

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

January 23, 2004

Consent Items



DEMONSTRATION LOAN PROGRAM

Consent

I. DEMONSTRATION

A. Request approval for change in loan terms for Grove House Demonstration Loan

DEVELOPMENT NAME (“Development”):	Grove House
DEVELOPER/PRINCIPAL (“Developer”):	Grove House of Jacksonville, Inc.
NUMBER OF UNITS:	10
LOCATION (County):	Duval
TYPE:	Single Family
ALLOCATED AMOUNT:	\$499,545
ADDITIONAL COMMENTS: Developer has requested relief from original loan agreement due to reduction in support from local government.	

1. Background

- a) In 2002, Florida Housing issued a commitment to the Developer for a demonstration loan in the amount of \$499,545 to provide housing for persons with developmental disabilities. The loan was closed on July 1, 2002.
- b) Due to a reduction in the amount of support being received from local government to purchase single family homes for persons with developmental disabilities along with the restriction in the demonstration loan agreement limiting the use of demonstration funds not to exceed 50% of the total acquisition costs or \$49,978, whichever is lowest for each home purchased, Grove House has had to make up the difference in the acquisition cost.
- c) The Developer is requesting the removal of the 50% restriction in order to make the purchase of the homes more viable.

2. Recommendation

That the Board approve the developer’s request and instruct staff to modify the loan agreement to remove the 50% restriction.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Consent

II. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

A. Request Approval of Credit Underwriting Report for MLF Towers (2003-003E)

Development Name: MLF Towers	
Developer/Principal: MLF Housing, Inc.	
Number of Units: 146	Location: St. Petersburg, Pinellas County
Type: Building Preservation	Demographics: Elderly
Allocated Amount: \$150,000	

1. Background/Present Situation

- a) On August 1, 2003, the Board approved the final scores and ranking for the 2003 Elderly Housing Community Loan (“EHCL”) Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 13, 2003, staff issued a preliminary commitment letter and invitation to credit underwriting for a EHCL loan in an amount up to \$150,000 for this 146-unit elderly development in Pinellas County. This EHCL loan will be secured by a third mortgage on the property.
- c) On January 8, 2004, staff received a credit underwriting report with a positive recommendation for an EHCL loan in the amount of \$150,000 ([Exhibit A](#)).

2. Recommendation

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

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Consent

B. Request Approval of Credit Underwriting Report for Peterborough Apartments (EHCL 2003-004E)

Development Name: Peterborough Apartments	
Developer/Principal: Peterborough Apartments, Inc.	
Number of Units: 152	Location: St. Petersburg, Pinellas
Type: Building Preservation	
Allocated Amount: \$141,145.00	Demographics: Elderly

1. Background/Present Situation

- a) On August 1, 2003, the Board approved the final scores and ranking for the 2003 Elderly Housing Community Loan (EHCL) Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 13, 2003, staff issued a preliminary commitment letter and invitation to credit underwriting for an EHCL loan in an amount up to \$141,145.00 for this 152-unit family development in Pinellas County. This EHCL loan will be secured by a third mortgage on the property.
- c) On January 8, 2004, staff received a credit underwriting report with a positive recommendation for an EHCL loan in the amount of \$141,145.00 ([Exhibit B](#)).

2. Recommendation

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

HOMEOWNERSHIP LOAN PROGRAM

Consent

III. HOMEOWNERSHIP LOAN PROGRAM

A. Request for Approval of the Analytical Review for Oakwood Village/ HH03-002

Applicant Name (“Applicant”):	Nu-Era Homes, Inc.
Development Name (“Development”):	Oakwood Village
Developer/Principal (“Developer”):	Nu-Era Homes, Inc./ Ron Lieberman
Number of Units: 49	Location: Beverly Hills, Citrus County
Type: HOME Purchase Assistance	Allocated Amount: \$1,086,625

1. Background

- a) The Applicant submitted an application on behalf of Oakwood Village during round one of the 2003 Homeownership Loan Program Cycle.
- b) On September 19, 2003 Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to Nu-Era Homes, Inc. for a HOME Purchase Assistance Loan in the amount of \$1,086,625 to assist in the construction of 49 homes in Citrus County.

2. Present Situation

- a) The credit underwriter provided Staff with an Analytical Review outlining the parameters of the proposed development. The Analytical Review is attached as [Exhibit A](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$1,086,625 for a HOME Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$1,086,625 to the Developer for a HOME Purchase Assistance Loan subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

B. Request for Approval of the Analytical Review for Brentwood Estates/ HH03-007

Applicant Name (“Applicant”):	Habitat Resources of Duval County, Inc.
Development Name (“Development”):	Brentwood Estates
Developer/Principal (“Developer”):	Habitat Resources of Duval County, Inc./ Toni Randall
Number of Units: 96	Location: Jacksonville, Duval County
Type: HOME Purchase Assistance Loan	Allocated Amount: \$1,944,700

1. Background

- a) The Applicant submitted an application on behalf of Brentwood Estates during round one of the 2003 Homeownership Loan Program Cycle.
- b) On September 19, 2003 Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to Habitat Resources of Duval County, Inc. for a HOME Purchase Assistance Loan in the amount of \$1,944,700 to assist in the construction of 96 homes in Duval County.

2. Present Situation

- a) The credit underwriter provided Staff with an Analytical Review outlining the parameters of the proposed development. The Analytical Review is attached as [Exhibit B](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$1,944,700 for a HOME Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$1,944,700 to the Developer for a HOME Purchase Assistance Loan subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

C. Request for Approval of the Analytical Review for Lake Forest Farms New Homes Project / HAP03-302

Applicant Name (“Applicant”):	Neighborhood Housing & Development Corp.
Development Name (“Development”):	Lake Forest Farms New Homes Project
Developer/Principal (“Developer”):	Neighborhood Housing & Development Corp./ David Herkalo
Number of Units: 44	Location: Gainesville, Alachua County
Type: HAP Purchase Assistance Loan	Allocated Amount: \$1,000,000

1. Background

- a) The Applicant submitted an application on behalf of Neighborhood Housing Development Corporation during Round One of the 2003 Homeownership Loan Program Cycle.
- b) On September 19, 2003, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to Neighborhood Housing & Development Corp. for a HAP Purchase Assistance Loan in the amount of \$1,000,000 to assist in the construction of 44 homes in Alachua County.

2. Present Situation

- a) The credit underwriter provided Staff with an Analytical Review outlining the parameters of the proposed development. The Analytical Review is attached as [Exhibit C](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HAP funds in the amount of \$1,000,000 for a HAP Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$1,000,000 to the Developer for a HAP Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

D. Request for Approval of the Analytical Review for 29th St. & Chase Ave. Scattered Infill/HAP03-314

Applicant Name (“Applicant”):	Habitat Resources of Duval County, Inc.
Development Name (“Development”):	29th St. & Chase Ave. Scattered Infill
Developer/Principal (“Developer”):	Habitat Resources of Duval County, Inc./
Number of Units: 36	Location: Duval County
Type: HAP Purchase Assistance Loan	Allocated Amount: \$663,400

1. Background

- a) The Applicant submitted an application on behalf of 29th Street & Chase Avenue Scattered Infill during Round One of the 2003 Homeownership Loan Program Cycle.
- b) On December 8, 2003, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to Habitat Resources of Duval County, Inc. for a HAP Purchase Assistance Loan in the amount of \$663,400 to assist in the construction of 36 homes in Duval County.

2. Present Situation

- a) The credit underwriter provided Staff with an Analytical Review outlining the parameters of the proposed development. The Analytical Review is attached as [Exhibit D](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HAP funds in the amount of \$663,400 for a HAP Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$663,400 to the Developer for a HAP Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

E. Request for Approval of the Analytical Review for Duval County Scattered Infill / HAP03-319

Applicant Name (“Applicant”):	Habitat Resources of Duval County, Inc.
Development Name (“Development”):	Duval County Scattered Infill
Developer/Principal (“Developer”):	Habitat Resources of Duval County, Inc./ Toni Randall
Number of Units: 45	Location: Jacksonville, Duval County
Type: HAP Purchase Assistance Loan	Allocated Amount: \$762,625

1. Background

- a) The Applicant submitted an application on behalf of Duval County Scattered Infill during round one of the 2003 Homeownership Loan Program Cycle.
- b) On September 19, 2003, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to Habitat Resources of Duval County, Inc. for a HAP Purchase Assistance Loan in the amount of \$762,625 to assist in the construction of 45 homes in Duval County.

2. Present Situation

- a) The credit underwriter provided Staff with an Analytical Review outlining the parameters of the proposed development. The Analytical Review is attached as [Exhibit E](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HAP funds in the amount of \$762,625 for a HAP Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$762,625 to the Developer for a HAP Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

F. Request for Approval of the Analytical Review for Carolina Place/ HAP99-004

Applicant Name (“Applicant”):	City of Tallahassee
Development Name (“Development”):	Carolina Place
Developer/Principal (“Developer”):	City of Tallahassee/ Thomas Lewis
Number of Units: 15	Location: Leon County
Type: HAP Purchase Assistance Loan	Allocated Amount: \$375,000

1. Background

- a) The Applicant submitted an application on behalf of Carolina Place during the 2000 Homeownership Loan Program Cycle.
- b) On March 15, 2001, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to the City of Tallahassee for a HAP Purchase Assistance Loan in the amount of \$375,000 to assist in the construction of 15 homes in Leon County.

2. Present Situation

- a) The credit underwriter provided Staff with an Analytical Review outlining the parameters of the proposed development. The Analytical Review is attached as [Exhibit F](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HAP funds in the amount of \$375,000 for a HAP Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$375,000 to the Developer for a HAP Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

G. Request approval of the Final Credit Underwriting Report for Sable Chase/HH02-005

Applicant Name (“Applicant”):	DFC Homes of Florida, Inc.
Development Name (“Development”):	Sable Chase
Developer/Principal (“Developer”):	DFC Homes of Florida, Inc./ Kenny Davis
Number of Units: 50	Location: Broward County
Type: HOME Construction Loan	Allocated Amount: \$1,325,000

1. Background

- a) The Applicant submitted an application on behalf of Sable Chase during the 2002 Homeownership Loan Program cycle.
- b) On November 4, 2002, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to DFC Homes of Florida, Inc. for a HOME Construction Loan in the amount of \$1,325,000 to assist in the construction of 50 homes in Broward County.

2. Present Situation

- a) The credit underwriter provided Staff with a Final Credit Underwriting Report outlining the parameters of the proposed development. The Final Credit Underwriting Report is attached as [Exhibit G](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$1,325,000 for a HOME Construction Loan.

3. Recommendation

Staff recommends that the Board approve the Final Credit Underwriting Report and authorize staff to issue a firm commitment letter in the amount of \$1,325,000 to the Developer for a HOME Construction Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOME RENTAL

Consent

IV. HOME RENTAL

A. Request Approval of Credit Underwriting Report for Whispering Pines Apartments (2002-722H)

Development Name: Whispering Pines Apartments	Developer/Principal: Florida Non-Profit Housing, Inc
Number of Units: 71	Location: Fellsmere, Indian River County
Type: New Construction No Demographic Targeting	Set Aside: 20% @ 50% AMI 80% @ 60% AMI
Allocated Amount: \$5,996,000	

1. Background/Present Situation

- a) On October 10, 2002, the Board approved the final scores and ranking for the 2002 HOME Rental Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 18, 2002, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in an amount up to \$5,996,000 for this 61-unit family development (farmworker for the purposes of USDA only) in Indian River County. This HOME loan will be secured by a second mortgage on the property.
- c) On October 9, 2003, the Board approved the final credit underwriting report with the recommendation subject to approval of final site plan from the city which was anticipated to occur on October 16, 2003. Based on the requirement of Rule Chapter 67-48, this loan had a closing deadline of December 12, 2003.
- d) On November 20, 2003, staff received a letter from the Developer requesting a loan closing extension from December 12, 2003 to January 30, 2004 due to delays in the final site plan approval in preparation for issuing permits. Approval for the extension was approved at the December Board Meeting. On January 12, 2004, staff received a second letter from the Developer requesting a loan extension from January 30, 2004 to March 15, 2004 due to the same problem as expressed in the November 20, 2003 letter.

2. Recommendation

That the Board approve the Developers request to extend the closing deadline until March 15, 2004.

LEGAL

Consent

V. LEGAL

A. In Re: The Housing League, Inc.

Development Name: (“Development”):	Miami-Dade Infill Housing Development
Developer/Principal: (“Developer”):	The Housing League, Inc.
Number of Units: 40	Location: Miami-Dade County
Type: single family detached	Set Aside: 30% @ 50%AMI; 30% @ 80%AMI
Demographics: elderly/disabled	Allocated Amount: \$1 million

1. Background

- a) Petitioner is the developer of the Miami-Dade Infill Housing development, a 40 unit scattered-site single family project for which Florida Housing awarded \$1million in HAP down payment assistance during the 2003 application cycle. On December 12, 2003, a Petition for Waiver of Rules 67-50.080(2) and 67-50.005(8), Florida Administrative Code, was published in Volume 29, Number 52, of the Florida Administrative Weekly. Specifically, Petitioner is seeking a waiver of the requirement to provide certain information to the Credit Underwriter. As grounds for this request, Petitioner reports that it needs additional time to submit documentation to the Credit Underwriter as it acquiring a portion of the lots from Miami-Dade County’s “List of Lands Available For Sale.” Although the County has completed its preliminary due diligence, Miami-Dade County has not been able to complete the process of preparing the request of acquisition by Petitioner in a timely fashion.
- b) A copy of the Petition is attached as [Exhibit A](#).
- c) On December 12, 2003, the Notice of the Petition was published in Volume 29, Number 52, of the Florida Administrative Weekly. Florida Housing did not receive any comments regarding the Petition.

2. Present Situation

- a) 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.

LEGAL

Consent

- b) Rule 67-50.080(2), Florida Administrative Code, states in pertinent part:

The Applicant shall submit the required information to the Credit Underwriter within sixty (60) days of the date of the notification letter. If an extension is needed, a written request substantiating the need for the extension must be provided to the Corporation prior to the sixty (60) day initial deadline, subject to approval by the Credit Underwriter and the Corporation Staff. However, the extension shall not exceed a period of sixty (60) days. In the event the time limitation expires, the Corporation will request that the Applicant relinquish the preliminary allocation and it will be made available to the next ranked Applicant.

- c) Rule 67-50.005(8), Florida Administrative Code provides in pertinent part:

“Application Package” or “HOMEOWN-0530 (Rev. 4/03)” means the forms and instructions obtained from the Corporation,... which shall be completed and submitted to the Corporation in order to apply for either HAP or HOME funds, which is adopted and incorporated herein by reference...

- d) Part III, Section C, Note, of the Application Package provides in pertinent part:

Applications for scattered site Developments should provide as much documentation as possible; however, a signed statement to the effect that sites are not identified and the “Ability to Proceed” forms could not be completed is acceptable. All Development site-related documentation will be required within sixty (60) days of entering into credit underwriting. Documentation must correspond to the number of units committed to in the initial Application; failure to provide sufficient documentation shall result in the forfeiture of funds.

3. **Recommendation**

Staff recommends that the Board grant this Petition. Petitioner asserts that they will not be able to submit the required information to the Credit Underwriter until Miami-Dade County completes the process of obtaining and releasing the lots that Petitioner will acquire from Miami-Dade County. Petitioner further asserts that Miami-Dade County will address the acquisition in January, 2004. The granting of this waiver request would serve the purpose of the underlying statute to provide safe, sanitary and affordable housing to the citizens of Florida. Moreover, not granting this waiver will result in a substantial hardship to Petitioner, in that loss of the HAP subsidy will cause the development to be economically infeasible for potential low income home buyers in Miami-Dade County. Lastly, strict construction of this Rule to Petitioner in these circumstances would violate the principles of fairness, as Petitioner’s submission of the required documentation to the Credit Underwriter is due in large part to the delay by Miami-Dade County.

LEGAL

Consent

B. In Re: CHPC Tallahassee Sunrise, LLC

Development Name: (“Development”):	Southwood Apartments
Developer/Principal: (“Developer”):	CHPC Tallahassee Sunrise, LLC
Number of Units: 99	Location: Tallahassee, Florida
Type: GA	Set Aside: 99
Demographics: U	Allocated Amount: requested \$900,000 SAIL
MMRB: n/a	Housing Credits: n/a

1. Background/Present Situation

- a) On April 24, 2003, Florida Housing received a Petition for Formal Administrative Hearing pursuant to Sections 120.569 and 120.57(1), Florida Statutes (“Petition”) from CHPC Tallahassee Sunrise, LLC (“Petitioner”).
- b) On December 8, 2003, Petitioner filed a request for withdrawal of its Petition.

2. Recommendation

Staff recommends the Board grant the Petitioner’s request to withdraw the Petition for waiver and order Staff to close the file.

LEGAL

Consent

C. In Re: Defined Contribution Plan

1. Background

Florida Housing adopted a Defined Contribution Plan (Plan) to provide eligible employees with a source of retirement income and to provide assistance in other circumstances, such as death or disability. The Plan was adopted on February 25, 2002. A “Good Faith EGTRRA (Economic Growth and Tax Relief Reconciliation Act of 2001) Amendment” was adopted on August 13, 2003. A First Amendment to the Prototype Defined Contribution Retirement Plan Basic Plan Document #2 was authorized on November 20, 2003. A Second Amendment to the Adoption Agreement for the Defined Contribution Plan for the Minimum Distribution Rules of Code Section 401(a)(9) was executed on December 18, 2003, by Florida Housing’s Chief Financial Officer. ([Exhibit B](#))

2. Present Situation

A Second Amendment to the Plan is required to comply with the Treasury Regulations of the Internal Revenue Code §401(a) (9) and other pertinent provisions of the law. ([Exhibit C](#))

3. Recommendation

The staff recommends that the Board adopt the Second Amendment to the Florida Housing Corporation Defined Contribution Plan.

LEGAL

Consent

D. In Re: Creation of Chapter 67-53 Florida Administrative Code

1. Background

Rule Chapters 67- 21, 67-28, 67-32, 67-36, 67-37, 67-38, 67-39, 67-40, 67-43, 67-48 and 67-50, Florida Administrative Code, contain rules for procedures to ensure compliance with the various programs administered by Florida Housing.

2. Present Situation

Florida Housing's compliance rules are contained in the various rule chapters. The various provisions are duplicative, and in some instances are confusing and/or conflict with one another. Revising these rule chapters and the creating a new compliance rule that will govern all Florida Housing compliance procedures will increase the efficiency and effectiveness of enforcement of the various programs.

3. Recommendation

That the Board authorizes staff to begin the process to promulgate the rule to implement these changes.

MULTIFAMILY BONDS

Consent

VI. MULTIFAMILY BONDS

- A. Request approval of the Revised Final Credit Underwriting Report for \$6,100,000 of Tax-Exempt Bonds in order to finance the development known as Grande Court at North Port Apartments (“Development”), 128 units, located in Sarasota County, Florida

DEVELOPMENT NAME (“Development”):	GRANDE COURT AT NORTH PORT
DEVELOPER/PRINCIPAL (“Developer”):	Grand Court North Port Associates, Ltd. / Alec P. Courtelis
NUMBER OF UNITS:	128
LOCATION (County):	Sarasota
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	40% at 60% of AMI
ALLOCATED AMOUNT:	\$6,100,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS:	

1. Background

- a) At the October 11, 2002 Board meeting, the Board authorized the adoption of an Acknowledgement Resolution in the amount not to exceed \$6,800,000 in tax-exempt bond financing to construct the Development.
- b) At the May 2, 2003 Board Meeting, the Board approved a final Credit Underwriting Report dated April 11, 2003 which recommended the issuance of \$6,300,000 in tax-exempt bonds.
- c) At the August 1, 2003 Board Meeting, the Board approved a revised final Credit Underwriting Report dated July 18, 2003 which recommended the issuance of \$6,400,000 in tax-exempt bonds.

2. Present Situation

- a) The current Program Rule does not prohibit changes or modifications of the proposed Development during credit underwriting. Based on changing market conditions and changes in the financial structure, the Applicant has requested the following revisions from the Credit Underwriting Report most recently approved by the Board.
- b) The applicant requested a Multifamily Mortgage Revenue Bond financed loan totaling \$6,800,000 which has been revised to \$6,100,000.
- c) Total development costs have increased from \$10,766,690 in the previously approved report to \$10,837,152, primarily due to increased construction costs and financial costs, and the extension fee for the land contract.
- d) The proposed syndicator changed from Wachovia Affordable Housing Community Development Corporation (“WAHCDC”) to SouthTrust Community Reinvestment Company, LLC. The syndication rate has decreased from \$0.835 per dollar of syndicated HC under the WAHCDC commitment, to \$0.83 per dollar of syndicated HC under the SouthTrust Community Reinvestment Company, LLC commitment.

MULTIFAMILY BONDS

Consent

- e) The Applicant is now utilizing a bridge loan from Wachovia Bank, N.A., as a source of funds.
- f) The management company has changed from Vestcor Realty Management, Inc. as shown in the application to CALEX Realty Group, Inc. Both firms are currently FHFC approved management companies.
- g) The unit mix has increased from 126 units to 128 units due to a decrease of three-bedroom units (from 42 units to 32 units) and an increase of two bedroom units (from 48 units to 60 units).
- h) A Revised Final Credit Underwriting Report dated January 8, 2004, is labeled as [Exhibit A \(Credit Underwriting Report Summary\)](#)

3. **Recommendation**

- a) That the Board approve the recommendation of the Credit Underwriter outlined in the Revised Final Credit Underwriting Report dated January 8, 2004 to finance the construction of Grande Court at North Port Apartments 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 Final Credit Underwriting Report for \$7,000,000 of Tax-Exempt Bonds in order to finance the development known as Magnolia Pointe Apartments (“Development”), 150 Units, located in unincorporated Okaloosa County, Florida**

DEVELOPMENT NAME (“Development”):	Magnolia Pointe
DEVELOPER/PRINCIPAL (“Developer”):	Capitol Housing Partners, LLC & Regency Development Associates, Inc./CHP Magnolia Pointe, LLC; FWB Magnolia Pointe, Ltd; Steven J. DeFrancis; Breck Kean; Robin E. Delmer
NUMBER OF UNITS:	150
LOCATION (County):	Okaloosa
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	3% @ 30%, 82% @ 60% (MMRB & SAIL) 3% @ 30%, 97% @ 60% (HC)
ALLOCATED AMOUNT:	\$7,000,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS:	

1. Background

- a) FWB Magnolia Pointe, Ltd. (“Applicant”) submitted an application (“Application”) on behalf of the proposed Development during the 2002 Application Cycle. Applicant applied for tax-exempt bonds in the amount of \$7,350,000 in order to construct the Development.
- b) At the October 11, 2002 Board meeting, the Board approved an Acknowledgement Resolution for the issuance of tax-exempt Bonds in an amount not to exceed \$7,350,000 for construction of the Development.

2. Present Situation

- a) While the current Program Rule does not prohibit changes or modifications of the proposed Development during credit underwriting, the Board has directed staff to advise it of any such changes.
- b) The Application reflects tax-exempt bonds in the amount of \$7,350,000. The original structure consisted of a HUD 221(d)(4) credit enhancement with a SunTrust letter-of-credit during construction. The structure has changed to an unenhanced Private Placement by Charter Municipal Mortgage Acceptance Company (“Charter Mac”) with tax-exempt bonds of \$7,000,000 and a Wachovia Bank letter-of-credit during construction. The Syndicator has changed from SunTrust Community Development Corporation to Related Capital Company. This change resulted in an increase of the Housing Credit exchange rate of one dollar of tax credit in exchange for \$0.80 to \$0.82 per credit.

MULTIFAMILY BONDS

Consent

- c) The original site plan included in the Application reflected twenty (20) residential structures. However, due to consideration of identified wetlands, a new site plan was drafted and the number of buildings was reduced from twenty (20) two-story buildings to seven (7) two and three-story buildings. The Developer states that the seven (7) building structure is more efficient and cost effective to build and therefore results in a reduction in the construction budget from \$8,573,145 to \$8,000,000. The total number of units, unit mix, and set-asides all remain as stated in the original application. The Credit Underwriter has received a pre-construction analysis that concludes that current construction costs are reasonable.
- d) The General Partner of the Applicant has changed from Regency Investment Associates, Inc. (1%) and CHP Magnolia Pointe, LLC (99%) to CHP Magnolia Pointe, LLC (100%). In addition, the limited partner has changed from Gordon L. Blackwell, due to his retirement, to Capitol Housing Partners, LLC.
- e) The General Contractor listed in the Application changed from Rodda Construction to PRS Construction, LLC. Capitol Housing Partners, LLC has had previous experience with PRS and the experience level is comparable to Rodda Construction.
- f) A Final Credit Underwriting Report dated January 8, 2004, is attached as [Exhibit B](#).

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated January 8, 2004 recommending that \$7,000,000 in tax-exempt bonds be issued for the purpose of constructing the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

- C. **Request Approval to amend the Land Use Restriction Agreement (“LURA”) for Iona Lakes Apartments, 2000 Series B in the amount of \$17,155,000 Tax-Exempt Bonds, 350 Units, located in Lee County, Florida**

DEVELOPMENT NAME (“Development”):	IONA LAKES APARTMENTS
DEVELOPER/PRINCIPAL (“Developer”):	Iona Lakes Acquisition Corporation/ Gary Thompson and Maurice Cox
NUMBER OF UNITS:	350
LOCATION (County):	Fort Myers, Lee County
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	30% at 80% of AMI and 60% at 150% AMI
ALLOCATED AMOUNT:	\$17,155,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS:	LURA Amendment

1. **Background**

- a) In 1985, Florida Housing Finance Corporation (“FHFC”) financed the construction of Iona Lakes Apartments with \$17,400,000 in Tax-Exempt Bonds, designated as 1985 Series Y.
- b) In 1989, the bonds were refunded by FHFC in the amount of \$17,155,000 as 1989 Series D.
- c) In April of 1996, Continental Casualty Company (the original credit enhancer) accepted a deed in lieu of foreclosure due to recurring events of default.
- d) In September of 1999, Continental Casualty Company sold the Development to Iona Lakes Acquisition Company which is a subsidiary of America First Tax Exempt Investors, Inc. (“America First”).
- e) In March of 2000 the bonds were refunded by FHFC in the amount of \$17,155,000 as 2000 Series B.
- f) In January of 2001 the Iona Lakes Apartments clubhouse was severely damaged by fire. During the rebuilding of the clubhouse the Owner acquired approval from FHFC to replace one of two on-sight laundry facilities with a fully equipped business center, enlarged fitness center, and entertainment theatre featuring a big screen TV.

2. **Present Situation**

- a) On October 9, 2003 the owner requested ([Exhibit C](#)) amendments to the current (3/28/2000) amended Land Use Restriction Agreement (“LURA”) to correct references to amenities that were not part of the original 1985 LURA and were not intended to be added to the current LURA. The specific references to be deleted are: “There are 40 sets of full sized and ten sets of stackable washers and dryers available in the complex” and “access to outside storage closets in each unit”. Currently all units have washer and dryer hook-ups and all units have storage closets, but some are inside of the units and some are outside of the units.

MULTIFAMILY BONDS

Consent

- b) The Credit Underwriter, Compliance Monitor, Real Estate Counsel and the FHFC Compliance Department concur with this request.

3. **Recommendation**

That the Board approve the LURA amendment for Iona Lakes Apartments subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

D. Assignment of Bond Underwriters and Structuring Agents

1. Background

- a) Pursuant to staff's requests for approval to issue bonds to finance the construction of the proposed Developments referenced below, Final Credit Underwriting Reports are being presented to the Board for approval simultaneous with this request to assign the appropriate professionals to these transactions. A brief description of the Developments is detailed below along with the Staff's recommendation for the assignments.
- b) Additionally, the Corporation's Senior Financial Advisor has prepared method of bond sale letters. Staff has reviewed these method of sale letters and Board approval is requested at the current meeting.

2. Present Situation

- a) The Credit Underwriters, the Senior Financial Advisor and Florida Housing Staff have reviewed the financing structures for the proposed Developments.
- b) The Senior Financial Advisor's recommendation for the method of bond sale is being presented to the Board at the current meeting during the Multifamily Bond Program Update of items on the agenda.

3. Recommendation

- a) That the Board approve the assignments of the recommended professionals as shown in the chart for the proposed Developments.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional
Grande Court North Port	Sarasota	128	Negotiated	RBC Dain Rauscher, Inc.
Magnolia Pointe	Okaloosa	150	Negotiated/ Private Placement	Morgan Keegan and Company

MULTIFAMILY BONDS

Consent

E. Request Approval of the Method of Sale Recommendations from Florida Housing’s Senior Financial Advisor

1. Background/Present Situation

- a) The Credit Underwriter has provided Final Credit Underwriting Reports for the proposed Developments below. Florida Housing seeks Board approval pursuant to the recommendation of the Credit Underwriter and the appropriate Florida Housing staff.
- b) Pursuant to Rule 67-21.0045, F.A.C., Staff has requested a review of the proposed bond structure by the Senior Financial Advisor in order to make recommendations to the Board for the methods of bond sale.
- c) WLJ Capital has prepared analysis and recommendations for the methods of bond sale for the Developments. These recommendation letters are attached as [Exhibit D](#).

Development Name	Location of Development	Number of Units	Method of Bond Sale
Grand Court North Port	Sarasota	128	Negotiated
Magnolia Pointe	Okaloosa	150	Negotiated/Private Placement

2. Recommendation

- a) That the Board approve the recommendation of the Senior Financial Advisor for the methods of bond sale for the above Developments.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VII. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Approval of Loan from PLP funds for Hancock Place (PLP 00-023)

DEVELOPMENT NAME (“Development”):	Hancock Place
DEVELOPER/PRINCIPAL (“Developer”):	St. Johns Housing Partnership
NUMBER OF UNITS:	32
LOCATION (County):	St. Johns
TYPE:	Homeownership
SET ASIDE:	100% @ 80%
ALLOCATED AMOUNT:	\$500,000
ADDITIONAL COMMENTS: The non acquisition portion (\$311,000) of the loan was approved by the Board in December 2002. The acquisition portion of the loan (\$189,000) was subject to credit underwriting approval. The Credit Underwriting has been completed and the credit underwriter is recommending approval on the remaining funds.	

1. Background/Present Situation

- a) On August 13, 2002, Florida Housing issued an invitation to participate in the PLP program to St. Johns Housing Partnership (the “Developer”). The Development will consist of 32 Homeownership units.
- b) On August 25, 2003, the non acquisition portion of the loan was closed on and the borrower began to draw those funds for predevelopment activities including credit underwriting. The credit underwriter has completed the report ([Exhibit A](#)) and is recommending approval of the acquisition funds in the amount of \$189,000.

2. Recommendation

That the Board approve release of the acquisition funds from PLP funds for \$189,000 to St. Johns Housing Partnership for predevelopment costs as recommended by the Credit Underwriter.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Revised approval of Loan from PLP funds for Ironwood North. (PLP 00-042)

DEVELOPMENT NAME (“Development”):	Ironwood North
DEVELOPER/PRINCIPAL (“Developer”):	Neighborhood Development Corporation
NUMBER OF UNITS:	48
LOCATION (County):	Alachua
TYPE:	Homeownership
SET ASIDE:	100% @ 80% AMI
ALLOCATED AMOUNT:	\$159,786
ADDITIONAL COMMENTS:	

1. Background/Present Situation

- a) At the December board meeting, a PLP loan was approved for Neighborhood Development Corporation (the “Developer”) for a development called Ironwood North, a 78 unit development in Alachua County in the amount of \$213,049.
- b) In conducting market research for the development, the developer has determined that it is more feasible to develop 64 units in a mixed income development.
- c) The Developer has requested ([Exhibit B](#)) that the PLP loan amount be reduced to cover 48 units constructed such that the amount of the loan be reduced to a principal of \$159,786. All of the 48 units included under the PLP loan will be sold to homeowners earning 80% or less of the AMI.

2. Recommendation

That the Board approve the reduction in number of units to 48 and the principal amount of the loan to \$159,786.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VIII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Magnolia Point Apartments, Cycle XIV, (2002-176BS)

Development Name: Magnolia Pointe	
Developer/Principal: CHP Housing Development, LLC and Regency Development Associates, Inc.	
Number of Units: 150	Location: Okaloosa County
Type: Garden Apartments	Set-Aside: 3% @ 30% AMI and 82% @ 60% AMI
Demographics: Family	Allocated Amount: \$1,500,000
MMRB: \$7,000,000	Housing Credits: \$435,354

1. Background/Present Situation

- a) On October 10, 2002, the Board approved the final scores and ranking for the 2002 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On November 4, 2002 staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL second mortgage loan in an amount up to \$1,500,000 for this 150-unit family development in Okaloosa County. This development was also awarded a MMRB allocation. The credit underwriting report is addressed in the MMRB section of this Board package. Staff has reviewed this report and finds that the development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

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