

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

April 24, 2009

Consent Items



DEMONSTRATION LOANS

Consent

I. DEMONSTRATION LOANS

A. Request Approval of the Credit Underwriting Report for Florida Low Income Housing Associates, Inc., a Non-Profit Organization, for Atlantic Pines Apartments (RFP 2008-04-04RRP)

DEVELOPMENT NAME (“Development”):	Atlantic Pines Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Florida Low Income Housing Associates, Inc., a not-for-profit organization
NUMBER OF UNITS:	14
LOCATION (County):	Monroe County
TYPE:	Rental
SET ASIDE:	Commercial Fishing Workers & Their Families
DEMONSTRATION LOAN AMOUNT:	\$377,573

1. Background

- a) On October 24, 2008, Florida Housing issued a Request for Proposals (RFP) for Rehabilitation of Rental Properties in Florida Housing Finance Corporation’s Portfolio (2008-04).
- b) On December 3, 2008, the Developer submitted a response and on January 23, 2009, the Board approved funding not to exceed a total of \$378,950. This approval was subject to a positive recommendation from the Credit Underwriter.
- c) Additionally, funding is contingent upon compliance with all provisions of RFP 2008-04, applicable State and Florida Housing requirements; and satisfactory renegotiation or repayment of current loan(s) on the Development is required prior to closing of the loan awarded under RFP 2008-04. Currently, the renegotiation of the previous SAIL loan is progressing satisfactorily and the closing documents are being prepared.

2. Present Situation

Staff received an analytical review report on April 9, 2009, for the proposed development with a positive recommendation for a loan not to exceed \$377,573 corresponding to 90% of the rehabilitation total cost, as adjusted by the underwriter and subject to other conditions contained in the report that must be met by the Developer prior to closing on this loan.

3. Recommendation

Approve the Credit Underwriter’s recommendation ([Exhibit A](#)) to approve a loan not to exceed \$377,573, to Florida Low Income Housing Associates, Inc., subject to conditions outlined in the Analytical Review Report and to authorize staff to issue a firm loan commitment and proceed with loan closing activities.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Consent

II. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

A. Request Approval of Credit Underwriting Report for Lake Worth Towers, Cycle XIX (2007-002E)

Development Name: Lake Worth Towers (“Development”)	Location: Palm Beach County
Developer/Principal: Lake Worth Towers, Inc. (“Applicant”)	Set-Aside: 20% @ 50% AMI
Number of Units: 195	Allocated Amount: \$750,000
Type: High-rise	Housing Credit Equity: N/A
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On July 27, 2007, the Board approved the final scores and ranking for the 2007 EHCL Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 2, 2007, staff issued a preliminary commitment letter and an invitation to credit underwriting for an EHCL loan in an amount up to \$750,000 for this 195-unit elderly Development in Palm Beach County.
- c) On April 9, 2009, staff received a credit underwriting report with a positive recommendation for an EHCL loan in the amount of \$750,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of EHCL Rule Chapter 67-32, 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.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Consent

B. Request Approval of Credit Underwriting Report for The Allen Apartments, Cycle XX (2008-002E)

Development Name: The Allen Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: MBCDC: The Allen, LLC (“Applicant”)	Set-Aside: 25% @ 33% AMI & 75% @ 50% AMI
Number of Units: 39	Allocated Amount: \$750,000
Type: High-rise	Housing Credit Equity: N/A
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On May 2, 2008, the Board approved the final scores and ranking for the 2008 EHCL Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On May 6, 2008, staff issued a preliminary commitment letter and an invitation to credit underwriting for an EHCL loan in an amount up to \$750,000 for this 39-unit elderly Development in Miami-Dade County.
- c) On April 9, 2009, staff received a credit underwriting report with a positive recommendation for an EHCL loan in the amount of \$750,000 ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of EHCL Rule Chapter 67-32, 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.

HOMEOWNERSHIP PROGRAMS

Consent

III. HOMEOWNERSHIP PROGRAMS

A. Authorize Staff to De-obligate HOME Funds for the Homes at Lake Ridge / HH02-018

Applicant Name (“Applicant”):	Lakeland-Polk Housing Corporation (Non-Profit)
Development Name (“Development”):	Homes at Lake Ridge (fka The Homes at Washington Ridge)
Developer/Principal (“Developer”):	Herb Hernandez
Number of Units: 50	Location: Polk County, Florida
Type: HOME Purchase Assistance Loan	Allocated Amount: \$873,600

1. Background

- a) The Applicant submitted an application during the 2002 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on October 30, 2002.
- b) Credit underwriting was delayed due to a change in the co-Developer and a financing shortfall. The final credit underwriting report, dated April 5, 2005, was approved at the April 22, 2005 Board Meeting.
- c) On April 25, 2005, a loan commitment was issued to the Developer with the construction period scheduled to end by April 25, 2008.
- d) On January 25, 2008, the Board granted an extension from April 25, 2008 until April 25, 2009.
- e) To date, the Developer has closed on 18 homes, utilizing \$629,500, with \$244,100 in HOME funds remaining.

2. Present Situation

- a) On January 9, 2009, in the 2008-4 Quarterly Report, the Developer advised that due to market decline and depletion of subsidy the pool of current and future applicants had been decimated and their lending partners had either pulled away or have raised their lending criteria to unprecedented levels.
- b) Due to the age of this Development and the fact that a previous one-year extension had already been granted by the Board, staff contacted the Developer to discuss the Development in more detail, as it is necessary to conclude the Homeownership Loan Program, whose last application cycle was held in 2003.
- c) On March 27, 2009, the Developer was advised that we are now granting extensions for only those homes that are the process of completion and require copies of building permits and purchase contracts, which were to be provided by April 2, 2009 or we would request that the Board de-obligate the remaining funds. We received no further communication from the Developer.

HOMEOWNERSHIP PROGRAMS

Consent

3. **Recommendation**

Staff recommends that the remaining \$244,100 in HOME funds be de-obligated.

HOMEOWNERSHIP PROGRAMS

Consent

B. Authorize Staff to De-obligate HOME funds for Bahama Conch Community Land Trust of Key West, Inc. (Non-Profit) / CLTRFP06-03-1

Applicant Name (“Applicant”):	Bahama Conch Community Land Trust of Key West, Inc. (Non-Profit)
Developer/Principal (“Developer”):	Norma-Jean Sawyer
Number of Units: 7	Location: Monroe County, Florida
Type: Community Land Trust Loan	Allocated Amount: \$1,137,644

1. Background

- a) On June 9, 2006, the Board approved the final rankings for the 2006 Community Land Trust Request for Proposals (CLTRFP-06) and Florida Housing issued the Applicant an invitation into credit underwriting on June 16, 2006.
- b) To date, the Developer has not completed the underwriting process.

2. Present Situation

- a) On March 23, 2009, the technical assistance provider (“TAP”) advised of the current status of the development. The report is attached as [Exhibit A](#).
- b) In the report, the TAP identified only one property as feasible to proceed. However, the property at 304 Truman Street, is one in which the Developer had an ownership interest and is now proposed to be sold to her son, Adrian Poitier. According to filings with the Florida Department of State, Mr. Poitier was also listed as a member of the Applicant’s Board of Directors as recently as 2008.
- c) Florida Housing’s legal staff has reviewed this matter and advised that proceeding with the use of HOME funds in this manner constitutes a conflict of interest under federal law.

3. Recommendation

Staff recommends that the \$1,137,644 in HOME funds be de-obligated.

HOMEOWNERSHIP PROGRAMS

Consent

C. **Authorize Staff to De-obligate HOME funds for Middle Keys Community Land Trust, Inc. (Non-Profit) / CLTRFP05-04-4**

Applicant Name (“Applicant”):	Middle Keys Community Land Trust, Inc. (Non-Profit)
Developer/Principal (“Developer”):	Richard Casey, Jr.
Number of Units: 8	Location: Monroe County, Florida
Type: Community Land Trust Loan	Allocated Amount: \$1,405,624 <i>*original request was for \$1,756,920</i>

1. **Background**

- a) On March 3, 2006, the Board approved the final rankings for the 2005 Community Land Trust Request for Proposals (CLTRFP-05) and Florida Housing issued the Applicant an invitation into credit underwriting on March 16, 2006.
- b) Although the Developer’s original request was for \$1,756,920 for 10 units, the request was modified to 8 units for \$1,405,624 due to the inability to purchase one of the parcels.
- c) On March 16, 2007, the Board approved the Credit Underwriting Report (CUR) for a total of \$1,405,624 for 8 units. The loan closed on July 23, 2007. The development consisted of 6 buildings for a total of 16 units, 8 of which were HOME-assisted and part of the CLT loan and 8 of which were SHIP-assisted and not subject to the CLT loan.

2. **Present Situation**

- a) Staff has been in contact with the Developer, credit underwriter, and the technical assistance provider regarding the Developer’s request to use an additional \$351,296, the difference between their original request and what was approved by the Board. The Developer proposes to obtain additional units with these funds.
- b) However, the Developer has been unable to sell all of his SHIP-assisted units because of a softening of the market and is now renting some of those units instead. Based on the soft market, the inability of the Developer to sell his existing units and the fact that the Developer has had 3 years to identify a specific use for these funds but has yet to do so, staff cannot recommend extending the loan commitment further.

3. **Recommendation**

Staff recommends that the \$351,296 in remaining HOME funds be de-obligated.

HOUSING CREDITS

Consent

IV. HOUSING CREDITS

A. Request Approval to Exchange Features and Amenities for The Manor at West Bartow (2007-038C)

Development Name: The Manor at West Bartow (“Development”)	Location: Polk County
Polk County Housing Developers, Inc. (“Developer”)	Set-Aside: 20% @ 40% AMI and 80% @ 60% AMI
Number of Units: 100	Allocated Amount: \$850,000 (Supplemental)
Type: Three-story with Elevator	Housing Credit Equity: \$9,123,588
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On August 22, 2008, a Supplemental loan in the amount of \$850,000 for this 100-unit elderly development in Polk County closed.
- b) On March 23, 2009, staff received a letter from the Developer ([Exhibit A](#)) requesting the exchange of wall insulation of R-10 or better (worth two points) for wall insulation of a minimum of R-7 (worth one point). To compensate for the missing point value, the Developer will provide the following green building features: programmable thermostats in each unit, showerheads that use less than 2.5 gallons of water per minute, faucets that use 2 gallons of water per minute or less in the kitchen and all bathrooms, and installation of daylight sensors or timers on all outdoor lighting.
- c) On March 31, 2009, staff received a review from the credit underwriter with a positive recommendation for the exchange of energy conservation features and green building features ([Exhibit B](#)).

2. Recommendation

Approve the request to exchange the energy conservation features and green building features and direct staff to proceed with amending the Land Use Restriction Agreement.

HOUSING CREDITS

Consent

B. Request Approval of Supplemental Loan Closing Extension for Silver Sands, Cycle XIX (2007-097C/2008-003C)

Development Name: Silver Sands (“Development”)	Location: Brevard County
Ambling Development Partners, LLC and Melbourne Housing Authority (“Developer”)	Set-Aside: 20% @ 33% AMI and 80% @ 60% AMI
Number of Units: 72	Allocated Amount: \$595,000 Supplemental
Type: Mid-Rise with Elevator	Housing Credit Equity: \$10,450,460
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On May 2, 2008, the Board approved a credit underwriting report with a positive recommendation for a Supplemental loan in the amount of \$595,000, and directed staff to proceed with loan closing activities.
- b) On July 31, 2008, staff issued a firm commitment letter with a closing deadline of September 29, 2008.
- c) On September 26, 2008, the Board approved a 60-day loan closing deadline extension until November 29, 2008.
- d) On January 23, 2009, the Board approved a request for two consecutive 60-day loan closing deadline extensions until March 31, 2009.
- e) On April 3, 2009, staff received a letter from the Developer requesting a 60-day extension of the loan closing deadline until June 1, 2009 ([Exhibit C](#)).

2. Recommendation

Approve the request to extend the Supplemental loan closing deadline until June 1, 2009, pursuant to Rule Chapter 67-48, F.A.C.

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V. LEGAL

A. In Re: Sleepy Hollow Apartments, LTD. – FHFC Case No. 2009005VW

Development Name: (“Development”):	Laurel Oaks Apartments Application No. 2007-167S
Developer/Principal: (“Developer”):	The Richman Group of Florida, Inc.
Number of Units: 144	Location: Lake County
Type: Garden Apartments	Set Aside: 10% at 33% AMI 90% at 60% AMI
Demographics: Family	SAIL: \$5,000,000

1. Background

- a) During the 2007 Universal Cycle, Sleepy Hollow Apartments, Ltd., (“Petitioner”) applied for and was awarded an allocation of SAIL funds to finance a portion of the costs to develop Laurel Oaks Apartments (the “Development”) located in Lake County, Florida.
- b) On February 24, 2009, Florida Housing received a Petition for Waiver of Rule 67-48.010(3), Fla. Admin. Code. A copy of the Petition is attached as [Exhibit A](#).
- c) R. 67-48.010(3), Fla. Admin. Code states, in pertinent part:
 - (3) The loans shall be non amortizing...
- d) Petitioner has requested a waiver of the above rule to allow Petitioner to cross-collateralize the SAIL loan with an adjacent development owned by an affiliate of Petitioner (the “Phase II Property”), and that the SAIL loan amortize, rather than be payable out of Development cash flow. Petitioner has demonstrated that failure to grant this Petition will likely result in a substantial hardship because Florida Housing is requiring Petitioner to make this request for credit underwriting purposes.
- e) Since approval will not affect Application scoring, Petitioner derives no unfair advantage over other applicants.
- f) Notice of the Petition was published in Volume 35, Number 9, of the [Florida Administrative Weekly](#). To date, Florida Housing received no comments regarding the Petition.
- g) Section 120.542(2), Fla. Stat. 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.

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- h) Petitioner has demonstrated that strict application of the above Rules under these circumstances will give rise to substantial hardship or otherwise violate the principles of fairness. Under the circumstances described in the Petition, granting these requests furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. The Rule waiver of Fla. Admin. Code 67-48.010(3) furthers this purpose.

2. Recommendation

Staff recommends the Board **GRANT** Petitioner's request for Rule waiver of 67-48.010(3), Fla. Admin. Code, to permit Petitioner to amortize its SAIL loan, rather than pay the interest based on Development cash flow.

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B. In Re: Heron Pond Apartments II, Ltd. - FHFC Case No. 2009-006VW

Development Name: (“Development”):	Heron Pond II Application No. 2006-075C
Developer/Principal: (“Developer”):	Heron Pond II Development, LLC
Number of Units: 100	Location: Lee County
Type: Other	Set Aside: 15% at or below 30% AMI 85% at or below 60% AMI
Demographics: Elderly	Competitive HC: \$1,435,000

1. Background

- a) During the 2006 Universal Cycle, Heron Pond Apartments II, Ltd. (“Petitioner”) applied for housing tax credits (“HC”) to finance the construction of Heron Pond II (the “Development”), a 100-unit apartment development in Lee County, Florida.
- b) On March 12, 2009, Florida Housing received a “Petition for a Waiver of Part II.A.2.a.(1) of the Universal Application Instructions to Change Petitioner’s Ownership Structure” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit B](#).
- c) The 2006 Universal Application Instructions at Part II.A.2.a.(1), provides as follows:
 - (1) If applying for HC, the Applicant must be a limited partnership (including a limited liability limited partnership) or a limited liability company. The Applicant entity shall be the recipient of the Housing Credits and cannot be changed until after a Final Housing Credit Allocation has been issued. Replacement of the Applicant or a material change (33.3% or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving an allocation and shall be deemed a material misrepresentation. Changes to the limited partner of a limited partnership will not result in disqualification.
- d) Heron Pond Apartments II, LLC (“HPA II, LLC”) and Fleet Reserve Association Lehigh Development, Inc. (“Fleet Reserve”) are co-general partners of the Applicant entity. Fleet Reserve and its parent entity are now dissolving. Consequently, Petitioner requests that the general partnership ownership interest of HPA II, LLC change from 49% of the outstanding general partner interest in Petitioner to 100% ownership interest therein. Petitioner asserts that the reason behind Fleet Reserve and its parent company dissolving is beyond its control.
- e) On March 27, 2009, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has received no comments concerning the Petition.

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- f) 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.

- g) Petitioner has demonstrated that strict application of the above Rule under these circumstances would cause substantial hardship to Petitioner and violate the principles of fairness. Petitioner has further demonstrated that permitting this change in Development would also serve the underlying purpose of the statute.

2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Part II.A.2.a.(1) of the 2006 Universal Cycle Application Instructions to permit Heron Pond Apartments II, LLC, to become Petitioner's sole general partner.

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Consent

C. In Re: Dixie Court Associates, LTD - FHFC Case No. 2009-007VW

Development Name: (“Development”):	Dixie Court Apartments Application # 2005-037C
Developer/Principal: (“Developer”):	HEF-Dixie Court Development, LLC
Number of Units: 122	Location: Broward County
Type: Other	Set Aside: 20% @ 30% AMI 80% @ 60% AMI
Demographics: Family	SAIL: \$0.00 Competitive HC: \$1,251,220

1. Background/Present Situation

- a) During the 2005 Universal Cycle, Dixie Court Associates, LTD (“Petitioner”) applied for financing for new construction of Dixie Court Apartments (the “Development”) located in Broward County, Florida.
- b) As a consequence of the impact of Hurricane Wilma, FHFC offered additional funding through the SAIL Program’s Hurricane Wilma Go-Zone SAIL Cycle (RFP 2006-03) (“Wilma Go-Zone Funding”). Petitioner requested and was awarded a SAIL loan of \$1,025,000.00. A copy of the petition is attached as [Exhibit C](#).
- c) On March 23, 2009, Florida Housing received a “Petition for Waiver” (the “Petition”). A copy of the Petition is attached as Exhibit A. Petitioner requests waiver of a requirement found in the 2005 Universal Application Instructions, incorporated by reference into Chapter 67-28, via Rule 28-104.001 through 28-104.006, F.A.C. (2008), and part III.B.1.b, 2005 Universal Application.
- d) Part III.B.1.b. of the 2005 Instructions requires that:

Required Features and Amenities for All Developments. In addition to meeting all building code, Fair Housing Act, and Americans with Disabilities Act requirements for MMRB, SAIL, HOME and HC Applications, and the HQS Guidelines and Section 504 of the Rehabilitation Act of 1973 for HOME Applications, all units for the type of Development indicated must have the itemized features and amenities.

Part III B.1.b. of the 2005 Application provides that, with respect to all units in all developments, except SRO, there be provided “Bath tub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units.”
- e) Specifically, Petitioner requests a waiver of the above requirement to permit construction of the development of showers as opposed to bathtubs in one building to decrease the number of “slip and fall” incidents involving elderly residents. Older residents frequently suffer serious depth perception issues which are aggravated by having to step into a bathtub as opposed to walking into a shower.

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- f) Petitioner selected Family demographic in its application, but did not select the Elderly category. Despite the Family commitment in its Application, Petitioner in consultation with the HACFL, has determined that the market it serves has a significant number of elderly residents. As further support for this request, in connection with the credit underwriting which was performed by Seltzer Management Group with respect to this Development, SMG confirmed that one of the buildings in the Development containing 66 units would be marketed to the elderly.
- g) The requested change will not adversely impact the Development or Florida Housing or be prejudicial to the Development or to the market to be served by the Development. However, a denial of the requested waiver would deprive Broward County of affordable housing for residents in dire need of housing that meets their safety and functionality requirements. Further, all 66 of the units (all located in one building) have already been constructed by the Petitioner with showers rather than bathtubs. The cost of retrofitting all of the units to accommodate bathtubs would be prohibitive and would also be less desirable for the elderly tenants of such units.
- h) On April 3, 2009, the Notice of the (original) Petition was published in the Florida Administrative Weekly. To date, Florida Housing has received no comments regarding the Petition.
- i) 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.

2. Recommendation

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Part III.D.1.b. of the 2005 Universal Application Instructions, to permit 66 of the units in the Development to contain showers only in at least one bathroom on the condition that developer convert 10 of these 66 units into roll-in showers.

LEGAL

Consent

D. In Re: Pana Villa Redevelopment, L.T.D. - FHFC Case No. 2009-008VW

Development Name: (“Development”):	Pana Villa Apartments Application # 2007-150C
Developer/Principal: (“Developer”):	Royal American Development, Inc.
Number of Units: 72	Location: Bay County
Type: Garden	Set Aside: 10% @ 35% AMI 90% @ 60% AMI
Demographics: Family	Housing Credits: \$930,070

1. Background

- a) During the 2007 Universal Cycle, Pana Villa Redevelopment, L.T.D. (“Petitioner”) applied for and was awarded competitive low-income housing tax credits (“Housing Credits”) in the amount of \$930,070 to finance the acquisition and rehabilitation of Pana Villa Apartments (the “Development”) located in Bay County, Florida.
- b) On March 24, 2009, Florida Housing received a “Petition for Waiver or Variance of the Qualified Allocation Plan Requirements for Returning Housing Credit Allocations and for an Immediate Allocation of 2009 Housing Credits” (“Petition”). A copy of the Petition is attached as [Exhibit D](#).
- c) Rule 67-48.002(88), Fla. Admin. Code (2007), states in pertinent part:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2007 Qualified Allocation Plan which is adopted and incorporated by reference...
- d) Section 11 of the 2007 Qualified Allocation Plan, provides in pertinent part:

... where a Development has not been placed in service by the date required or it is apparent that a development will not be placed in service by the date required, such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its housing credit allocation in the last calendar quarter of the year in which otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of credits returned, and may allocate such housing credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met...
- e) Petitioner requests a variance from the above provision to allow Petitioner to return its 2007 Housing Credit Allocation now, rather than wait until the last calendar quarter of 2009, as required by the QAP, and obtain an immediate reservation of 2009 Housing Credit Allocations, instead of an allocation in 2010, the year after the current Placed-in-Service Date, in an amount not to exceed the amount of the returned Housing Credit Allocation.

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- f) On April 3, 2009, the Notice of the Petition was published in Volume 35, Number 13, of the Florida Administrative Weekly. Florida Housing received no 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) Petitioner demonstrated that strict application of the above Rule contained in the Qualified Allocation Plan under these circumstances would cause substantial hardship to Petitioner and violate the principles of fairness. As a result of the Carryover Allocation Agreement, the Development's Placed-in-Service Date is December 31, 2009. Due to economic circumstances and changes in the housing credit and syndication market, the Development's equity partner indicated an unwillingness to undertake the initial closing of the equity financing as the Development may not be completed by December 31, 2009.
- c) The equity partner will not proceed with the closing absent an extension of the placed-in-service-requirement. Additionally, Petitioner demonstrated that it has expended in excess of \$1,950,000 on the Development to date and failure to receive the extension will result in a financial hardship.

3. Recommendation

Staff recommends the Board **GRANT** the Petitioner's request for a waiver from the requirements of Section 11 of the 2007 Qualified Allocation Plan, only to the extent that Petitioner shall be permitted to immediately return its 2007 Housing Credit allocation now, rather than wait to the last calendar quarter of 2009, waive the 2007 Qualified Allocation Plan's requirement that a Housing Credit Allocation cannot be reserved until the year after the Development's Placed-in-Service Date, and receive an immediate allocation of 2009 Housing Credits in an amount not to exceed the amount of the 2007 Housing Credit Allocation. Staff further recommends that the Board grant the Petitioner's request contingent upon Petitioner providing (i) a copy of their executed and closed tax credit partnership agreement between the Petitioner and its tax credit investor and (ii) a copy of the notice of commencement, both by June 30, 2009 or their credits shall be deemed returned. The Placed-in-Service deadline shall be August 31, 2010.

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E. In Re: Johnson Lakes Escambia Limited Partnership - FHFC Case No. 2009-009VW

Development Name: (“Development”):	Johnson Lakes Apartments Application No. 2005-313HR
Developer/Principal: (“Developer”):	Johnson Lakes Development, LLC
Number of Units: 160	Location: Escambia County
Type: Garden Apartments	Set Aside: 25% at 35% AMI 75% at 60% AMI
Demographics: Elderly	RRLP: \$4,141,214

1. Background

- a) During the 2005 Rental Recovery Loan Program (“RRLP”) Application (the “RRLP Application”), Johnson Lakes Escambia Limited Partnership, (“Petitioner”) applied for and was awarded an allocation of RRLP funds to finance a portion of the costs to develop Johnson Lakes Apartments (the “Development”) located in Escambia County, Florida.
- b) On March 24, 2009, Florida Housing received a Petition for Variance from Rules 67-48.004(1)(a) and 67-48.027(2)(m), Fla. Admin. Code. A copy of the Petition is attached as [Exhibit E](#).
- c) R. 67-48.004(1)(a), Fla. Admin. Code states, in pertinent part:

(1) (a) The Universal Application Package or UA1016 (Rev. 3-08) is adopted and incorporated herein by reference and consists of the forms and instructions...which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the SAIL, HOME, HC, or SAIL and HC Program(s)
- d) R. 67-48.027(2)(m), Fla. Admin. Code states, in pertinent part:

(2) (m) After bonds are issued to the Development, make Application to the Corporation as required in Rules 67-48.004 and 67-48.0072, F.A.C. Applicant shall submit its Application completed in accordance with the Universal Application Package instructions for receipt by the Corporation no later than July 1 of the year the Development is placed in service; and
- e) Petitioner has requested a variance from the above rules to allow Petitioner to avoid having to modify the features and amenities of the Development to conform to the 2008 Application. Unlike the requirements found in the RRLP Application where Petitioner was required to commit to eleven (11) mandatory features specific to Elderly housing, the 2008 Application contained thirteen (13) mandatory features. The two additional amenities were required for 100% of new construction and rehab/substantial rehab units when applying for funds under the 2008 Application in the competitive cycle. Petitioner, however, was not applying for Corporation funding, but instead for an allocation of low-income, non-competitive housing tax credits. Petitioner has demonstrated that failure to grant this Petition will likely result in the Developer incurring substantial expenses and disrupting current tenancies.

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- f) Since approval will not affect Application scoring, Petitioner derives no unfair advantage over other applicants.
- g) Notice of the Petition was published in Volume 35, Number 13, of the Florida Administrative Weekly. To date, Florida Housing received no comments regarding the Petition.
- h) Section 120.542(2), Fla. Stat. 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.
- i) Petitioner has demonstrated that strict application of the above Rules under these circumstances will give rise to substantial hardship or otherwise violate the principles of fairness. Under the circumstances described in the Petition, granting these requests furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. The variance from the Rules of Fla. Admin. Code 67-48.004(1)(a) and 67-48.027(2)(m) furthers this purpose.

2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for Rule variances from 67-48.004(1)(a) and 67-48.027(2)(m), Fla. Admin. Code, to permit Petitioner to avoid having to modify the features and amenities of the Development to conform to the 2008 Application.

MULTIFAMILY BONDS

Consent

VI. MULTIFAMILY BONDS

A. Request Approval Of The MMRB LURA And EUA Amendments To Change From Senior Designation To Family Designation For River Trace Senior Apartments For The MMRB And HC Programs

DEVELOPMENT NAME (“Development”):	River Trace Senior Apartments
DEVELOPER/PRINCIPAL (“Developer” or “Owner”):	River Oaks Housing Partners, Ltd./River Oaks Housing Associates, Inc./River Oaks Housing Associates, LLC/SAH Affordable Housing, Inc. (formerly LNR Affordable Housing, Inc.)/Steadfast Companies
NUMBER OF UNITS:	178
LOCATION (“County”):	Manatee
TYPE (“Rental, Homeownership”):	Rental
SET ASIDE:	80% @ 60%
ALLOCATED AMOUNT:	\$6,900,000 of Tax-Exempt Bonds and \$1,200,000 of Taxable Bonds \$ 558,596 HC Allocation
ADDITIONAL COMMENTS: MMRB LURA and EUA Amendments to Change Designation	

1. Background

In 2000, Florida Housing financed the construction of the Development with \$6,900,000 in tax-exempt bonds and \$1,200,000 in taxable bonds, designated as 2000 Series V. In June of 2002, Florida Housing issued a final allocation for Housing Credits in the amount of \$558,596 designated as 2000-547C.

2. Present Situation

- a) The Owner, in a letter dated November 18, 2008, attached as [Exhibit A](#) requests consent to a change from senior designation to family designation. The Owner states the property is designed appropriately for families but with occupancy restricted to seniors. It is believed that the high concentration of two and three bedroom units in conjunction with many of the units being located on the second floor with no elevator access has increased the difficulty of leasing units to seniors. The Owner also states as of October, 2007 the average year to date occupancy is 77.5% and area market comparison survey supports an average occupancy of 85%. The Owner has also agreed to set aside an additional 5% of the units for Extremely Low Income tenants.
- b) The Credit Underwriter has reviewed the request and by letter, dated April 8, 2009, attached as [Exhibit B](#), recommends that Florida Housing approve the request.

MULTIFAMILY BONDS

Consent

3. **Recommendation**

That the Board approve the MMRB LURA and EUA amendments to change from senior designation to family designation 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 Of A Subordinate Lien For Palmetto Ridge Estates For The MMRB, RRLP And HC Programs

DEVELOPMENT NAME (“Development”):	Palmetto Ridge Estates
DEVELOPER/PRINCIPAL (“Applicant”):	Palmetto Ridge Estates, Limited Partnership/Palmetto Ridge Estates Development, LLC/Gandolf Group, LLC, PSC Funding, LLC/Timothy J. Oliver
NUMBER OF UNITS:	192
LOCATION (“County”):	Brevard
TYPE (Rental, Homeownership):	Rental/Family (MMRB, RRLP and HC)
SET ASIDE:	85% @ 60% (MMRB) 25% @ 35% 75% @ 60% (RRLP) 25% @ 35% 75% @ 60% (HC)
ALLOCATED AMOUNT:	\$11,500,000 of Tax-Exempt Bonds and \$7,400,000 RRLP
ADDITIONAL COMMENTS: Approval of a Subordinate Lien for the MMRB, RRLP and HC Programs	

1. Background

In 2007, Florida Housing financed the construction of the Development with \$11,500,000 in tax-exempt bonds, designated as 2007 Series A.

2. Present Situation

- a) The Borrower has requested approval to allow a Transportation Impact Fee Deferral Lien from Brevard County, in the amount of \$92,859.60, to be placed on the Development. The award allows the Borrower to defer payment of a percentage of the transportation impact fee. According to the credit underwriter, the proposed lien will have no impact on the cash flow or debt service coverage for the Development as long as the amount of the lien is due either upon sale or when the Development is no longer affordable.
- b) The credit underwriter recommends the approval of the subordinate lien as evidenced in the attached letter dated March 23, 2009, attached as [Exhibit C](#).

3. Recommendation

That the Board approve the Subordinate Lien 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

C. Request Approval To Amend Bond Documents To Extend Stabilization Period For Bell Ridge II Apartments

DEVELOPMENT NAME (“Developments”):	Bell Ridge II Apartments
DEVELOPER/PRINCIPAL (“Developer” or “Owner”):	Bell Ridge II, Ltd./TCG Bell Ridge II, LLC/Bell Ridge II Development, LLC/Carlisle Development Group, LLC/Lloyd J. Boggio
NUMBER OF UNITS:	48
LOCATION (“County”):	Escambia
TYPE (“Rental, Homeownership”):	Rental/Family (MMRB, RRLP and HC)
SET ASIDE:	85% @ 60% (MMRB) 25% @ 35% (RRLP) 75% @ 60% (RRLP) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$4,750,000 of Tax-Exempt Bonds and \$4,700,000 RRLP
ADDITIONAL COMMENTS: Extend Bond Stabilization Period	

1. Background

In 2006, Florida Housing financed the construction of Bell Ridge II Apartments with \$4,750,000 in tax exempt bonds, designated as 2006 Series K and \$4,700,000 in an RRLP loan.

2. Present Situation

- a) The Developer made a principal reduction of \$3,335,000 on October 1, 2008 as required by the Bond Documents. A default will occur under the Bond Documents, if stabilization does not occur by April 1, 2009.
- b) The remaining principal amount of \$1,415,000 is scheduled to begin amortization on May 1, 2009. The Developer has indicated that they will make all payments as scheduled.
- c) Developer’s Counsel, Stearns Weaver, in a letter dated March 23, 2009 attached as [Exhibit D](#), requested a six month deferral of the stabilization date referenced in the Loan Agreement from April 1, 2009 until October 1, 2009. The deferral is necessary for the development to avoid a default under the Loan Agreement caused by an inability to meet the debt service coverage and occupancy requirements required to achieve stabilization.
- d) A forbearance letter has been by the Bond Purchaser, Bank of America and the Developer thus avoiding the Loan Agreement default. Also attached as [Exhibit E](#), is a resolution allowing for the amendment of certain Bond Documents, to incorporate the revised stabilization schedule and to make certain other changes.
- e) A Final Credit Underwriting Recommendation Letter dated March 26, 2009, is attached as [Exhibit F](#).

MULTIFAMILY BONDS

Consent

3. **Recommendation**

That the Board approve the amendment of the Bond and Loan Documents to defer the stabilization date from April 1, 2009 until October 1, 2009, and to make certain other modifications, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VII. PREDEVELOPMENT LOAN PROGRAM

A. Request Approval of Credit Underwriting Report for Grace and Truth Community Development Corporation, a not-for-profit entity, for Grace Manor Apartments (07-142)

DEVELOPMENT NAME (“Development”):	Grace Manor Apartments
APPLICANT/DEVELOPER (“Developer”):	Grace & Truth Community Development Corporation., a not-for-profit entity
CO-DEVELOPER (“Co-Developer”)	TBD
NUMBER OF UNITS:	80
LOCATION (“County”):	Duval County
TYPE:	Rental, Elderly
SET ASIDE:	60% @ or below 60% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) On May 6, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization, for Grace Manor Apartments. The Development will be located in Duval County.
- b) On August 8, 2008, the Board approved the development plan and budget that was submitted by the Technical Assistance Provider (TAP) recommending a loan in the amount of \$750,000 for PLP eligible activities. Of this \$750,000, staff was authorized to proceed with loan closing activities for up to \$450,000 for the non-site acquisition portion of the loan. The remaining \$300,000 was approved pending a positive recommendation from the Credit Underwriter for site acquisition. The site is a former elementary school that is being purchased from the Duval County School Board. On December 8, 2008, the Developer submitted a successful bid for \$200,000.

2. Present Situation

- a) On April 7, 2009, staff received a credit underwriting report with a positive recommendation for a PLP Loan with a revised budget in the amount of \$200,000, for site acquisition subject to the conditions outlined in the report and up to \$550,000 for non-site acquisition eligible PLP expenses ([Exhibit A](#)). This latter figure is \$100,000 higher than the amount approved by the Board in 2008.
- b) The increase in the budget for non-site acquisition is due primarily to an increase in the cost of architect/engineering service from the time of the initial development plan in which the cost had been estimated to the actual cost in the proposed contract. Other budget items were reduced or removed from the PLP budget to allow for the increase in the architect/engineering fee and remain under the \$750,000 limit. The changes in the budget are detailed in the TAP recommendation ([Exhibit B](#)) and revised budget ([Exhibit C](#)).

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

3. **Recommendation**

Approve the Credit Underwriter's final recommendation and authorize staff to proceed with loan closing activities on the site acquisition and non-site acquisition portions of the PLP Loan in the amount of \$200,000 and up to \$550,000, respectively, for Grace Manor Apartments.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Community Housing Resources, Inc., a Not-for-Profit Entity, for Sanibel Workforce Homeownership (07-160)

DEVELOPMENT NAME (“Development”):	Sanibel Workforce Homeownership
APPLICANT/DEVELOPER (“Developer”):	Community Housing Resources, Inc., a not-for-profit entity
CO-DEVELOPER (“Co-Developer”)	N/A
NUMBER OF UNITS:	8
LOCATION (“County”):	Lee County
TYPE:	Homeownership
SET ASIDE:	50% @ or below 80% AMI 50% up to 120% AMI
PLP LOAN AMOUNT:	\$415,000
ADDITIONAL COMMENTS: The Developer will be using the Community Land Trust model.	

1. Background

- a) On September 29, 2008, Florida Housing received a PLP Application from the Applicant for Sanibel Workforce Homeownership. The Development will be located in Lee County.
- b) On October 21, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization.
- c) This development and the next Board agenda item are related developments on the same development site. There are two separate applications, one for the homeownership development and one for the rental development due to the PLP rule’s prohibition of homeownership and rental developments within one application, due to repayment provisions being different for each type of transaction.

2. Present Situation

The Technical Assistance Provider (TAP) has approved the Development Plan and recommended a loan amount of \$415,000 for PLP eligible activities ([Exhibit D](#)), as well as assisted the Applicant in preparing the Development Plan and budget ([Exhibit E](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

Approve the PLP Loan in the amount of \$415,000 to Community Housing Resources, Inc., a not-for-profit entity, for Sanibel Workforce Homeownership, for predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence with loan closing proceedings.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of PLP Loan for Community Housing Resources, Inc., a Not-for-Profit Entity, for Sanibel Workforce Rental (07-161)

DEVELOPMENT NAME (“Development”):	Sanibel Workforce Rental
APPLICANT/DEVELOPER (“Developer”):	Community Housing Resources, Inc., a not-for-profit entity
CO-DEVELOPER (“Co-Developer”)	N/A
NUMBER OF UNITS:	6
LOCATION (“County”):	Lee County
TYPE:	Rental
SET ASIDE:	60% @ or below 60% AMI
PLP LOAN AMOUNT:	\$245,621

1. Background

- a) On September 29, 2008, Florida Housing received a PLP Application from the Applicant for Sanibel Workforce Rental. The Development will be located in Lee County.
- b) On October 21, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization.
- c) This development and the previous Board agenda item are related developments on the same development site. There are two separate applications, one for the homeownership development and one for the rental development due to the PLP rule’s prohibition of homeownership and rental developments within one application, due to repayment provisions being different for each type of transaction.

2. Present Situation

The Technical Assistance Provider (TAP) has approved the Development Plan and recommended a loan amount of \$245,621 for PLP eligible activities ([Exhibit F](#)), as well as assisted the Applicant in preparing the Development Plan and budget ([Exhibit G](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

Approve the PLP Loan in the amount of \$245,621 to Community Housing Resources, Inc., a not-for-profit entity, for Sanibel Workforce Rental, for predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence with loan closing proceedings.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of PLP Loan for Hernando County Housing Authority, a Public Housing Authority, for Magnolia Gardens (07-167)

DEVELOPMENT NAME (“Development”):	Magnolia Gardens
APPLICANT/DEVELOPER (“Developer”):	Hernando County Housing Authority, a Public Housing Authority
CO-DEVELOPER (“Co-Developer”)	The NRP Group
NUMBER OF UNITS:	60
LOCATION (“County”):	Hernando County
TYPE:	Rental, Elderly
SET ASIDE:	60% @ or below 60% AMI
PLP LOAN AMOUNT:	\$500,000

1. Background

- a) On January 13, 2009, Florida Housing received a PLP Application from the Applicant for Magnolia Gardens. The Development will be located in Hernando County.
- b) On February 4, 2009, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization.

2. Present Situation

The Technical Assistance Provider (TAP) has approved the Development Plan and recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit H](#)), as well as assisted the Applicant in preparing the Development Plan and budget ([Exhibit I](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

Approve the PLP Loan in the amount of \$500,000 to Hernando County Housing Authority, a Public Housing Authority, for Magnolia Gardens, for predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence with loan closing proceedings.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

- E. **Request Approval of Applicant Entity Name Change from TOJ GP, LLC., to Towers of Jacksonville, Inc., and Acceptance of a Shared Second Lien Position with Elderly Housing Community Loan (EHCL) Program for the Development, Towers of Jacksonville (07-168)**

DEVELOPMENT NAME (“Development”):	Towers of Jacksonville (TOJ)
APPLICANT/DEVELOPER (“Developer”):	TOJ GP, LLC., a not-for-profit entity
CO-DEVELOPER (“Co-Developer”)	N/A
NUMBER OF UNITS:	194
LOCATION (“County”):	Duval County
TYPE:	Rental, Elderly
SET ASIDE:	60% @ or below 60% AMI
PLP LOAN AMOUNT:	\$300,000
ADDITIONAL COMMENTS: This will help preserve an existing assisted rental property.	

1. **Background**

- a) On December 9, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization.
- b) On March 13, 2009, the Board approved the development plan and budget that was submitted by the Technical Assistance Provider recommending a loan in the amount of \$300,000 for PLP eligible activities.

2. **Present Situation**

- a) On April 2, 2009, Florida Housing received correspondence from the Developer requesting a name change in the Developer entity from TOJ GP, LLC., to Towers of Jacksonville, Inc., as currently funded through Florida Housing’s EHCL for this Development ([Exhibit J](#)). This change is necessary to allow FHFC to place a mortgage to secure the PLP Loan on the property.
- b) Additionally, there is a HUD secured first mortgage on the property which will remain in a superior position. There is also a second mortgage held by Florida Housing’s EHCL program for a 2006 loan for security and life safety upgrades. The EHCL staff has agreed to a shared second lien position with the PLP Loan.

3. **Recommendation**

Approve the Applicant name change from TOJ GP, LLC., to Towers of Jacksonville, Inc. and approve a shared second lien position with the EHCL Loan for the Development, Towers of Jacksonville.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VIII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Printing, Reproduction and or Copying Services

1. Background

- a) At its October 14, 2004 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Rapid Press, Inc. and Target Copy to provide printing, reproduction and or copying services.
- b) The initial term of the contracts was for three years. The contracts could be renewed twice. Each renewal is for an additional one-year period.

2. Present Situation

- a) Both contracts expired on February 28, 2009.
- b) Florida Housing staff supports a renewal to extend the term of the contracts for the final one-year period.

3. Recommendation

The staff recommends a renewal of the printing/copying services contract with Rapid Press and Target Copy until February 28, 2010.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Additional Subordinate Financing for Richmond Pine, Cycle HRR (93-HRR-003)

Development Name: Richmond Pine (“Development”)	Location: Miami-Dade County
Developer/Principal: Enterprise Community Partners, Inc. (“Developer”)	Set-Aside: 20% @ 40% AMI and 80% @ 50% AMI
Number of Units: 80	Allocated Amount: \$2,800,000
Type: High-Rise	Housing Credit Equity: 2,718,000
Demographics: Family	MMRB: N/A

1. **Background/Present Situation**

- a) On October 6, 1994, a SAIL loan in the amount of \$2,800,000 for this 80-unit family Development in Miami-Dade County closed.
- b) On February 10, 2009, staff received a letter from the Borrower requesting approval of additional subordinate financing from Miami-Dade County ([Exhibit A](#)).
- c) On April 7, 2009, staff received a credit underwriting review with a positive recommendation for additional subordinate financing in the amount of \$1,000,000 ([Exhibit B](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

2. **Recommendation**

Approve the request for additional funding and direct staff to proceed with modification of closing documents as necessary.

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

B. Request Approval of SAIL Loan Closing Extension for Labre Place, Cycle XVIII (2006-074CS)

Development Name: Labre Place f/k/a St. David (“Development”)	Location: Miami Dade County
Developer/Principal: St. David Development, L.L.C. (“Developer”)	Set-Aside: 50% @ 33% AMI and 50% @ 60% AMI
Number of Units: 90	Allocated Amount: \$4,000,000
Type: High-rise	Housing Credit Equity: 16,641,538
Demographics: Homeless	MMRB: N/A

1. Background/Present Situation

- a) On March 14, 2008, the Board approved a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$4,000,000, and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- b) On April 18, 2008, staff issued a firm commitment letter with a closing deadline of June 17, 2008, after which the Board approved five loan closing extensions.
- c) On April 15, 2009, staff received a letter from the Developer requesting a sixth loan closing extension until June 15, 2009, due to scheduling issues internal to the equity financing partner and review of the American Recovery and Reinvestment Act of 2009 ([Exhibit C](#)).

2. Recommendation

Approve the request to extend the SAIL closing deadline until June 15, 2009, subject to the payment of the loan closing extension fee pursuant to Rule Chapter 67-48, F.A.C.

SPECIAL HOUSING AND ASSISTANCE DEVELOPMENT PROGRAM (SHADP)

Consent

X. SPECIAL HOUSING AND ASSISTANCE DEVELOPMENT PROGRAM (SHADP)

A. Request Approval of Credit Underwriting Report for Villa Maria (2007-009FHSH)

DEVELOPMENT NAME (“Development”):	Villa Maria
APPLICANT/DEVELOPER (“Developer”):	MBCDC: Villa Maria, LLC., a not-for profit entity
CO-DEVELOPERS:	N/A
NUMBER OF UNITS:	34
LOCATION (“County”):	Miami-Dade County
TYPE:	Rental, Elderly
SET ASIDE:	25% at or below 33% AMI 75% at or below 60% AMI
SHADP LOAN AMOUNT:	\$ 2,000,000
ADDITIONAL COMMENTS: A minimum of 80% of the units are set-aside for the elderly, of which 50% are for frail elders.	

1. Background

- a) On January 25, 2008, the Board approved the final rankings for the 2007 Farmworker Housing Recovery Program and Special Housing Assistance and Development Program (FHRP/SHADP) Application Cycle. These programs focus on providing funding for long-term housing recovery from the loss of farmworker housing and/or special needs as a result of the 2004 and 2005 disasters.
- b) On January 28, 2008, Florida Housing issued an invitation to enter credit underwriting to the Developer.

2. Present Situation

On April 7, 2009, the Credit Underwriter provided staff with a Credit Underwriting Report (CUR) for the Development ([Exhibit A](#)) with a recommendation to award up to \$2,000,000 for a SHADP loan for the development of homeless rental units, subject to the conditions outlined in the CUR.

3. Recommendation

Approve the CUR subject to the conditions outlined in the report and authorize staff to issue a loan commitment letter in the amount of up to \$2,000,000 to the Developer for a SHADP loan.

SPECIAL ASSETS

Consent

XI. SPECIAL ASSETS

A. Request Approval to Refinance the First Mortgage for Breckenridge Common, Ltd., a Florida Limited Partnership for Madison Commons Apartments (2000-085S)

Development Name: Madison Commons (“Development”)	Location: Clay
Developer/Principal: Banyan Realty Advisors, LLC (“Developer”)	Set-Aside: SAIL: 7.5 % @ 28%, 91.25% @ 60% AMI, 50 Years HC: 7.595% @ 28%, 92.405% @ 60% AMI, 50Years
Number of Units: 160	Allocated Amount: SAIL \$1,925,625 HC \$422,697 (annual)
Demographics: Family	Servicer: Seltzer Management Group, Inc.

1. Background

- a) During the 2000 Application Cycle, Florida Housing awarded a \$1,925,625 SAIL loan to Breckenridge Commons, Ltd., a Florida Limited Partnership (“Borrower”), for the permanent financing and construction of a 160-unit development in Clay County. The SAIL loan closed on June 6, 2001 and matures on July 1, 2040. The development also received a 2000 allocation of low-income housing tax credits of \$422,697.
- b) On March 1, 2000, the Housing Finance Authority of Clay County (“Issuer”) issued Multifamily Revenue Tax-Exempt Bonds totaling \$7,000,000 (“First Mortgage”), in which the first mortgage was assigned by the Issuer to The Bank of New York, as Trustee. The Bonds currently have an outstanding balance of \$6,625,000 and mature on July 1, 2040.

2. Present Situation

- a) In a letter dated January 29, 2009 ([Exhibit A](#)), the Borrower requests consent from the Board to refinance the first mortgage and subordinate the SAIL loan to the new first mortgage.
- b) Staff has received a credit underwriting report from Seltzer Management Group, Inc. ([Exhibit B](#)) dated April 6, 2009 recommending approval for the new financing.

3. Recommendation

Approve the refinancing of the first mortgage and subordination of the SAIL loan to the new first mortgage subject to the conditions outlined in the credit underwriter’s report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

B. Request Approval to Remove Certain Guarantors Including the Substitution of the Remaining Individual Guarantors with Dolphin Properties, Inc. (DPI) in Four Banyan Realty Advisors, LLC Developments

Development Name: Madison Commons (aka Breckenridge Commons) (“Development”)	Location: Clay
Developer/Principal: Banyan Realty Advisors, LLC (“Developer”)	Set-Aside: SAIL 7.5% @ 28%, & 91.25% @ 60% AMI, 50 Years HC 7.595% @ 28% & 92.405% @ 60% AMI, 50 Years
Funding Sources: SAIL 2000-085S HC 2000-551C	Amounts: SAIL \$1,925,625 HC \$422,697 (annually)
Number of Units: 160	Type: Family
<hr/>	
Development Name: Saddlebrook (aka Madison Chase) (“Development”)	Location: Palm Beach
Developer/Principal: Banyan Realty Advisors, LLC (“Developer”)	Set-Aside: SAIL 6.087% @ 25% & 93.04% @ 60% AMI, 50 Years HC 100% @ 60% AMI, 50 Years
Funding Sources: SAIL 2000-086S HC 2000-550C	Amounts: SAIL \$2,369,000 HC \$1,020,271 (annually)
Number of Units: 230	Type: Family
<hr/>	
Development Name: Whistler’s Cove (“Development”)	Location: Collier
Developer/Principal: Banyan Realty Advisors, LLC Wendover Housing Partners, LLC (“Developer”)	Set-Aside: MMRB 20% @ 50% & 50% @ 60% AMI, 50 Years HC 100% @ 60% AMI, 30 Years
Funding Sources: MMRB 1998 Series T HC 1999-507C	Amounts: MMRB \$15,000,000 HC \$667,588 (annually)
Number of Units: 240	Type: Family
<hr/>	
Development Name: Dunwoodie Place (“Development”)	Location: Orange
Developer/Principal: Banyan Realty Advisors, LLC (“Developer”)	Set-Aside: HC 100% @ 60% AMI, 30 Years
Funding Sources: HC 1999-512C	Amounts: HC \$418,649 (annually)
Number of Units: 172	Type: Family
<hr/>	

SPECIAL ASSETS

Consent

1. **Background**

The original Developer, Wendover Housing Partners, Inc., received funding from FHFC for the development of 4 affordable housing properties from 1998 to 2000. Funding sources from FHFC have included Housing Credits, MMRB, and SAIL. On March 14, 2008, the Board approved the transfer of general partnership interests for the four developments to affiliates of Banyan Realty Advisors, LLC (f/k/a Banyan Realty Management, LLC).

2. **Present Situation**

- a) In a letter dated January 29, 2009 ([Exhibit C](#)), Jonathan Wolf notified FHFC of his request to remove the requirement of Nancy Wolf (his wife) in having to assume all existing and continuing guarantees and/or indemnity obligations associated with the current GP related entities, and not require her to execute replacement guarantees, arising from the transfers.
- b) In addition to the request, Mr. Murphy, Mr. Foreman and Mr. Gettler, the underlying individuals of the three limited liability companies that own DPI, have requested that their personal guarantees be substituted with guarantees by DPI.
- c) FHFC further requested Seltzer Management Group, Inc. to review and determine whether the removal of individuals as guarantors of said general partnership interests will have a negative effect on the financial strength or experience to successfully own and operate the four subject properties.
- d) Staff received a positive recommendation from Seltzer Management dated April 6, 2009 ([Exhibit D](#)) confirming the removal of Nancy Wolf as guarantor, as well as the substitution of guarantors from Mr. Murphy, Mr. Forman and Mr. Gettler over to Dolphin Properties, Inc (DPI), will not create a negative impact on the financial viability or operating success of the individual properties.

3. **Recommendation**

Approve the requests for removal of guarantors and direct staff to proceed with loan document modifications subject to those conditions set forth within the positive recommendation received from Seltzer Management Group, Inc.

SPECIAL ASSETS

Consent

C. **Request Approval of Replacement of Guarantors for Teal Pointe Apartments (93HD-014/93L-097)**

Development Name: Teal Pointe Apartments (“Development”)	Location: Miami-Dade
Developer/Principal: Teal Pointe Apartments, Inc. (“Developer”)	Set-Aside: HOME 50% @ 50%; 50% @ 80% AMI, 15 Years; HC 50% @ 50%; 50% @ 60% AMI, 65 Years
Number of Units: 45	Allocated Amount: HOME \$1,000,000 Housing Credit \$108,714
Demographics: Family	

1. **Background**

- a) During the 1993 Cycle, Florida Housing awarded a \$1,000,000 HOME loan to Teal Pointe Associates, Ltd., a Florida limited company, for the development of a 45-unit apartment complex in Miami-Dade County, Florida. The HOME loan closed on December 21, 1993. The Development also received a Housing Credit allocation of \$108,714.
- b) In 2006, the Board approved a transfer of ownership when the development was sold by Teal Pointe Associates, Ltd. (The Related Group) to Teal Pointe Apartments, Inc. (The Jimenez Group) and the new owner assumed the HOME loan. The transaction also included the payoff of an existing first mortgage moving the HOME loan into first lien position. The acquisition of the Development was also supported by a second mortgage.
- c) In August 2008, there was a transfer of ownership in Teal Pointe, Apartments, Inc.
- d) On December 12, 2008, the Board approved renegotiation of the HOME loan to renew the principal at 1.5% interest for thirty years, with monthly amortization of principal and interest and extension of the LURA for an additional 30 years.

2. **Present Situation**

- a) In August 2008, when the ownership in Teal Pointe Apartments, Inc. was transferred, the principals were not released as guarantors of the loan.
- b) In a letter dated January 28, 2009, the two current guarantors (original shareholders) requested that they be released as guarantors and be replaced with the three new shareholders as guarantors for the renewed and renegotiated loan.
- c) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit E](#)).

SPECIAL ASSETS

Consent

3. **Recommendation**

Staff recommends that the Board approve the request to release the current guarantors and replace them with the current owners as guarantors for the renegotiated loan, and direct staff to proceed with loan document modifications activities with conditions as set forth in the credit underwriting report.

SPECIAL ASSETS

Consent

D. Request Approval for the Transfer of the Non-Profit co-GP Interest for Pinnacle View (f/k/a Wynwood Tower Apartments) (SAIL 2001-051S) (HC 1999-010C)

Development Name: Pinnacle View (f/k/a Wynwood Tower) Apartments (“Development”)	Location: Miami-Dade
Developer/Principal: Pinnacle Housing Group (f/k/a Affordable Neighborhoods, Inc.) and Greater Miami Neighborhoods, Inc. (“co-Developers”)	Set-Aside: SAIL 14.52% @ 33%, 5.91% @ 40%, 9.68% @ 50%, 69.89% @ 60% AMI, 50 Years; HC 20% @ 40%, 10% @ 50%, 70% @ 60% AMI, 50 Years
Number of Units: 186	Allocated Amount: SAIL \$1,750,000 Housing Credits (annual) \$1,414,530
Demographics: Family	

1. Background

During the 2001-02 Cycle, Florida Housing awarded a \$1,750,000 SAIL loan to Wynwood Tower Apartments, Ltd., a Florida limited partnership (Borrower), for the construction and permanent financing of a 186-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on August 23, 2002 and matures August 1, 2020. The Development also received an annual Housing Credit allocation of \$1,414,530. The co-General Partnership (co-GP) consists of the non-profit GMN-Wynwood, Inc. and the for-profit ANI-Wynwood, Inc. The principals of GMN-Wynwood, Inc. are also the principals of Greater Miami Neighborhoods, Inc., which subsequently filed for Chapter 11 Bankruptcy on January 22, 2008.

2. Present Situation

- a) In an email to FHFC dated March 3, 2009, David Deutch, the contact for ANI-Wynwood, Inc., the existing co-GP of the Partnership, requested approval to transfer the non-profit co-GP Interest from GMN-Wynwood, Inc. to Village West Ventures, LLC. Written confirmation has been received from Village West Ventures, LLC stating that the previously underwritten and approved non-profit co-GP ownership structure will remain the same.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit F](#)).

3. Recommendation

Staff recommends that the Board approve the transfer of the non-profit co-GP Interest from GMN-Wynwood, Inc. to Village West Ventures, LLC and direct staff to proceed with loan document modification with the conditions as set forth in the credit underwriting report.

SPECIAL ASSETS

Consent

E. Request Approval of the Extension of the SAIL Loan for Homestead Apartments Associates II, Ltd., a Florida limited partnership for Riverwalk II Apartments (92S-019/92L-052)

Development Name: Riverwalk II (“Development”)	Location: Miami-Dade County
Developer/Principal: Homestead Apartments Associates II, Ltd./Related Companies (“Developer”)	Set-Aside: SAIL 20% @ 50% AMI Farmworker, 80% @ 60% AMI Family; HC 100% @ 60% AMI LURA: 50 years; EUA: 50 years
Number of Units: 112	Allocated Amount: SAIL - \$770,000
Demographics: Farmworker/Family	Housing Credits: \$451,372

1. Background

During the 1991-1992 SAIL Cycle IV, Florida Housing awarded a \$770,000 construction/permanent loan to Homestead Apartments Associates II, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 112-unit development in Miami-Dade County. The SAIL loan closed on October 8, 1992 and will mature on June 30, 2009. The Development also received a 1992 allocation of low-income housing tax credits of \$451,372. The Development was placed in service in September of 1993. The Board extended the loan for one year at its January 2007 meeting and an additional extension was approved at the August 2008 Board meeting.

2. Present Situation

The Borrower has requested approval to extend the SAIL loan, at its current terms, to June 30, 2010. The Borrower plans to refinance and rehabilitate the property using tax exempt bonds and credits but has been unable to find an equity partner. This additional time is needed to allow them to refinance the development.

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to June 30, 2010, and extend the LURA for an equal amount of time, and direct staff to proceed with loan modification activities.