

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
June 10, 2005  
Consent Items



# HOMEOWNERSHIP LOAN PROGRAM

## *Consent*

### I. HOMEOWNERSHIP LOAN PROGRAM

#### A. Request for Approval of the Analytical Review for Florida Low Income Housing Associates, Inc. (Non-Profit) for Citrus County Scattered Sites III / HH03-029

<b>Applicant Name (“Applicant”):</b>	<b>Florida Low Income Housing Associates, Inc. (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Citrus County Scattered Sites III</b>
<b>Developer/Principal (“Developer”):</b>	<b>Pat Kenney</b>
<b>Number of Units: 30</b>	<b>Location: Citrus County</b>
<b>Type: HOME Purchase Assistance Loan</b>	<b>Allocated Amount: \$738,750</b>

#### 1. Background

- a) At its July 30, 2004 meeting, the Board approved the final rankings for the 2003-2004 Homeownership Loan Program Supplemental Cycle.
- b) On August 2, 2004, Florida Housing issued an invitation into credit underwriting to the Applicant for a HOME Purchase Assistance Loan in the amount of \$738,750 to assist with financing of 30 newly constructed 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 \$738,750 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 \$738,750 to the Developer for a HOME Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

## HOME RENTAL

### *Consent*

## II. HOME RENTAL

### A. Request Approval of Credit Underwriting Report for Normandy Apartments (2005-010H)

<b>Development Name: Normandy Apartments (“Development”)</b>	<b>Location: Duval County</b>
<b>Developer/Principal: Community Housing Partners Corporation (“Developer”)</b>	<b>Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI</b>
<b>Number of Units: 100</b>	<b>Allocated Amount: \$4,166,882</b>
<b>Type: Garden Style Buildings/Rehab</b>	
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

#### 1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 26, 2004, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in the amount up to \$4,166,882 for this 100-unit family development in Duval County.
- c) On May 18, 2005, staff received a credit underwriting report with a positive recommendation for a HOME loan in an amount for \$4,166,882 ([Exhibit A](#)). The HOME Rental loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of HOME 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.

## HOME RENTAL

### *Consent*

#### **B. Request Extension to close HOME Loan for Wildwood Villas. (2004-101H)**

<b>Development Name: Wildwood Villas</b>	<b>Location: Sumter County</b>
<b>Developer/Principal: Florida Low Income Housing Assoc, Inc.</b>	<b>Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI</b>
<b>Number of Units: 50</b>	<b>Allocated Amount: \$3,900,000</b>
<b>Type: Duplex Style Buildings/NC</b>	<b>Demographics: Family</b>

#### **1. Background/Present Situation**

- a) On October 26, 2004, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in the amount up to \$3,900,000 for this 50-unit family development in Sumter County.
- b) On April 22, 2005, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm loan commitment and loan closing activities
- c) On April 26, 2005, staff issued a firm commitment letter for a HOME loan in an amount up to \$3,900,000. Pursuant to Rule 67-48, the loan must close within 60 days of issuance of the firm commitment letter.
- d) On May 10, 2005, staff received a letter from the Developer requesting a loan closing extension from July 5, 2005 to September 5, 2005 to allow time for a new site plan design and approval ([Exhibit B](#)).

#### **2. Recommendation**

Approve the Developer's request to extend the closing deadline until September 5, 2005.

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**III. LEGAL**

**A. In Re: Florida Low Income Housing Associates, Inc.**

<b>Development Name: (“Development”):</b>	<b>Citrus County Scattered Sites III</b>
<b>Developer/Principal: (“Petitioner”):</b>	<b>Florida Low Income Housing Associates, Inc.</b>
<b>Number of Units: 30</b>	<b>Location: Citrus County</b>
<b>Type: single family detached</b>	<b>Set Aside: 100%</b>
<b>Demographics: family</b>	<b>Allocated Amount: \$738,750.00</b>
<b>MMRB: n/a</b>	<b>Housing Credits: n/a</b>

**1. Background**

- a) Petitioner is the developer of the Development, a 30 single-family detached homes development, which is being funded with \$738,750 in HOME Purchase Assistance Only loan funds awarded by Florida Housing in the 2003-2004 Supplemental Cycle Homeownership Loan Program. On May 6, 2005, a Petition for Waiver of Rule 67-50.005(6), Florida Administrative Code, was received by Florida Housing. Specifically, Petitioner is seeking a waiver of the requirement that all the roads within the Citrus County Scattered Sites III Application be paved.
- b) A copy of the Petition is attached as [Exhibit A](#).
- c) On May 20, 2005, the Notice of the Petition was published in Volume 31, Number 20, 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.
- b) Rule 67-50.005(6), Florida Administrative Code provides in pertinent part:

“Application” means the completed forms from the Application Package together with all exhibits submitted to the Corporation in order to apply for either HAP or HOME Loan funds, in accordance with this rule chapter and the Application Package instructions, which is adopted and incorporated herein by reference.

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### ***Consent***

- c) Exhibit 21 of the Application Package, Verification of Availability of Infrastructure Roads, states in pertinent part:

The undersigned local government representative confirms the following:

1. Existing paved roads provide access to the proposed Development or paved roads will be constructed as part of the proposed Development.

### **3. Recommendation**

Staff recommends that the Board grant this Petition. Petitioner demonstrated that income eligible families have qualified for participation in the HOME program and have obtained permanent financing by local lenders subject to HOME Down Payment assistance. Additionally, Petitioner has purchased the building lots, paid for all pre-construction expenses and will suffer severe financial loss by not being able to proceed if the waiver is not granted. The purpose of the underlying statute will be served by granting this waiver, in that granting this waiver request will further Florida Housing's statutory mandate 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 HOME loan subsidy will cause the development to be economically infeasible for potential low income home buyers in Citrus County. All building lots within the Development are designated for buyers at or below 80% of the area median income.

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### B. In Re: Monterey Lake Limited Partnership

<b>Development Name: (“Development”):</b>	<b>Monterey Lake</b>
<b>Developer/Principal: (“Petitioner”):</b>	<b>Monterey Lake Limited Partnership/McKinley Associates, Inc./Fifth Orlando Michigan Limited Partnership/Ronald D. Weiser</b>
<b>Number of Units: 504</b>	<b>Location: Orange County</b>
<b>Type: Rental</b>	<b>Set Aside: 30% @ 80% MMRB 70% @ 150% MMRB</b>
<b>Demographics: Family</b>	<b>Allocated Amount: \$ 21,965,000 Tax-Exempt Bonds</b>
<b>MMRB: n/a</b>	<b>Housing Credits: n/a</b>

#### 1. Background

- a) Petitioner is the developer of the Development, a 504 unit apartment complex, which is being funded with \$21,965,000 in Multifamily Mortgage Revenue Bonds awarded by Florida Housing in 1985. On April 28, 2005, a Petition for Waiver of Rule 67-21.008(1)(b), Florida Administrative Code, was received by Florida Housing. Specifically, Petitioner is seeking a variance of the requirement that the commencement date for the amortization of the MMRB refinancing loan begin on the earlier of 36 months after closing, stabilized occupancy or conversion to permanent financing under the loan documents, for a period of ten years.
- b) A copy of the Petition is attached as [Exhibit B](#).
- c) On May 13, 2005, the Notice of the Petition was published in Volume 31, Number 19, 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.
- b) Rule 67-21.008(1)(b), Florida Administrative Code provides in pertinent part:
  - (1) Each Mortgage Loan for a Development made by the Corporation shall:
    - (b) Provide for a fully amortized payment of the Mortgage Loan in full beginning on the earlier of 36 months after closing, or stabilized occupancy, or conversion to permanent financing under the loan documents and ending no later than the expiration of the useful life of the property, and in any

## **LEGAL**

### ***Consent***

event, no later than 45 years from the date of the Mortgage Loan.

### **3. Recommendation**

Staff recommends that the Board grant this Petition. Petitioner demonstrated the existing MMRB loan, which is in the same amount, was issued with no amortization, and that the value of the Development being pledged as collateral is worth twice the value of the MMRB loan. Further, the AAA rating of the enhancer, Freddie Mac provides the bondholders with the assurance of principal safety for the Development. Freddie Mac has structured the credit enhancement so that the ten-year "interest only" period, the remaining term of the enhancement will call for a match of the bond and amortization for 20 years. The purpose of the underlying statute will be served by granting this waiver, in that granting this waiver request will further Florida Housing's statutory mandate 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 without the granting of the petition, quality housing in southwest Orlando could be sacrificed by having an unintended negative effect on the viability of the development.



## MULTIFAMILY BONDS

### Consent

#### IV. MULTIFAMILY BONDS

##### A. Request Approval to Amend the Land Use Restriction Agreement (“LURA”)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Pinnacle Lakes Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Developer” or “Owner”):</b>	<b>Pinnacle Lakes, Ltd./PHG Lakes, Ltd/Louis Wolfson III/Michael D. Wohl/David O. Deutch/Mitchell M. Friedman</b>
<b>NUMBER OF UNITS:</b>	<b>226</b>
<b>LOCATION (“County”):</b>	<b>Dade</b>
<b>TYPE (“Rental, Homeownership”):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>80% @ 60% (MMRB) 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$8,650,000 of Tax-Exempt Bonds \$275,000 of Taxable Bonds</b>
<b>ADDITIONAL COMMENTS: LURA Amendment</b>	

##### 1. Background

In January 2002, Florida Housing financed the construction of the Development with \$8,650,000 in tax-exempt bonds and \$275,000 in taxable bonds, designated as 2002 Series B.

##### 2. Present Situation

- a) The Owner, in a letter dated April 20, 2005 ([Exhibit A](#)) requests the LURA be amended to reflect carpet or tile in the bedroom areas. The Owner states the amendment is due to a scrivener’s error which left out the option of tile in the bedrooms.
- b) The Credit Underwriter has reviewed the request and by letter dated May 12, 2005 ([Exhibit B](#)) recommends that Florida Housing approve the request.

##### 3. Recommendation

That the Board approve the amendment to the LURA for 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*

**B. Request Approval to Change Remarketing Agents for the Developments**

<b>DEVELOPMENT NAME (“Developments”):</b>	Bridgewater Club Apartments Caribbean Key Apartments Heritage Pointe Apartments Riverside Apartments Stuart Pointe Apartments Tiffany Club Apartments Timberline Apartments Valencia Village Apartments
<b>DEVELOPER/PRINCIPAL (“Developer” or “Owner”):</b>	CED Capital Holdings, Inc./Alan Ginsburg
<b>NUMBER OF UNITS:</b>	192 352 340 304 192 188 224 340 (respectively)
<b>LOCATION (“County”):</b>	Hernando Orange Hillsborough Pinellas Martin St. Lucie Osceola Orange (respectively)
<b>TYPE (“Rental, Homeownership”):</b>	Rental
<b>SET ASIDE:</b>	85% @ 60% (MMRB) 50% @ 60% 50% @ 60% 50% @ 60% 50% @ 60% 50% @ 60% 50% @ 60% 50% @ 60% (respectively)
<b>ALLOCATED AMOUNT:</b>	\$8,975,000 \$14,500,000 \$13,595,000 \$14,200,000 \$8,000,000 \$7,750,000 \$7,635,000 (respectively)
<b>ADDITIONAL COMMENTS: Change in Remarketing Agent</b>	

**1. Background**

- a) In December 2002, Florida Housing financed the construction of Bridgewater Club with \$8,975,000 in tax-exempt bonds and \$645,000 in taxable bonds, designated as 2002 Series L.

## MULTIFAMILY BONDS

### *Consent*

- b) In July 1996, Florida Housing financed the construction of Caribbean Key with \$14,500,000 in tax-exempt bonds, designated as 1996 Series F.
- c) In August 1999, Florida Housing financed the construction of Heritage Pointe with \$13,595,000 in tax-exempt bonds and \$1,870,000 in taxable bonds, designated as 1999 Series I.
- d) In January 2000, Florida Housing financed the construction of Riverside with \$14,200,000 in tax-exempt bonds, designated as 2000 Series I.
- e) In January 2003, Florida Housing financed the construction of Stuart Pointe with \$8,000,000 in tax-exempt bonds and \$2,045,000 in taxable bonds, designated as 2003 Series B.
- f) In September 1996, Florida Housing financed the construction of Tiffany Club with \$7,750,000 in tax-exempt bonds, designated as 1996 Series P.
- g) In September 1999, Florida Housing financed the construction of Timberline with \$7,635,000 in tax-exempt bonds, designated as 1999 Series P.
- h) In August 1999, Florida Housing financed the construction of Valencia Village with \$11,755,000 in tax-exempt bonds and \$2,000,000, designated as 1999 Series G.

### 2. **Present Situation**

The Owner, in a letter dated March 23, 2005 ([Exhibit C](#)) requested a change in the remarketing agents for the Developments from Citigroup Global Markets, Inc. (formerly Salomon Smith Barney), RBC Dain Rauscher, Inc. and UBS Financial Group (formerly UBS PaineWebber) to Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”). The Owner states the change is due to more competitive pricing with Merrill Lynch averaging three to four basis points below the average of the other remarketing agents, which will result in substantial savings for the Developments.

### 3. **Recommendation**

That the Board approve the Change of Remarketing Agents for the Developments, 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”)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Valencia Village Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Developer” or “Owner”):</b>	<b>Valencia Village Partners, Ltd./Valencia Village GP, Ltd./CED Capital Holdings XL, Inc.</b>
<b>NUMBER OF UNITS:</b>	<b>336</b>
<b>LOCATION (“County”):</b>	<b>Orange</b>
<b>TYPE (“Rental, Homeownership”):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>50% @ 60% (MMRB)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$11,755,000 of Tax-Exempt Bonds</b>
<b>ADDITIONAL COMMENTS: LURA Amendment</b>	

#### 1. **Background**

In August 1999, Florida Housing financed the construction of the Development with \$11,755,000 in tax-exempt bonds, designated as 1999 Series G.

#### 2. **Present Situation**

- a) The Owner, in a letter dated April 28, 2005 ([Exhibit D](#)) requests the LURA be amended to allow the residents’ mail boxes to be installed on the clubhouse wall instead of in two mail kiosks.
- b) The Credit Underwriter has reviewed the request and by letter dated May 9, 2005 ([Exhibit E](#)) recommends that Florida Housing approve the request.

#### 3. **Recommendation**

That the Board approve the amendment to the LURA for 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*

**D. Request Approval to divide the \$323,568,220 in Initial 2005 Private Activity Bond Allocation received by Florida Housing from the Division of Bond Finance between the Multifamily Mortgage Revenue Bond (MMRB) Program and the Single-Family Mortgage Revenue Bond (SFMRB) Program**

**1. Background**

The Corporation received a spreadsheet from the Division of Bond Finance (DBF) dated December 22, 2004, assigning the Corporation an initial 2005 private activity bond allocation of \$323,568,220. A copy of this spreadsheet is attached hereto as [Exhibit F](#). Each year, Florida Housing's Board allocates that initial authority between the MMRB and SFMRB programs. The amount allocated to the SFMRB Program also includes any amounts needed for the Mortgage Credit Certificate (MCC) Program.

**2. Present Situation**

- a) On June 30, 2005, staff must file a document with the DBF detailing which 2005 MMRB developments that have received TEFRA approval from the Governor are still eligible for bond allocation, as well as designating an amount FHFC intends to use for single-family purposes. The amounts detailed in this document are tentative, and can be amended by Florida Housing in a subsequent document that must be filed with DBF on September 29, 2005.
- b) The 2005 Universal Application Cycle is now in the direct appeals stage. The outcome of the appeals may affect which MMRB applications are eligible for funding. In addition, the 2005 Supplemental MMRB Application Cycle is now open, and new applications are likely to be submitted. Finally, the hurricane rental recovery loan program is likely to stimulate new bond applications.

**3. Recommendation**

That the Board allow staff to determine, based on the eligible MMRB applications that exist as of June 30, 2005, projected single family and projected MCC activity, the amount of the initial 2005 private activity bond allocation to designate for use by each program in the required filing with DBF, and to allow revisions to those amounts, as necessary, for the September 29, 2005 filing with DBF.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**V. PREDEVELOPMENT LOAN PROGRAM (PLP)**

**A. Request approval of Name Change for Non-Profit Applicant/Developer for Alabaster Gardens (PLP 03-057)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Alabaster Gardens</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Alabaster Gardens, Ltd.</b>
<b>CO-DEVELOPERS:</b>	<b>Circle, Inc – a non-profit corporation and The Carlisle Group</b>
<b>NUMBER OF UNITS:</b>	<b>147</b>
<b>LOCATION (“County”):</b>	<b>Escambia</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>60% @ 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 500,000</b>
<b>ADDITIONAL COMMENTS: The General Partner, Alabaster Gardens, LLC qualifies as a non-profit due to the non-profit status of the managing member, Circle, Inc. – a non-profit corporation</b>	

**1. Background/Present Situation**

- a) On December 30, 2004, Florida Housing issued an Invitation to Participate in the PLP to the non-profit Developer. The Development will be located in Escambia County.
- b) On March 4, 2005, the Board approved the development plan and budget that was submitted by the Technical Assistance Provider (TAP) recommending a loan of \$500,000 for PLP eligible activities.
- c) Subsequent to Board approval, the Applicant has requested a change to the Applicant entity from Circle, Inc. to Alabaster Gardens, Ltd. ([Exhibit A](#)). Although this entity was provided in the application, it was not appropriately identified as the Applicant entity. The General Partner of this Limited Partnership is Alabaster Gardens, LLC (whose managing member is Circle, Inc.- a non-profit corporation) and the limited partner is Lloyd J. Boggio &/or assigns (who serves as the President of Carlisle Development Group, LLC).

**2. Recommendation**

Authorize staff to change the name of the Applicant/Developer entity in the preparation of the loan closing documents.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**B. Request approval of Credit Underwriting Report for Alabaster Gardens (PLP 03-057)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Alabaster Gardens</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Alabaster Gardens, Ltd.</b>
<b>CO-DEVELOPERS:</b>	<b>Circle, Inc – a non-profit corporation and The Carlisle Group</b>
<b>NUMBER OF UNITS:</b>	<b>147</b>
<b>LOCATION (“County”):</b>	<b>Escambia</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>60% @ 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 500,000</b>
<b>ADDITIONAL COMMENTS: The Credit Underwriter (CU) has recommended approval</b>	

**1. Background/Present Situation**

- a) On December 30, 2004, Florida Housing issued an Invitation to Participate in the PLP to the non-profit Developer. The Development will be located in Escambia County.
- b) On March 4, 2005, the Board approved the development plan and budget that was submitted by the Technical Assistance Provider (TAP) recommending a loan of \$500,000 for PLP eligible activities. Of this \$500,000, Staff was authorized to proceed with loan closing activities for \$235,000, the non-site acquisition portion of the loan, with the remaining \$265,000 pending a positive recommendation from the Credit Underwriter for site acquisition.
- c) Staff received a credit underwriting report on May 10, 2005 with a positive recommendation for a PLP Loan in the amount of \$500,000, subject to the conditions outlined in the report ([Exhibit B](#)).

**2. Recommendation**

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

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

- C. Request approval of PLP Loan to Lutheran Social Services of North Florida, Inc., a non-profit corporation, for Supportive Housing (PLP 03-061)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Supportive Housing</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Lutheran Social Services of North Florida, Inc., a non-profit corporation</b>
<b>CO-DEVELOPER:</b>	<b>n/a</b>
<b>NUMBER OF UNITS:</b>	<b>12</b>
<b>LOCATION (“County”):</b>	<b>Leon</b>
<b>TYPE:</b>	<b>Rental, Homeless</b>
<b>SET ASIDE:</b>	<b>60% @ 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 146,000</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval</b>	

1. **Background/Present Situation**

- a) On March 10, 2005, Florida Housing issued an Invitation to Participate in the PLP to the non-profit Developer. The Development will be located in Leon County.
- b) The TAP has approved the development plan and has recommended a loan amount of \$146,000 for PLP eligible activities ([Exhibit C](#)). The TAP assisted the Developer in preparing the development plan and budget ([Exhibit D](#)). Staff has reviewed them and determined that all budget items are PLP eligible.
- c) Additionally, \$100,000 of the \$146,000 total PLP Loan amount will be utilized for site acquisition. As such, the Development is in the process of undergoing credit underwriting to approve the site acquisition portion of the loan. Upon receipt of such positive recommendation, the credit underwriting report will be presented to the Board for approval. In the interim, the Applicant has other financial obligations related to the Development that will require Florida Housing to close on the initial \$46,000, which is the non-site acquisition portion of the loan.

2. **Recommendation**

Approve a PLP Loan in the total amount of \$146,000 to the Developer, a non-profit corporation, for predevelopment expenses as recommended by the TAP and allow staff to begin loan closing proceedings for the non-site acquisition portion of the PLP Loan in the amount of \$46,000.



## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

- D. Request approval of PLP Loan to Housing Assistance Corporation of Nassau County, Inc., a non-profit corporation, for Senior Housing (PLP 05-063)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Senior Housing</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Housing Assistance Corporation of Nassau County, Inc., a non-profit corporation</b>
<b>CO-DEVELOPER:</b>	<b>n/a</b>
<b>NUMBER OF UNITS:</b>	<b>23</b>
<b>LOCATION (“County”):</b>	<b>Nassau</b>
<b>TYPE:</b>	<b>Rental, Elderly</b>
<b>SET ASIDE:</b>	<b>60% @ 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 301,455</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval</b>	

1. **Background/Present Situation**

- a) On February 22, 2005, Florida Housing issued an Invitation to Participate in the PLP to the non-profit Developer. The Development will be located in Nassau County.
- b) The TAP has approved the development plan and has recommended a loan amount of \$301,455 for PLP eligible activities ([Exhibit E](#)). The TAP assisted the Developer in preparing the development plan and budget ([Exhibit F](#)). Staff has reviewed them and determined that all budget items are PLP eligible.
- c) Additionally, \$100,000 of the \$301,455 total PLP Loan amount will be utilized for site acquisition. As such, the Development will be undergoing credit underwriting to approve the site acquisition portion of the loan. Upon receipt of such positive recommendation, the credit underwriting report will be presented to the Board for approval. In the interim, the Applicant has other financial obligations related to the Development that will require Florida Housing to close on the initial \$201,455, which is the non-site acquisition portion of the loan.

2. **Recommendation**

Approve a PLP Loan in the total amount of \$301,455 to the Developer, a non-profit corporation, for predevelopment expenses as recommended by the TAP and allow staff to begin loan closing proceedings for the non-site acquisition portion of the PLP Loan in the amount of \$201,455.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### VI. PROFESSIONAL SERVICES SELECTION

##### A. Credit Underwriting, Loan Servicing and Compliance Monitoring Services

###### 1. Background

- a) At its March 4, 2005 meeting Florida Housing's Board of Directors authorized staff to enter into contract negotiations with AmeriNational Community Services, Inc., First Housing Development Corporation of Florida and Seltzer Management Group, Inc.
- b) The Board further authorized staff to renew the current contracts with the same three entities until the earlier of May 31, 2005 or until the last day of the month in which new provider contracts become effective.

###### 2. Present Situation

- a) On May 4, 2005 Florida Housing staff entered into a letter of agreement with Waters Risk Management to determine insurance requirements for service providers and Florida Housing insurance.
- b) As of May 12, 2005 the contract negotiations with the three entities selected were not complete. All three contracts expire May 31, 2005. With the approval of Florida Housing's Executive Director, staff extended the current contracts until the earlier of August 29, 2005 or until the last day of the month in which a new provider contracts become effective.

###### 3. Recommendation

Staff recommends that the Board ratify its decision to extend the current contracts until the earlier of August 29, 2005 or until the last day of the month in which a new provider contracts become effective.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval for an Increase in the Amount of the Permanent First Mortgage Financing for Meridian West Apartments, Cycle XV, (2003-097S)

<b>Development Name: Meridian West Apartments (“Development”)</b>	<b>Location: Monroe County</b>
<b>Developer/Principal: The Carlisle Group, LLC (“Developer”)</b>	<b>Set-Aside: 15.69% @ 30% AMI and 84.31% @ 60% AMI</b>
<b>Number of Units: 102</b>	<b>Allocated Amount: \$1,000,000</b>
<b>Type: Garden Style Buildings</b>	<b>Total Housing Credit Equity: \$8,210,000</b>
<b>Demographics: Florida Keys (Family)</b>	
<b>MMRB: N/A</b>	

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 second mortgage loan in an amount up to \$1,000,000 for the 102- unit family development in Monroe County.
- c) On February 27, 2004, the Board approved the final credit underwriting report and the Loan closed on April, 30, 2004.
- d) On March 25, 2005 staff received a letter from the Developer requesting an increase of \$680,000 in the permanent first mortgage ([Exhibit A](#)).
- e) On May 11, 2005, staff received a credit underwriting review regarding the additional funding ([Exhibit B](#)). Staff has reviewed the report and finds that the Development meets all of the requirements of SAIL Rule 67.48 F.A.C.

2. Recommendation

Approve the updated credit underwriting review for an increase of \$680,000 to the permanent first mortgage based on the credit underwriter’s recommendation.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

#### **B. Request Approval of an Additional Subordinate Financing for Boynton Bay Apartments (The Hamlet), Cycle II, (90S-042)**

<b>Development Name: Boynton Bay Apartments (The Hamlet) (“Development”)</b>	<b>Location: Palm Beach County</b>
<b>Developer/Principal: Florida Affordable Housing (“Developer”)</b>	<b>Set-Aside: 40% @ 60% AMI (Elderly), 35% @ 60% (Family)1-15 years 40% @ 60% (Family) Perpetuity</b>
<b>Number of Units: 240</b>	<b>Allocated Amount: \$2,655,000</b>
<b>Type: 17 Two-Story Residential Buildings</b>	<b>Total Housing Credit Equity: N/A</b>
<b>Demographics: Family/Elderly</b>	
<b>MMRB: N/A</b>	

#### **1. Background/Present Situation**

- a) On December 18, 1990, Loan closed in the amount of \$2,655,000 for the development of this 240- unit Family/Elderly development in Palm Beach County.
- b) On April 13, 2005, staff received a letter from the Developer requesting additional subordinate financing due to repairs and replacements as a result of the 2004 hurricane season ([Exhibit C](#)).
- c) On May 17, 2005 staff received a credit underwriting review of the request with a positive recommendation for the additional subordinate financing in the amount of \$317,300 ([Exhibit D](#)).

#### **2. Recommendation**

Approve the additional subordinate financing based on the credit underwriter’s recommendation.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**C. Request Approval of an Additional Subordinate Financing for Auburn Trace Apartments, Cycle IV, (92S-087)**

<b>Development Name: Auburn Trace Apartments (“Development”)</b>	<b>Location: Palm Beach County</b>
<b>Developer/Principal: Florida Affordable Housing (“Developer”)</b>	<b>Set-Aside: 40% @ 60% AMI</b>
<b>Number of Units: 256</b>	<b>Allocated Amount: \$1,765,000</b>
<b>Type: 41 Two-Story Residential Buildings</b>	<b>MMRB: N/A</b>
<b>Demographics: Family</b>	

**1. Background/Present Situation**

- a) On December 24, 1993, the Loan closed in the amount of \$1,765,000 for the development of this 256- unit Family development in Palm Beach County.
- b) On April 13, 2005, staff received a letter from the Developer requesting additional subordinate financing due to repairs and replacements as a result of the 2004 hurricane season ([Exhibit E](#)).
- c) On May 17, 2005 staff received a credit underwriting review of the request with a positive recommendation for the additional subordinate financing in the amount of \$400,700 ([Exhibit F](#)).

**2. Recommendation**

Approve the additional subordinate financing based on the credit underwriter’s recommendation.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**D. Request Approval of the Credit Underwriting Report for Sunrise Place Apartments, Cycle XV, (2003-012S)**

<b>Development Name: Sunrise Place Apartments f/k/a Southwood Apartments (“Development”)</b>	<b>Location: Leon County</b>
<b>Developer/Principal: Community Housing Partners Corporation (CHPC) (“Developer”)</b>	<b>Set-Aside: 100% @ 50% AMI</b>
<b>Number of Units: 99</b>	<b>Allocated Amount: \$900,000</b>
<b>Type: Garden Style Buildings</b>	<b>Total Housing Credit Equity: N/A</b>
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

**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 20, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL second mortgage loan in an amount up to \$900,000 for the 99- unit family development in Leon County.
- c) On May 10, 2005, staff received the final credit underwriting report ([Exhibit G](#)) for the Development with a positive recommendation for a SAIL loan in the amount of \$900,000 from the underwriter. 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

E. Request Release of Mortgage Note and SAIL Loan Land Use Restriction Agreement for San Marco Apartments, Cycle XIV, 2002-040S

Development Name: San Marco Apartments (“Development”)	Location: Volusia County
Developer/Principal: Cornerstone Development, LLC (“Developer”)	Set-Aside: 11% @ 50% AMI, 70% @ 60% AMI
Number of Units: 260	Allocated Amount: \$1,500,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$4,862,000
Demographics: Family	MMRB: \$12,610,000 Local

1. Background/Present Situation

- a) On August 10, 2004, the SAIL loan closed in the amount of \$1,500,000 for this 260-unit family development in Volusia County.
- b) On February 21, 2005, staff received a request from the Developer ([Exhibit H](#)). Of the \$1,500,000 SAIL loan, \$1,490,000 was to be used to redeem Bonds. However, the MMRB Trust Indenture does not allow voluntary redemption of the Bonds. Since the SAIL funds cannot be utilized for Bond redemption, the Developer is requesting that they be allowed to return any funds drawn to date (\$10,000) and that Florida Housing release the Mortgage Note and the SAIL Land Use Restriction Agreement.

2. Recommendation

Approve the Developer’s request and direct staff to take the necessary steps to negate this closing.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

**F. Request Approval of an Extension of the Closing Deadline for Andrews Place Phase II, Cycle XVI, (2004-068S)**

<b>Development Name: Andrews Place Phase II Apartments (“Development”)</b>	<b>Location: Bay County</b>
<b>Developer/Principal: Nantahala Housing, Inc. (“Developer”)</b>	<b>Set-Aside: 100% @ 60% AMI</b>
<b>Number of Units: 120</b>	<b>Allocated Amount: \$1,000,000</b>
<b>Type: Three-Story Garden Style Buildings</b>	<b>Total Housing Credit Equity: \$3,407,000</b>
<b>Demographics: Family</b>	<b>MMRB: \$5,455,000</b>

**1. Background/Present Situation**

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 28, 2004, staff issued a preliminary commitment letter and invitation to credit underwriting for a SAIL loan in the amount up to \$1,000,000 for this 120-unit apartment family development in Bay County.
- c) On January 14, 2005, the Board approved the final credit underwriting report and a closing deadline was set for March 28, 2005.
- d) On April 22, 2005, the Board approved a sixty-day closing deadline extension for May 27, 2005.
- e) On May 27, 2005, staff received a letter from the Developer requesting a sixty-day extension because of a delay in resolving a problem with the general contractor ([Exhibit I](#)). The new SAIL loan closing deadline will be July 26, 2005.

**2. Recommendation**

Approve the SAIL loan closing extension for the Development, subject to payment of the loan closing extension fee pursuant to Rule 67-48, F.A.C.

## **VIII. SPECIAL ASSETS**

**A. Request affirmation of SAIL Loan short-pay for Windy Pines Apartments, Ltd., a Florida Limited Partnership for Windy Pines Apartments (89S-116)**

<b>Development Name: Windy Pines Apartments (“Development”)</b>	<b>Location: Duval County</b>
<b>Developer/Principal: Corinthian, Inc. (“Developer”)</b>	<b>Set-Aside: 100% @ 60% AMI</b>
<b>Number of Units: 40</b>	<b>Allocated Amount: \$447,275</b>
<b>Demographics: Family</b>	<b>Housing Credits: \$142,910</b>



## SPECIAL ASSETS

### *Consent*

#### 1. **Background/Present Situation**

- a) During the 1989 SAIL Cycle I, Florida Housing awarded a \$447,275 construction/permanent loan to Windy Pines Apartments, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 40-unit development in Jacksonville, Duval County. The SAIL loan closed on March 27, 1990 and matured on March 27, 2005. The Development also received a 1989 allocation of low-income housing tax credits.
- b) Fla. Admin. Code R. 9I-28.006(5) (1988) and section 2.25 (a) of the recorded mortgage, provide a priority for application of proceeds upon sale, transfer or refinancing. The maximum loan Borrower could obtain to refinance the Development was \$950,000. The application of proceeds, pursuant to Fla. Admin. Code R. 9I-28.006(5), results in only \$26,979.19 available for deferred interest resulting in a \$540,463.30 shortfall.

#### 2. **Recommendation**

Affirm the application of proceeds pursuant to Fla. Admin. Code R. 9I-28.006(5) and direct staff to release the mortgage, subject to receipt of a copy of an appraisal from an MAI appraiser and staff review of same indicating that the refinanced loan amount is reasonable and consistent within the mortgage lending practices.