan Ginsburg	Demographic/Number of units: Family / 288
\$13,270,000 Tax Exempt Multifamily Mortgage Revenue Bond (MMRB) \$990,663 Non-Competitive Housing Credits (4% HC)	Development Category / Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 1999 with \$11,720,000 in tax exempt MMRB designated as 1999 Series B-1 and \$1,550,000 in taxable MMRB designated as 1999 Series B-2. In addition, \$990,663 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in February 2013. The Extended Low Income Housing Agreement (“ELIHA”) was terminated in 2015.
- b) East Lake Partners, Ltd. has requested Florida Housing’s consent for the transfer of the General Partner interest from CED Capital Holdings XIII, Ltd and the Limited Partner interest from Sun America Housing Fund 624, LP to entities affiliated with Avanath Affordable Housing IV, LLC. AmeriNat® has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption and subordination of the MMRB Land Use Restriction Agreement (“LURA”) ([Exhibit B](#)).

2. Recommendation

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

MULTIFAMILY BONDS

Consent

C. Request Approval of the Transfer of Partnership Interest for College Park Apartments (2006 Series D / 1998-528C)

Development Name: College Park Apartments	Location: Collier County
Applicant/Borrower: College Park Holdings, Ltd.	Set Aside(s): 20% @ 50% AMI (MMRB) 80% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developer/Principal: The Richman Group / Richard Richman and The Carlisle Group / Lloyd Boggio	Demographic/Number of units: Family / 210 units
Requested Amounts: \$9,775,000 Multifamily Mortgage Revenue Bond (MMRB) \$533,998 Non-Competitive Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 1998 with \$10,100,000 in tax exempt MMRB designated as 1998 Series F. In addition, \$533,998 in Housing Credits was allocated to this Development. In July 2016, the 1998 Series F bonds were refunded with the issuance by Florida Housing of its 2006 Series D bonds in the amount of \$9,775,000.
- b) College Park Holdings, Ltd. has requested Florida Housing's consent to the transfer of the general partnership interest from TCG I, Inc. to College Park Holdings, LLC. First Housing Development Corporation of Florida has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption of the MMRB Loan Documents, MMRB Land Use Restriction Agreement ("LURA") and Extended Low-Income Housing Agreements ("ELIHA"), and the release of an existing guarantor and replacement with a new guarantor ([Exhibit C](#)).

2. Recommendation

- a) Approve the transfer of partnership interest, the assignment and assumption of the MMRB Loan Documents, LURA and ELIHA, and the release and substitution of guarantors, subject to the conditions in the credit underwriting report with further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY PROGRAMS

Consent

IV. MULTIFAMILY PROGRAMS

A. Request Approval of Credit Underwriting Report for The Magnolia Place Home at The Arc of Alachua County (RFA 2017-101/2017-277G)

Development Name: The Magnolia Place Home at The Arc of Alachua County	Location: Alachua County
Applicant/Borrower: The Arc of Alachua County, Inc./Kumari Sherreitt	Set-Asides: 33% @ 35% AMI and 67% @ 60% AMI
Developers/Principals: N/A	Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents
Requested Amounts: \$417,000 Grant Funding	Development Category/Type: New Construction/Community Residential Home

1. Background/Present Situation

- a) On April 4, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-101 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 16, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 27, 2017, staff issued a Letter of Preliminary Award and subsequently, on September 29, 2017, staff issued an invitation to enter credit underwriting to The Arc of Alachua County, Inc.
- d) On May 24, 2019, staff received a positive recommendation for a grant amount of \$417,000 to be allocated to the Development ([Exhibit A](#)).

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

V. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Loan Closing Deadline Extension for Suncrest Court (2016-378BS)

Development Name: Suncrest Court	Location: Broward County
Applicant/Borrower: Suncrest Court Redevelopment, LLC	Set-Aside(s): 10% @ 30% AMI & 90% @ 60% AMI Persons with a Disabling Condition – 6 units
Developer/Principal: HEF Development, LLC / Tam English	Demographic/Number of units: Family / 116
Requested Amounts: MMRB \$16,000,000, SAIL \$6,500,000, ELI \$600,000 Annual 4% HC \$1,306,766	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, 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 24, 2017, the Board approved staff to issue Administrative Complaints and Orders of Ineligibility against Pinnacle Housing Group, LLC (PHG), PHG Builders, LLC, and several Principals of PHG. The Administrative Complaint was issued by the Corporation’s Counsel on May 1, 2017. Subsequently, the Board approved a Settlement Agreement with PHG on September 8, 2017.
- d) On July 28, 2017, the Board approved the request of a waiver of the RFA to allow for (i) a change in the Principals of the Applicant, (ii) a change in one of the two Developer entities listed in the Application, and (iii) a change in the Management Company listed in the Application to remove Pinnacle Housing Group (PHG) and its principals to allow this Development to move forward with its allocation.
- e) On August 7, 2017, staff issued an invitation to enter credit underwriting to the Applicant. The Board approved two firm loan commitment issuance deadline extension requests extending the deadline from May 8, 2018 to December 7, 2019.
- f) On December 14, 2018, the Board approved a change to the Applicant entity to amend the name of the non-profit entity to Housing Enterprises of Florida, Inc. and a change to the Developer entity to amend the name of the developer to HEF Development LLC.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- g) On February 1, 2019, the Board approved the final credit underwriting report and directed staff to proceed with closing activities. On February 4, 2019, staff issued a firm commitment to the Applicant which states the loan must close within 180 calendar days of the firm commitment, giving them a loan closing deadline of August 5, 2019. Applicants may request one (1) extension of up to 90 calendar days to close the loan.
- h) On May 13, 2019, staff received a request from the Applicant to extend the August 5, 2019 loan closing deadline to November 3, 2019 ([Exhibit A](#)), due to current unavailability of subcontractors in various trades and extra time that is needed to obtain HUD's approval under RAD. Additionally, the government shut down in late 2018 and into early 2019 created a back log at the HUD RAD office of processing closing documents timely. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. **Recommendation**

- a) Approve the request to extend the loan closing deadline from August 5, 2019 to November 3, 2019, 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 of Final Credit Underwriting Report for Venetian Walk II (2018-017S)

Development Name: Venetian Walk II	Location: Sarasota County
Applicant/Borrower: Venetian Walk Partners II, LLLP	Set-Aside(s): 10% @ 33% AMI & 90% @ 60% AMI Persons with a Disabling Condition – 3 units
Developer/Principal: Norstar Development USA, LP; Venetian Walk Developers, LLC / Richard L. Higgins	Demographic/Number of Units: Family / 52
Requested Amounts: SAIL \$2,290,000, ELI \$464,200 Annual 4% HC \$486,713	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 8, 2017, 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 8, 2018, staff issued an at risk invitation to enter credit underwriting to Venetian Walk Partners II, LLLP, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 12, 2018, giving them a firm loan commitment issuance deadline of December 12, 2018. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On May 4, 2018, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- e) On November 2, 2018, the Board approved extending the firm loan commitment issuance deadline from December 12, 2018 to June 12, 2019, and approved the change to the Developer principal. The principal Norstar Investment USA, Inc., was removed from the Developer, Norstar Development USA, LP.
- f) On June 6, 2019, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Loan Closing Deadline for The Heights at Gracepoint (2018-350CS)

Development Name: The Heights at Gracepoint	Location: Hillsborough County
Applicant/Borrower: Gracepoint Heights, LLC	Set Aside(s): 15% @ 40% AMI and 85% at 60% AMI
Developer/Principal: DDA Development, LLC / Bowen A. Arnold	Demographic/Number of Units: Homeless/Persons with Disabling Conditions /64
Requested Amounts: SAIL \$3,243,000 ELI \$135,000 Annual 9% HC \$1,260,000	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On March 21, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-108 for Financing for the Development of Housing for Persons with a Disabling Condition or Developmental Disabilities.
- b) On June 15, 2018, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 27, 2018, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on June 28, 2018, giving them a firm loan commitment issuance deadline of March 28, 2019.
- d) On March 22, 2019, the Board approved the final credit underwriting report and directed staff to proceed with closing activities. On March 27, 2019, staff issued a firm commitment to the Applicant which states the loan must close within 180 calendar days of the firm commitment, giving them a loan closing deadline of July 25, 2019. Applicants may request one (1) extension of up to 90 calendar days to close the loan.
- e) On May 28, 2019, staff received a request from the Applicant to extend the July 25, 2019 loan closing deadline to October 23, 2019 ([Exhibit C](#)), due to delays in obtaining permits. Staff has reviewed this request and finds that it meets all the requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the loan closing deadline from July 25, 2019 to October 23, 2019, 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

D. Request Approval of Credit Underwriting Report for San Juan Village (2018-309S)

Development Name: San Juan Village	Location: Duval County
Applicant/Borrower: R&R Loving Hands, Inc. dba Genesis Horizon	Set-Aside(s): 20% @ 33% AMI, 80% @ 60% AMI
Developer/Principal: Ability Housing, Inc./Shannon Nazworth	Demographic/Number of Units: Persons with Special Needs / 22
Requested Amounts: SAIL \$4,397,490 ELI \$312,500	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On February 1, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-101 for SAIL Financing for Smaller Developments for Persons with Special Needs and Homeless Households.
- b) 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.
- c) On May 16, 2018, staff issued an invitation to enter credit underwriting to the Applicant which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 23, 2018, giving them a firm loan commitment issuance deadline of February 23, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On January 10, 2019, staff received a request from the Applicant to extend the February 23, 2019 firm loan commitment issuance deadline to August 23, 2019, which will allow additional time to obtain delayed third-party market study and appraisal reports and complete the credit underwriting process.
- e) On June 5, 2019, 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 2018-101.

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 Credit Underwriting Report for Palmetto Pointe (2018-024S)

Development Name: Palmetto Pointe	Location: Pinellas
Applicant/Borrower: SP Pinellas I LLC	Set-Aside(s): 10% @ 40% AMI, 90% @ 60% AMI, 7.3% @ 22% AMI (NHTF)
Developer/Principal: Southport Development, Inc. a WA corporation doing business in FL as Southport Development Services, Inc./ J. David Page	Demographic/Number of Units: Family/82
Requested Amounts: SAIL \$5,400,000, ELI \$463,900 NHTF \$997,898.90, Annual 4% HC \$719,035	Development Category/Type: New Construction/Mid Rise, 4-stories

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. National Housing Trust Funds (NHTF) were also awarded to the proposed Developments selected for funding.
- b) On December 8, 2017, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Applicant on May 9, 2018, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 11, 2018, giving them a firm loan commitment issuance deadline of February 11, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On January 2, 2019, staff received a request from the Applicant to extend the February 11, 2019 firm loan commitment issuance deadline to August 11, 2019, due to delays associated with completing the construction contract with the general contractor.
- e) On June 6, 2019, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit E](#)). Staff has reviewed this report and finds that it meets all the requirements of RFA 2018-108.

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

F. Request Approval of Final Credit Underwriting Report for SabalPlace f/k/a Preserve at Sabal Park 2 (2018-346CS)

Development Name: SabalPlace	Location: Hillsborough County
Applicant/Borrower: Blue Broadway 2, LLC	Set-Aside(s): 15% @ 40% AMI and 85% @ 60% AMI
Developer/Principal: Blue Sky Communities LLC and Metropolitan Ministries Developer, LLC / Shawn Wilson	Demographic/Number of Units: Homeless/112
Requested Amounts: SAIL \$4,214,500 ELI \$285,500 Annual 9% HC \$2,110,000	Development Category/Type: New Construction/Mid-Rise, 4 Stories

1. Background/Present Situation

- a) On March 21, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-103 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties.
- b) On June 15, 2018, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On September 14, 2018, Florida Housing Board of Directors approved a RFA waiver, exempting the non-profit board members/officers from having to submit the IRS Form 8821, provided each board member/officer submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.
- d) On February 1, 2019, the Board approved a change in Developer organizational structure. Blue SP2 Developer, LLC was added above Blue Sky Communities, LLC as co-developer.
- e) On June 7, 2019, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit F](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

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

SPECIAL ASSETS

Consent

VI. SPECIAL ASSETS

- A. **Request Approval of the Transfer of Ownership, Refinance of the First Mortgage, Assumption and Renegotiation of the SAIL loan terms for Pinnacle at Abbey Park, Ltd., a Florida limited partnership for Pinnacle at Abbey Park Apartments (2002-068S/2002-540C)**

Development Name: Pinnacle at Abbey Park Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Pinnacle Housing Group (“Developer”); Pinnacle at Abbey Park, Ltd. (“Borrower”)	Set-Aside: SAIL & HC: 4% @ 30%, 96% @ 60% AMI LURA: 54 years; EUA 31 years
Number of Units: 160	Allocated Amount: SAIL: \$1,000,000; HC \$436,478
Demographics: Family	Servicer: Seltzer

1. **Background**

- a) During the 2002 funding cycle, Florida Housing awarded a \$1,000,000 State Apartment Incentive Loan (“SAIL”) to Pinnacle at Abbey Park, Ltd., a Florida limited partnership (“Borrower”), for the development of a 160-unit apartment complex in Palm Beach County, Florida. The SAIL loan closed on July 14, 2003 and will mature on September 1, 2044. The Development also received a 2002 allocation of low-income housing tax credits of \$436,478.

2. **Present Situation**

- a) The Borrower requests approval to transfer the ownership of the Development, refinance the existing first mortgage, assumption and renegotiation of the SAIL loan and to subordinate the SAIL documents and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage.
- b) Staff has received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the refinancing of the first mortgage, transfer of ownership, assumption and renegotiation of the SAIL loan and subordination of the SAIL loan, SAIL documents, and ELIHA to the new first mortgage.

3. **Recommendation**

- a) Approve the transfer of ownership, refinancing of the first mortgage loan, assumption and renegotiation of the SAIL loan and assignment, assumption and subordination of the SAIL documents and ELIHA, 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 the Transfer of Ownership, Refinance of the First Mortgage, Assumption and Renegotiation of the HOME loan terms for Pinnacle Grove, Ltd., a Florida limited partnership for Pinnacle Grove Apartments (MMRB 2003 Series A/2002-705H/2001-535C)**

Development Name: Pinnacle Grove Apartments (“Development”)	Location: Indian River County
Developer/Principal: Pinnacle Housing Group (“Developer”); Pinnacle Grove, Ltd. (“Borrower”)	Set-Aside: MMRB: 80% @ 60%; HOME 20% @ 50%, 80% @ 60%; HC 100% @ 60% AMI LURA: 42 years; EUA 30 years
Number of Units: 234	Allocated Amount: MMRB: \$8,350,000; HOME: \$3,000,000; HC \$672,877
Demographics: Family	Servicer: Seltzer

1. Background

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$8,350,000 to fund a first mortgage loan to Pinnacle Grove, Ltd., a Florida limited partnership (“Borrower”), for the development of a 234-unit apartment complex in Indian River County, Florida. The Multifamily Mortgage Revenue Bond (“MMRB”) loan closed on January 10, 2003. The Borrower received a \$3,000,000 Home Investment Partnership Program Loan (“HOME”). The HOME loan closed on January 10, 2003 and will mature on February 21, 2036. The Development also received a 2001 allocation of low-income housing tax credits of \$672,877.

2. Present Situation

- a) The Borrower requests approval to transfer the ownership of the Development, refinance the existing first mortgage, assumption and renegotiation of the HOME loan and to subordinate the HOME documents, MMRB LURA and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The proceeds from the first mortgage will be used to satisfy the existing first mortgage, redeeming the underlying bonds.
- b) Staff has received a credit underwriting report ([Exhibit B](#)) from Seltzer Management Group with a positive recommendation for approval of the refinancing of the first mortgage, transfer of ownership, assumption and renegotiation of the HOME loan and assignment, assumption and subordination of the HOME documents, MMRB LURA and ELIHA to the new first mortgage.

3. Recommendation

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

SPECIAL ASSETS

Consent

- C. **Request Approval of the Transfer of Ownership, Refinance the First Mortgage, Assumption and Renegotiation of the HOME loan terms for Lutheran Residences Inc., a Florida non-profit corporation, for Lutheran Apartments (RFP 2005-03-02/2008 Series C)**

Development Name: Lutheran Apartments (“Development”)	Location: Pinellas County
Developer/Principal: Lutheran Residences, Inc. (“Developer”)/ Lutheran Residences, Inc. (“Borrower”)	Set-Aside: MMRB 40% @ 60% HOME 20% @ 50%, 80% @ 60%; LURA: 40 years
Number of Units: 225	Allocated Amount: MMRB \$2,067,500 HOME \$2,500,000;
Demographics: Elderly	Servicer: Seltzer Management Group

1. **Background**

- a) During the 2005 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage consisting entirely of FHFC issued tax-exempt bonds in the original amount of \$2,067,500 to Lutheran Residences, Inc., a Florida non-profit corporation (“Borrower”), for the rehabilitation of a 225-unit apartment complex in Pinellas County, Florida. The Multifamily Mortgage Revenue Bond (“MMRB”) loan closed on February 5, 2008 and matures on July 20, 2049.
- b) The Borrower also received a Home Investment Partnership Program Loan (“HOME”) in the original amount of \$2,500,000. The HOME Loan closed on February 11, 2008 and matures on June 1, 2049.

2. **Present Situation**

- a) The Borrower requests approval to transfer the ownership of the Development from Lutheran Residences, Inc. to Lutheran Florida, LP, a Florida limited partnership (“Buyer”), or an affiliate entity.
- b) The Buyer requests consent from the Board to refinance the existing first mortgage, assume and subordinate the HOME loan documents, HOME LURA, and MMRB LURA to the new first mortgage. The proceeds of the new first mortgage will be used to satisfy the existing first mortgage, redeeming the underlying bonds. The Buyer also requests consent for renegotiation of the HOME loan with a payment of \$1,250,000.
- c) Staff has received a credit underwriting report ([Exhibit C](#)) from First Housing Development Corporation with a positive recommendation for approval of the refinancing of the first mortgage, assumption, subordination, and extension of the HOME loan documents and MMRB LURA to the new first mortgage, and transfer ownership interests.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the transfer of ownership, refinancing of the first mortgage, renegotiation of the HOME loan with a payment of \$1,250,000, and the assumption and subordination of the HOME loan documents and the MMRB LURA 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

D. Request Approval of Partial Release of Land for Cypress Oaks Community, Ltd., a Florida Limited Partnership, for Cypress Oaks (2002-025C)

Development Name: Cypress Oaks (“Development”)	Location: Lake County
Developer/Principal: Creative Choice (original developer); Lincoln Avenue Capital (current developer); Cypress Oaks Community, Ltd. (“Owner”)	Set-Aside: 56% @ 50%, 44% @ 60% AMI; EUA: 50 years
Number of Units: 140	Allocated Amount: HC \$941,994
Demographics: Family	Servicer: Seltzer Management Group, Inc.

1. Background

- a) During the 2002 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded low-income housing tax credits (“HC”) of \$941,994 to Cypress Oaks Community, Ltd., a Florida limited partnership (“Owner”) for the construction of a 140-unit development in Lake County.
- b) On November 30, 2018, the general partner interests in the Owner was transferred from Cypress Oaks GP, LLC, a Creative Choice entity, to Lincoln Cypress Oaks GP, LLC, a Lincoln Avenue entity.

2. Present Situation

- a) The Owner requests approval of the Board to release approximately 0.02 acres of vacant land from the Development and to modify the legal description of the Extended Low-Income Housing Agreement (“ELIHA”) so that the released land can be quit claimed to the adjacent property owner as its building encroaches on the Owner’s property.
- b) Staff received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group with a positive recommendation for the partial release of land, and the modification of the legal description in the HC ELIHA.

3. Recommendation

- a) Approve the partial release of land, and the modification of the legal description in the HC ELIHA, 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

E. Request Approval of the Transfer of Ownership, Refinance the First Mortgage and Assumption of the SAIL ELI Loan for Lakesmart Associates, Ltd., for Villas at Lake Smart Apartments (MR2002P1&2/GUAR#53/RISK/2002-533C/RFP 2011-05-07/SMI#30)

Development Name: Villas at Lake Smart Apartments (“Development”)	Location: Polk County
Developer/Principal: Carlisle Development Group (“Developer”); Lakesmart Associates, Ltd. (“Borrower”)	Set-Aside: MMRB 40% @ 60%; SAIL ELI 25% @ 40%; HC 100% @ 60% AMI LURA 50 years; SAIL ELI 15 years; EUA 30 years
Number of Units: 220	Allocated Amount: MMRB \$8,975,000; SMI \$404,613.92; SAIL ELI \$4,125,000; HC \$495,125
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$7,975,000, and FHFC issued taxable bonds in the original amount of \$1,000,000 to Lakesmart Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 220-unit apartment complex in Polk County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on November 26, 2002 and matures on November 15, 2042. The mortgage was guaranteed by Florida Housing’s Guarantee Program (“Guarantee Program”) with HUD Risk Sharing. The Development also received a 2002 allocation of low-income housing tax credits (“HC”) of \$495,125.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$404,613.92 of which \$252,883.70 was disbursed and was paid in full on April 11, 2011. The Borrower also received a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$4,125,000. The SAIL ELI loan closed on September 21, 2012 and matures on September 1, 2049.
- c) In April 2013, the Board approved a refinance of the existing first mortgage loan. The Borrower obtained a HUD insured 223(f) program first mortgage loan originated by First Housing Development Corporation, the proceeds of which were used to satisfy the existing first mortgage, redeeming the underlying FHFC bonds and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan was already paid. The MMRB Land Use Restriction Agreement (“LURA”) remains outstanding.

2. Present Situation

- a) The Borrower requests approval to transfer the ownership of the Development from Lakesmart Associates, Ltd. to Lincoln Capital Acquisition, LLC (“Buyer”), or an affiliate entity.

SPECIAL ASSETS

Consent

- b) The Buyer requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage. The Buyer also requests consent from the Board to assume and subordinate the SAIL ELI loan documents, the MMRB LURA, and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage.
- c) Staff received a credit underwriting report ([Exhibit E](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, assumption and subordination of the SAIL ELI loan documents, the MMRB LURA, and the HC ELIHA, and transfer of ownership.

3. Recommendation

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

SPECIAL ASSETS

Consent

F. Request Approval of Temporary Farmworker Demographic Waiver for Country Manor (2002-063CS/2003-092S)

Development Name: Country Manor (“Development”)	Location: Hardee County
Developer/Principal: Equity Management Partners, Inc. (“Owner”); Country Manor Property LLC and Country Manor Property II LLC (“Owner”)	Set-Aside: SAIL 15%@30%, 85%@60% AMI; HC 15%@30%, 85%@60% AMI LURA & EUA: 50 years
Number of Units: 120	Allocated Amount: SAIL \$1,930,000 (aggregate); HC \$932,193
Demographics: Farmworker/Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2002 and 2003 funding cycles, Florida Housing Finance Corporation awarded a \$1,000,000 and a \$930,000 State Apartment Incentive Loan (“SAIL”) to Country Manor Associates, Ltd., a Florida limited partnership (“Original Borrower”), for the construction of a 120-unit development in Hardee County. The SAIL loans closed on June 18, 2003 and September 24, 2003, respectively, and both were satisfied on June 27, 2018. The Development also received a 2002 allocation of low-income housing tax credits (“HC”) of \$932,193.
- b) On June 27, 2018, the ownership of the Development was transferred to the current owner (“Owner”).

2. Present Situation

- a) On May 2, 2019, the Owner submitted a formal request to permanently waive the Farmworker set-aside requirement from 40% to 0%, along with supporting documents for the Development’s marketing efforts. The Owner claims since purchasing the development in mid-June 2018 the number of vacant farmworker set-aside units have more than doubled. The Owner also claims the lack of demand for the Farmworker units correlates with growing Migrant and Visa Farmworker populations that do not utilize FHFC funded units. The Owner further references a study conducted by the University of Florida, specifically Hardee County, as support. The challenge has also been coupled with continued reduction in farm production and employment as well as hurricane damage over the last several years.
- b) Due to the devastating impact of Hurricane Irma on September 10, 2017, the USDA officially designated 19 counties in Florida as a primary disaster area plus another 25 counties as contiguous disaster areas. Hardee County is considered one of the contiguous counties. The impacts include the lack of crops available for harvesting and significant increases in the deadly greening disease of citrus trees. Farmers in Hardee County and the immediate areas have reported significant crop losses and sales across the various farming industry sectors with significant repairs needed to land, structures, and equipment.

SPECIAL ASSETS

Consent

- c) The marketing efforts undertaken by Management over the last year included distributing monthly letters to several major employers in the immediate area offering to waive all application fees to boost Farmworker occupancy levels. Despite the Owner's continued marketing efforts, the Development has been unable to meet the Farmworker requirement for several years.
- d) Staff's analysis shows a temporary Farmworker set-aside waiver for three years is warranted due to the continued annual vacancy rates sustained over the years resulting from the hurricane effects on the local farming community, as well as the time it will take the industry to reestablish itself.

3. Recommendation

- a) Approve a temporary waiver for the Farmworker set-aside requirement from 40% to 0% for a period of three years, subject to the development continuing to ensure Farmworkers receive priority for housing during the waiver period and direct staff to proceed with document modification activities, as needed.

SPECIAL ASSETS

Consent

G. Request Approval of the Extension of the SAIL Loan for Del Prado Acquisition, LLC, a Florida Limited Liability Company, for Del Prado Gardens (98S-009/97L-029)

Development Name: Del Prado Gardens (“Development”)	Location: Miami-Dade County
Developer/Principal: Carrfour Supportive Housing, Inc. (“Developer”); Del Prado Acquisition, LLC, (“Borrower”)	Set-Aside: SAIL 50% @ 50% & 40% @ 60% AMI; HC 15% @ 35%, 35% @ 50% and 50% @ 60% AMI; LURA: 53 years; EUA: 50 years
Number of Units: 32	Allocated Amount: SAIL - \$332,592 Housing Credits: \$168,577
Demographics: Family	Servicer – Seltzer Management Group

1. Background

a) During the 1996-97 State Apartment Incentive Loan (“SAIL”) Cycle X(a), Florida Housing awarded a \$332,592 construction/permanent loan to Del Prado Acquisition, LLC., a Florida limited liability company (“Borrower”), for the construction of a 32-unit development in Miami-Dade County. The SAIL loan closed on November 24, 1998, and originally matured on November 23, 2014. The Board previously approved extensions to June 30, 2019. The Development also received a 1997 allocation of low-income housing tax credits of \$168,577.

2. Present Situation

a) The Borrower has requested approval of an additional extension of the SAIL loan, at its current terms, to allow time for refinancing of the Development. The Borrower has received a firm commitment for a HUD 221(d)(4) loan of which proceeds will be used to rehabilitate the Development and pay off the SAIL loan. The Borrower needs the additional time to complete the refinancing. The Borrower has agreed to an additional one-year extension of the SAIL Land Use Restriction Agreement (“LURA”) term.

3. Recommendation

a) Approve the extension of the SAIL loan, at its current terms, to December 31, 2019, extension of the LURA for an additional year, and direct staff to proceed with loan document modification activities, as needed.