

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
July 30, 2004
Consent Items



DEMONSTRATION LOAN PROGRAM

Consent

I. DEMONSTRATION LOAN PROGRAM

A. Credit Underwriting Approval for AVDA Transitional Housing (RFP 2003/03-02)

DEVELOPMENT NAME (“Development”):	AVDA Transitional Housing
DEVELOPER/PRINCIPAL (“Developer”):	Aid to Victims of Domestic Abuse
NUMBER OF UNITS:	6
LOCATION (County):	Palm Beach County
TYPE:	Rental, Transitional and Emergency
SET ASIDE:	Victims of Domestic Abuse
DEMONSTRATION LOAN AMOUNT:	\$250,000
ADDITIONAL COMMENTS:	The Credit Underwriter has recommended approval.

1. Background/Present Situation

- a) On September 19, 2003, Florida Housing issued a Request for Proposals (RFP) for the development of transitional housing for victims of domestic violence.
- b) The Developer submitted a response and on December 16, 2003, and the Board approved funding of \$250,000 subject to a positive recommendation from the Credit Underwriter.
- c) Staff received a credit underwriting report on July 6, 2004 for this Development with a positive recommendation for a loan of \$250,000, subject to the conditions outlined in the report ([Exhibit A](#)).

2. Recommendation

Approve the Credit Underwriter’s final recommendation and direct staff to issue a firm loan commitment and proceed with loan closing activities.

DEMONSTRATION LOAN PROGRAM

Consent

B. Credit Underwriting Approval for Betty Griffin House (RFP 2003/03-01)

DEVELOPMENT NAME (“Development”):	Betty Griffin House
DEVELOPER/PRINCIPAL (“Developer”):	Betty Griffin House
NUMBER OF UNITS:	6
LOCATION (County):	St. Johns County
TYPE:	Rental, Homeless
SET ASIDE:	Victims of Domestic Violence
DEMONSTRATION LOAN AMOUNT:	\$207,539
ADDITIONAL COMMENTS: The Credit Underwriter has recommended approval.	

1. Background/Present Situation

- a) On September 19, 2003, Florida Housing issued a Request for Proposals (RFP) for the development of transitional housing for victims of domestic violence.
- b) The Developer submitted a response and on December 18, 2003, and the Board approved funding of \$207,539 subject to a positive recommendation from the Credit Underwriter.
- c) Staff received a credit underwriting report on July 7, 2004 for this Development with a positive recommendation for a loan of \$207,539, subject to the conditions outlined in the report ([Exhibit B](#)).

2. Recommendation

Approve the Credit Underwriter’s final recommendation and direct staff to issue a firm loan commitment and proceed with loan closing activities.

ELDERLY HOUSING COMMUNITY LOAN FUND (EHCL)

Consent

II. ELDERLY HOUSING COMMUNITY LOAN FUND (EHCL)

A. Request Approval of 2004 EHCL Application Cycle Review Committee

1. Background/Present Situation

Chapter 420, Florida Statutes, and Rule Chapter 67-32, Florida Administrative Code (F.A.C.), provides for a review committee to be comprised of FHFC staff and at least one Department of Community Affairs (DCA) staff person. The review committee will make recommendations to the Board regarding program participation.

2. Recommendation

Approve review committee for the 2004 EHCL Application cycle to be comprised of the following FHFC staff: Derek Helms, Vicki Robinson, & Robert Dearduff, with Marcus Hepburn as the DCA representative and William Aldinger from the Department of Elder Affairs.

HOMEOWNERSHIP LOAN PROGRAM

Consent

III. HOMEOWNERSHIP LOAN PROGRAM

A. Request for Approval of the Credit Underwriting Report for Sun Village Estates / HH03-012

Applicant Name (“Applicant”):	Bonita Springs Area Housing Development Corp.
Development Name (“Development”):	Sun Village Estates
Developer/Principal (“Developer”):	Mary Sorge
Number of Units: 10	Location: Lee County
Type: HOME Construction Loan	Allocated Amount: \$242,010

1. Background

- a) The Applicant submitted an application during Round Two of the 2003 Homeownership Loan Program Cycle.
- b) On February 26, 2004, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to the Applicant for a HOME Construction Loan in the amount of \$242,010 to assist in the construction of 10 homes in Lee County.

2. Present Situation

- a) The credit underwriter provided a Final Credit Underwriting Report outlining the parameters of the proposed development. The Credit Underwriting Report 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 \$242,010 for a HOME Construction Loan.

3. Recommendation

Staff recommends that the Board approve the Final Credit Underwriting Report and authorize staff to issue a commitment letter in the amount of \$242,010 to the Developer for a HOME Construction Loan subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

B. Request Approval of Change of the Application for Metro North Community Development Corporation / HH03-013

Applicant Name (“Applicant”):	Metro North Community Development Corporation
Development Name (“Development”):	Metro North CDC Scattered Sites
Developer/Principal (“Developer”):	Ron Pauline
Number of Units: 9	Location: Duval County
Type: HOME Purchase Assistance	Allocated Amount: \$225,000

1. Background

On January 23, 2004, the Board approved the final rankings for Round Two of the 2003 Homeownership Loan Program and authorized staff to issue a preliminary commitment to Metro North Community Development Corporation for Metro North CDC Scattered Sites, a nine-unit Development in Duval County.

2. Present Situation

On June 30, 2004, the Developer advised that due to the increased cost of materials, their costs have increased significantly, and therefore, are proposing to reduce the square footage of the homes rather than increase in the sales price. Additionally, they are requesting an extension of time to submit the required information to the Credit Underwriter due to difficulties in securing site control. The letter is attached as [Exhibit B](#).

3. Recommendation

Staff recommends that the Board approve the reduction in square footage for the homes and the extension of time to submit the information to the Credit Underwriter.

HOMEOWNERSHIP LOAN PROGRAM

Consent

C. Request Approval of the Extension of the Loan Closing Date for Hancock Place / HAP02-308

Applicant Name (“Applicant”):	St. Johns Housing Partnership, Inc.
Development Name (“Development”):	Hancock Place
Developer/Principal (“Developer”):	William Lazar
Number of Units: 32	Location: St. Augustine, St. Johns County
Type: HAP Construction Loan	Allocated Amount: \$840,000

1. Background

- a) The Applicant submitted an application on behalf of St. John’s Housing Partnership, Inc. during Round One of 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 St. Johns Housing Partnership, Inc. for a HAP Construction Loan in the amount of \$840,000 to assist in the construction of 32 homes in St. Johns County.
- c) The Board authorized staff to issue a commitment to the Developer in the amount of \$840,000 at its April 2, 2004 meeting.

2. Present Situation

On July 6, 2004, Staff received a letter requesting a 45-day extension of the loan closing date from July 15, 2004 to August 30, 2004. The Developer has advised of unexpected delays in obtaining the information required by the attorney’s Due Diligence Checklist, which includes an update to the Phase I Environmental Report. The letter is attached as [Exhibit C](#).

3. Recommendation

Staff recommends that the Board grant the loan closing extension until September 15, 2004.

HOMEOWNERSHIP LOAN PROGRAM

Consent

D. Authorize Staff to De-obligate HOME Funds for the Florida City Village Development / HH03-018

Applicant Name (“Applicant”):	Centro Campesino Farmworker Center, Inc.
Development Name (“Development”):	Florida City Village
Developer/Principal (“Developer”):	Steve Mainster
Number of Units: 22	Location: Miami-Dade County
Type: HOME Purchase Assistance	Allocated Amount: \$483,500

1. Background

- a) The Applicant submitted an application during Round Two of the 2003 Homeownership Loan Program Application Cycle.
- b) The Application scored within the funding range and was invited into credit underwriting on February 2, 2004.

2. Present Situation

On June 2, 2004, the Developer advised that they were unable to proceed with the Development due to significant increases in the cost of building materials and have decided to withdraw this proposed Development so that the funds could be re-allocated. The letter is attached as [Exhibit D](#).

3. Recommendation

Staff recommends that \$483,500 in HOME funds for the Florida City Village Development be de-obligated and made available for future use with homeownership activities.

HOME RENTAL

Consent

IV. HOME RENTAL

A. Request Extension to close HOME Loan for Villa Seton, Inc. (2003-008H)

Development Name:	Villa Seton, Inc.
Developer/Principal:	Catholic Charities of the Diocese of Palm Beach
Number of Units: 50	Location: Port St. Lucie, St. Lucie County
Type: New Construction No Demographic Targeting	Set Aside: 100% @ 50% AMI (49 total HOME Set-Aside Units)
Allocated Amount: \$1,114,709	Additional Comments:

1. Background/Present Situation

- a) On June 20, 2003, the Board approved the final scores and ranking for the 2003 HOME Rental Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On July 3, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a HOME loan in an amount up to \$1,474,268 for this 50-unit family development in St. Lucie County. This HOME loan will be secured by a second mortgage on the property.
- c) On November 20, 2003, staff received a credit underwriting report with the decrease in funding from \$1,474,268 to \$1,205,650 in order to balance the sources and uses of funds schedule.
- d) On December 12, 2003, the Board approved the final credit underwriting report and directed staff to proceed with loan closing activities.
- e) On December 16, 2003, staff issued a firm commitment letter for a HOME loan in an amount up to \$1,205,650. Pursuant to Rule 67-48, the loan must close within 60 days of issuance of the firm commitment letter. Due to delays involving HUD's approval of the loan documents, the Applicant failed to close the HOME loan by the deadline of February 16, 2004.
- f) On April 5, 2004, staff received Applicant's request for an extension to close the HOME loan.
- g) On May 21, 2004, the Board approved the request for a 60-day extension to close the HOME loan resulting in a closing deadline of July 22, 2004.
- h) Due to an extensive review to determine the eligible costs being funded by the HOME loan, the closing could not occur by the deadline.
- i) On July 14, 2004, staff received Applicant's request for an extension to close the HOME loan ([Exhibit A](#)).

2. Recommendation

Staff recommends approval of a 60-day loan closing extension.

HOME RENTAL

Consent

B. Request Approval for Refinancing of the First Mortgage Loan for Pueblo Bonito II Apartments (2001-027H)

Development Name:	Pueblo Bonito II Apartments
Developer/Principal:	National Development of America, LLC (“NDA” or “Developer”)
Number of Units: 150	Location: Bonita Springs, Lee County
Type: New Construction	Set Aside: 20% @ 50% AMI
Demographic Targeting: None	80% @ 60% AMI
Allocated Amount: \$1,243,000	

1. Background

A HOME loan in the amount of \$1,243,000 for New Construction of a 150-unit family development in Lee County closed on May 10, 2002.

2. Present Situation

- a) On June 22, 2004, the Developer requested approval for refinancing of the first mortgage loan ([Exhibit B](#)).
- b) The existing \$445,600 First Mortgage Construction/Permanent Loan from SunTrust Bank (“SunTrust”), has a term of 6 years (including a one-year interest only construction period), an amortization period of 20 years and a fixed rate of 7.125%. The proposed Lending Partners of West Florida, Inc. (“NLP”) First Mortgage Loan of \$475,000 will have a term of 10 years from closing and be amortized over a 25 year period.
- c) On June 30, 2004, staff received a credit underwriting review with a positive recommendation to refinance the first mortgage loan, subject to the following conditions ([Exhibit C](#)):
 - (1) Confirmation that Annual Debt Service on the new NLP First Mortgage Loan is less than that on the existing SunTrust First Mortgage Construction/Permanent Loan (\$41,859)
 - (2) Review and approval of a final Sources and Use of Funds
 - (3) Receipt and satisfactory review of all legal documents by FHFC and its legal counsel
 - (4) Any other reasonable requirement(s) of the Loan Servicer and/or FHFC and its legal counsel

3. Recommendation

Approve the Developer’s request to refinance their first mortgage, subject to the conditions outlined above.

HOUSING CREDITS

Consent

V. HOUSING CREDITS

- A. Request from the Owner of the Harvard House Apartments development to Amend a Feature in its Extended Use Agreement (EUA) and Replace it with Two Alternate Features

DEVELOPMENT NAME (“Development”):	Harvard House Apartments 1999-041C
DEVELOPER/PRINCIPAL (“Developer”):	Greater Miami Neighborhoods, Inc.
NUMBER OF UNITS:	56
LOCATION (“County”):	Miami-Dade County
TYPE:	Rehabilitation
SET ASIDE:	21% @ 40% AMI & 29% @ 50% AMI & 50% @ 60% AMI
ALLOCATED AMOUNT:	\$354,107,.00
ADDITIONAL COMMENTS: Urban In-Fill	

1. **Background/Present Situation**

- a) Harvard House was a Competitive Housing Credit, Rehabilitation Development providing 56 set-aside units in Miami-Dade County. Florida Housing issued a final allocation of \$354,107.00 in housing credits on January 11, 2002.
- b) Florida Housing received a request, [Exhibit A](#), from the owner on April 19, 2004, to amend its EUA. The owner states the Development’s car care area has been continuously vandalized and therefore, the owner wishes to replace its commitment to provide a car care area with a commitment to provide a microwave in each unit and a common library. The microwave and library are of equal Application point value as the car care area. The cost to add these items to the Development are \$2,800.00 for the microwaves and approximately \$500.00 for the library.

2. **Recommendation**

Staff recommends that the Board approve this request.

LEGAL

Consent

VI. LEGAL

A. In Re: Hampton Point Limited Partnership

DEVELOPMENT NAME (“Development”):	Hampton Point Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Picerne Affordable Development, LLC; Picerne Investment Corp. Robert Picerne
NUMBER OF UNITS:	284
LOCATION (“County”):	Charlotte
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	40% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$11,020,000 of Tax-Exempt Bonds \$2,180,000 of Taxable Bonds
ADDITIONAL COMMENTS: Rule Waiver/Variance	

1. Background

- a) On June 29, 2004, Florida Housing received a “Petition for Waiver of Rule 67-21.008(1)(g), F.A.C.” (“Petition”), from Hampton Point Limited Partnership (“Petitioner”). A copy of the Petition is attached as [Exhibit “A.”](#)
- b) Rule 67-21.008(1)(g), Florida Administrative Code (2001), states in pertinent part:
 - (1) Each Mortgage Loan for a Development made by Florida Housing shall:
 - (g) Require the submission to Florida Housing of an annual audited financial statement for the Development and for the Applicant if revenue from multiple projects is being pledged.
- c) Petitioner requests a waiver of Rule 67-21.008(1)(g), Florida Administrative Code (2001).
- d) On July 9, 2004, the Notice of Petition was published in the Florida Administrative Weekly.
- e) To date, Florida Housing has received no comments concerning the Petition.

2. Present Situation

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.

LEGAL

Consent

3. Recommendation

Staff recommends that the Board grant the Petitioner a variance from the requirements of Rule 67-21.008(1)(g), Florida Administrative Code (2001), for the limited purpose of allowing Petitioner to file an annual financial statement for 2003 which is compiled or reviewed by a Certified Public Accountant in lieu of an audited financial statement, under the conditions stated in Rule 67-21.008(1)(g), Fla. Admin. Code (2004).

MULTIFAMILY BONDS

Consent

VII. MULTIFAMILY BONDS

- A. Request Approval to allow a \$300,000 HOME Loan as Subordinate Financing for the development known as Eagle Pointe Apartments (“Development”), 192 Units, located in Pompano Beach, Broward County, Florida

DEVELOPMENT NAME (“Development”):	Eagle Pointe
DEVELOPER/PRINCIPAL (“Developer”):	Cornerstone Group Development, LLC/ Jorge Lopez, Stuart Meyers, Leon Wolfe, & Mara Mades
NUMBER OF UNITS:	192
LOCATION (“County”):	Broward
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	85% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$12,270,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: Subordinate Financing	

1. **Background**

In 2003 Florida Housing financed the construction of the Development with \$12,270,000 in tax-exempt bonds, designated as 2003 Series F.

2. **Present Situation**

- a) On June 3, 2004, Eagle Pointe Associates, Ltd., (“Owner”) submitted a request to Florida Housing ([Exhibit A](#)) to approve subordinate financing in the form of a HOME loan in the amount of \$300,000. The loan will accrue interest at the rate of 1% annually and payment of principal is deferred until note maturity (forty-one (41) years).
- b) The credit underwriter has analyzed this request and recommends, in a letter dated July 7, 2004 ([Exhibit B](#)), that Florida Housing consent to the owner’s request for additional financing.

3. **Recommendation**

Approve the recommendation of the Credit Underwriter outlined in the letter dated July 7, 2004 subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

PREDEVELOPMENT LOAN PROGRAM

Consent

VIII. PREDEVELOPMENT LOAN PROGRAM (PLP)

- A. Approval of Loan from PLP funds to Clara White Mission, Inc. for Ashley Oaks (PLP 03-045)

DEVELOPMENT NAME (“Development”):	Ashley Oaks
DEVELOPER/PRINCIPAL (“Developer”):	Clara White Mission, Inc.
NUMBER OF UNITS:	20
LOCATION (County):	Duval
TYPE:	Rental
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$207,056
ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval	

1. **Background/Present Situation**

- a) On January 26, 2004, Florida Housing issued an Invitation to Participate in the PLP program to the Developer. The development will be located in Duval County.
- b) The TAP assisted the Developer in preparing a development plan and budget ([Exhibit A](#)). Staff has reviewed the development plan and budget and has determined that all budget items are PLP eligible. The TAP has approved the development plan and has recommended a loan amount of \$207,056 for PLP eligible activities ([Exhibit B](#)).

2. **Recommendation**

Approve a PLP Loan in the amount of \$207,056 to Clara White Mission, Inc. for predevelopment costs as recommended by the TAP.

PREDEVELOPMENT LOAN PROGRAM

Consent

B. Approval of Loan from PLP funds to Catholic Charities Housing for Marian Manor (PLP 03-046)

DEVELOPMENT NAME (“Development”):	Marian Manor (formerly Vick Street Homes)
DEVELOPER/PRINCIPAL (“Developer”):	Catholic Charities Housing
NUMBER OF UNITS:	32
LOCATION (County):	Sarasota
TYPE:	Rental
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 500,000
ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval	

1. Background/Present Situation

- a) On February 11, 2004, Florida Housing issued an Invitation to Participate in the PLP program to the Developer. The development will be located in Sarasota County.
- b) The TAP assisted the Developer in preparing a development plan and budget ([Exhibit C](#)). Staff has reviewed the development plan and budget and has determined that all budget items are PLP eligible. The TAP has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit D](#)).

2. Recommendation

Approve a PLP Loan in the amount of \$500,000 to Catholic Charities Housing for predevelopment costs as recommended by the TAP.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Brookside Apartments, Cycle XV, (2003-149S)

Development Name: Brookside Apartments (“Development”)	Location: Alachua County
Developer/Principal: Sandspur Housing Partners, Ltd. (“Developer”)	Set-Aside: 17% @ 50% AMI and 83% @ 60% AMI
Number of Units: 176	Allocated Amount: \$1,500,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$4,146,336
Demographics: Family	
MMRB: \$8,425,000 Local	

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$1,500,000 for this 176-unit family development in Alachua County.
- c) On July 12, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,500,000 ([Exhibit A](#)). The SAIL loan will be secured by a second mortgage. 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 with the above referenced changes and direct staff to proceed with issuance of a firm loan commitment and loan closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Credit Underwriting Report for Stock Island Apartments, Cycle XV, (2003-025CS)

Development Name: Stock Island Apartments (“Development”)	Location: Monroe County
Developer/Principal: Creative Choice Homes, Inc. (“Developer”)	Set-Aside: 14% @ 30% AMI and 86% @ 60% AMI
Number of Units: 130	Allocated Amount: \$2,000,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$10,682,571
Demographics: Family	
MMRB: N/A	

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 14, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 130-unit family development in Monroe County.
- c) On July 16, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$2,000,000 ([Exhibit B](#)). The SAIL loan will be secured by a second mortgage. 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. **Request Approval of Credit Underwriting Report for Laguna Pointe Apartments, Cycle XIV, (2002-038S)**

Development Name: Laguna Pointe Apartments (“Development”)	Location: Broward County
Developer/Principal: Cornerstone Group Development, LLC (“Developer”)	Set-Aside: 20% @ 50% AMI and 80% @ 60% AMI
Number of Units: 188	Allocated Amount: \$2,000,000
Type: Mid-Rise with Elevator	Total Housing Credit Equity: \$6,462,279
Demographics: Large Family	
MMRB: \$11,270,000 Local	

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 October 23, 2002, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 188-unit family development in Broward County.
- c) On July 15, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$2,000,000 ([Exhibit C](#)). The SAIL loan will be secured by a second mortgage. 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval to Amend the Land Use Restriction Agreement for Liberty Center IV, Cycle XV, (2003-077CS)

Development Name: Liberty Center IV Apartments (“Development”)	Location: Duval County
Developer/Principal: Harris Group, Inc./ Robert Harris (“Developer”)	Set-Aside: 19% @ 30% AMI, 81% @ 60% AMI
Number of Units: 100	Allocated Amount: \$2,000,000
Type: Single Room Occupancy	Total Housing Credit Equity: N/A
Demographics: Homeless	
MMRB: N/A	

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 14, 2003 staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 100 Single Room Occupancy development in Duval County.
- c) On April 2, 2004, the Board approved the credit underwriting report and directed staff to proceed with closing. A SAIL second mortgage loan in the amount of \$2,000,000 for the construction of this 100-unit family Development closed on June 4, 2004.
- d) On July 8, 2004, staff received a request from the developer to change amenities relating to energy conservation features ([Exhibit D](#)). It was requested that the Heat Pump with a minimum HSPF of 7.4 worth one point and Air Conditioning with SEER rating of 12 or better worth two points be replaced with the following: gas water heaters with energy factor of .58 or better or electric water heater with energy factor of .91 or better worth one point; full-size washers and dryers available in at least one common area worth one point; and a Library consisting of a minimum of 100 books and 5 current magazine subscriptions worth 1 point. Staff has reviewed this request and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

Approve the request to change amenities in this development and direct staff to amend the Land Use Restriction Agreement.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval to Refinance the First Mortgage Loan and Extend the Term of the SAIL Loan for Club Goldenrod a/k/a The Oasis Club Apartments, Cycle , (1993-014S)

Development Name: Club Goldenrod a/k/a The Oasis Club Apartments (“Development”)	Location: Orange County
Developer/Principal: GHG Goldenrod, Inc. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 220	Allocated Amount: \$1,950,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$5,355,517
Demographics: Family	
MMRB:	

1. Background/Present Situation

- a) A SAIL second mortgage loan in the amount of \$1,950,000 for the construction of this 220-unit family Development in Orange County closed on April 28, 1994.
- b) On May 19, 2004, the Developer requested approval to refinance the first mortgage loan and extend the term of the SAIL Loan to be co-terminus with the new permanent first mortgage loan ([Exhibit E](#)).
- c) On June 28, 2004, staff received a credit underwriting review with a positive recommendation allowing the refinancing of the existing first mortgage loan and extend the term of the SAIL Loan ([Exhibit F](#)). Staff has reviewed this report and finds that the Development meets all of the conditions of SAIL Rule 67-48.010 (15)(a), F.A.C.

2. Recommendation

Approve the request to allow refinancing of the first mortgage and extend the term of the SAIL Loan to be co-terminus with the first mortgage.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

F. Request Approval of SAIL Loan Reduction for Captiva Club Apartments, Cycle XIV, (2002-109S)

Development Name: Captiva Club Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone Group Development L.L.C. (“Developer”)	Set-Aside: 11% @ 50% AMI and 89% @ 60% AMI
Number of Units: 136	Allocated Amount: \$1,065,000
Type: Garden Style Apartments	Total Housing Credit Equity: \$4,243,000
Demographics: Large Family	
MMRB: \$6,820,000	

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 October 23, 2002, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL second mortgage loan in an amount up to \$2,000,000 for this 136-unit family development in Miami-Dade County.
- c) On May 21, 2004, The Board approved the final credit underwriting report for this Development for a SAIL loan in the amount of \$2,000,000. In that report, the Underwriter required that the Borrower pay down tax-exempt bonds in order to meet Debt Service Coverage (DSC) and Loan-To-Value (LTV) requirements pursuant to Rule 67-48, F.A.C. It has now been discovered that the Borrower cannot pay down (redeem) the bonds as previously anticipated.
- d) On July 15, 2004 staff received an update to the credit underwriting report ([Exhibit G](#)). In order to meet the DSC and LTV requirements, it is necessary to reduce the SAIL loan amount by \$935,000.

2. Recommendation

Approve the reduction of the SAIL loan amount for Captiva Club Apartments in order to meet DSC and LTV requirements and direct staff to proceed with issuance of a revised commitment letter in the amount of \$1,065,000 and continue with loan closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

G. Request Approval of Additional Financing for Allapattah Garden Apartments, Cycle XIV, (2002-060S)

Development Name: Allapattah Garden Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: The Carlisle Group (“Developer”)	Set-Aside: 4.69% @ 35% AMI and 95.31% @ 60% AMI
Number of Units: 128	Allocated Amount: \$1,500,000
Type: Garden Style	Total Housing Credit Equity: \$3,671,000
Demographics: Urban In-fill, Family	
MMRB: \$13,150,000 Local	

1. Background/Present Situation

- a) On May 9, 2003, the SAIL loan closed in the amount of \$1,500,000 for the Development.
- b) On February 10, 2004, staff received a copy of a letter ([Exhibit H](#)) from the Developer to the Housing Finance Authority of Miami-Dade County to request additional tax-exempt bonds in the amount of \$1,200,000.
- c) On April 14, 2004, the Developer sent an e-mail ([Exhibit I](#)) to staff indicating they were receiving an additional loan for \$750,000 from the Miami-Dade County Housing Development Action Grant (HODAG).
- d) On June 29, 2004, Seltzer provided an update letter ([Exhibit J](#)) to the credit underwriting report which further explained the financing structure of this Development. The additional financing will be used to pay additional construction costs and meet the 50% test as required to qualify for 4% Housing Credits and will not affect the current SAIL loan lien position. The additional tax-exempt bonds in the amount of \$1,200,000 and \$350,000 of the original bonds will be redeemed upon issuance of the final cost certification.

2. Recommendation

Approve the additional tax-exempt bonds and additional subordinate financing for Allapattah Garden Apartments.