

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
January 27, 2012
Consent Items



PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

I. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Consecra Housing Network, a Not-for-Profit Entity, for Plant City Apartments (2010-007P-09)

DEVELOPMENT NAME (“Development”):	Plant City Apartments
APPLICANT/DEVELOPER (“Developer”):	Consecra Housing Network
NUMBER OF UNITS:	17
LOCATION (“County”):	Hillsborough County
TYPE:	Rental, Elderly
SET ASIDE:	20% @ or below 50% AMI
PLP LOAN AMOUNT:	\$455,500
ADDITIONAL COMMENTS: Consecra Housing Network was formerly known as Lifelink Charities. The proposed development was formerly known as Park Place Estates.	

1. Background

- a) On August 18, 2010, Florida Housing received a PLP Application from Lifelink Charities for Park Place Estates. FHFC issued an invitation to participate on August 23, 2010. Prior to the Applicant submitting a development plan, the acquisition of the original property for Park Place fell through and the applicant began to pursue other properties to develop the proposed development.
- b) In 2010, subsequent to submitting the application, the applicant changed its name to Consecra Housing Network.
- c) In September 2011, the Applicant located a property for the development. The development will be located in Hillsborough County and has been re-named Plant City Apartments.

2. Present Situation

- a) The Technical Assistance Provider (TAP) has submitted a Development Plan and budget and has recommended a loan amount of \$455,500 for PLP eligible activities ([Exhibit A](#)).
- b) The Applicant requested \$250,000 of the total PLP loan request for the acquisition of the subject property. The acquisition portion of the loan, according to program rule, is subject to evaluation by an FHFC approved credit underwriter prior to Board approval. The \$205,500 in non-acquisition funding is not subject to credit underwriting.
- c) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

PREDEVELOPMENT LOAN PROGRAM (PLP)

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3. Recommendation

Approve the PLP Loan in the amount of \$455,500 to Consecra Housing Network, a Not-for-Profit Entity, for Plant City Apartments for eligible predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence with loan closing proceedings on the non-acquisition portion of the PLP Loan in an amount up to \$205,500.

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B. Request Approval of Maturity Extension of PLP Loan for Ridge Winter Haven, Ltd., a Not-for-Profit Entity, for Ridgewood Apartments (07-149)

DEVELOPMENT NAME (“Development”):	Ridgewood Apartments
APPLICANT/DEVELOPER (“Developer”):	Ridge Winter Haven, Ltd., a Not-for-Profit Entity
CO-DEVELOPER (“Co-Developer”)	Housing Partners of Florida, Tri-County Human Services
NUMBER OF UNITS:	33
LOCATION (“County”):	Polk County
TYPE:	Rental, Family
SET ASIDE:	60% at or below 60% AMI
PLP LOAN AMOUNT:	\$615,452

1. Background

- a) On August 8, 2008, Florida Housing approved a PLP Loan in the amount of \$615,452 for the Applicant for Ridgewood Apartments.
- b) On March 11, 2009, the Developer closed on the non-site acquisition portion of the loan. The site acquisition portion of the loan was subject to credit underwriting according to PLP program rule.
- c) During the credit underwriting process, the underwriter determined that the applicant entity, which was newly formed, did not have the sole financial strength to undertake the development. The developer added an established non-profit organization in the community, Tri-County Services, to the development team. While Tri-County was not established to develop affordable housing as its primary activity, it was able to bring financial strength to the partnership.
- d) Due to Tri-County’s lack of housing experience, it was recommended that the organization apply to become a HUD certified Community Housing Development Organization (CHDO) in order to pursue HOME funding. As part of this process, Tri-County is required to become a 501 (c) (3) non-profit as determined by the IRS. This process is near completion.

2. Present Situation

- a) The Developer received a determination from the IRS on January 9, 2012 that Tri-County is now qualified as a 501 (c) (3) non-profit. They will continue to complete the process of obtaining CHDO status. Once that process is complete, they will be able to close on the site acquisition portion of the PLP loan and pursue construction funding for the project. A revised timeline has been developed based on assumptions related to the approval of Tri-County’s status and anticipated funding cycles. Based on this timeline, the Developer is requesting a one year extension to the loan maturity date ([Exhibit B](#)).
- b) The TAP has reviewed this request and is supporting the one year extension to the loan maturity date ([Exhibit C](#)).

PREDEVELOPMENT LOAN PROGRAM (PLP)

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3. Recommendation

Approve the one year loan maturity extension for the PLP loan for Ridgewood Apartments from March 11, 2012 to March 11, 2013 and allow staff to begin the amending and execution of loan documents.

PREDEVELOPMENT LOAN PROGRAM (PLP)

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C. Request Approval of Maturity Extension of PLP Loan for Loveland Center, Inc., a Not-for-Profit Entity, for Loveland Village (07-147)

DEVELOPMENT NAME (“Development”):	Loveland Village
APPLICANT/DEVELOPER (“Developer”):	Loveland Center, Inc., a Not-for-Profit Entity
CO-DEVELOPER (“Co-Developer”)	N/A
NUMBER OF UNITS:	26
LOCATION (“County”):	Sarasota County
TYPE:	Rental, Developmental Disabilities
SET ASIDE:	60% at or below 60% AMI
PLP LOAN AMOUNT:	\$500,000

1. Background

- a) On September 26, 2008, Florida Housing approved a PLP Loan for the Applicant for Loveland Village. The Development is located in Sarasota County.
- b) On March 18, 2009, The Developer closed on the PLP loan in the amount of \$500,000.

2. Present Situation

- a) The Developer has struggled to secure construction financing for the development. Alternate financing sources are being sought to complete the development. In order to pursue these sources, the Developer has requested a one year extension to the maturity date from March 18, 2012 to March 18, 2013 ([Exhibit D](#)).
- b) The TAP has reviewed the request and is supporting the request for the loan maturity ([Exhibit E](#)).

3. Recommendation

Approve the one year extension to the PLP loan for Loveland Village from March 18, 2012 to March 18, 2013 and allow staff to begin the loan document amendment process.

SPECIAL ASSETS

Consent

II. SPECIAL ASSETS

A. Request Approval of the Extension of the SAIL Loan for Walden Pond, Ltd., a Florida Limited Partnership for The Hamlet at Walden Pond (93HRR-002/95L-002)

Development Name: The Hamlet at Walden Pond (“Development”)	Location: Miami-Dade County
Developer/Principal: Florida Affordable Housing, Inc. (“Developer”); Walden Pond, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 20% @ 40% & 80% @ 60% AMI; LURA & EUA: 50 years
Number of Units: 312	Allocated Amount: SAIL \$3,740,200; HC \$1,743,523
Demographics: Elderly	Servicer: Seltzer

1. Background

During the 1993 SAIL/HRR (State Apartment Incentive Loan/Hurricane Andrew Recovery and Rebuilding Program) Cycle, Florida Housing awarded a \$3,740,200 construction/permanent loan to Walden Pond, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 312-unit development in Miami-Dade County. The SAIL loan closed on March 20, 1995, and will mature on February 20, 2012. The Development also received a 1995 allocation of low-income housing tax credits of \$1,743,523.

2. Present Situation

The Borrower has requested approval to extend the SAIL loan, at its current terms, to February 20, 2013, to allow time for refinancing of the Development. The Borrower has agreed to an extension of the LURA term equal to the loan extension.

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to February 20, 2013, extend the LURA for an equal amount of time, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

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B. Request Approval of the Extension of the SAIL Loan for TWC Eighty-Eight, Ltd., a Florida Limited Partnership for Woodhill Apartments (95S-061/96L-001)

Development Name: Woodhill (“Development”)	Location: Orange County
Developer/Principal: The Wilson Company (“Developer”); TWC Eighty-Eight, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 20% @ 40% & 80% @ 60% AMI; LURA & EUA: 50 years
Number of Units: 450	Allocated Amount: SAIL \$3,000,000; HC \$2,154,166
Demographics: Family	Servicer: Seltzer

1. Background

During the 1995 SAIL Cycle VII, Florida Housing awarded a \$3,000,000 construction/permanent loan to TWC Eighty-Eight, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 450-unit development in Orange County. The SAIL loan closed on September 19, 1995, and will mature on February 8, 2012. The Development also received a 1996 allocation of low-income housing tax credits of \$2,154,166.

2. Present Situation

The Borrower has requested approval to extend the SAIL loan, at its current terms, to February 8, 2013, to allow time for refinancing of the Development. The Borrower has agreed to an extension of the LURA term equal to the loan extension.

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to February 8, 2013, extend the LURA for an equal amount of time, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

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C. Request Approval of Refinancing of the First Mortgage and Extension of the SAIL Loan for Presbyterian Homes of Pasco NPR Limited Partnership, a Florida Limited Partnership for The Landings of St. Andrew (aka Presbyterian Homes of Pasco County) (94S-034/93L-026)

Development Name: The Landings of St. Andrew (aka Presbyterian Homes of Pasco County) (“Development”)	Location: Pasco County
Developer/Principal: National Church Residences Corporation (“Developer”); Presbyterian Homes of Pasco NPR Limited Partnership (“Borrower”)	Set-Aside: SAIL 4.5% @ 50% & 90% @ 60% AMI; HC 5.1% @ 50% & 90.3% @ 60% AMI LURA & EUA: 50 years
Number of Units: 196	Allocated Amount: SAIL - \$1,990,000; HC \$921,574
Demographics: Elderly	Servicer: First Housing

1. Background

During the 1994 SAIL (State Apartment Incentive Loan) Cycle, Florida Housing awarded a \$1,990,000 construction/permanent loan to Presbyterian Homes of Pasco NPR Limited Partnership, a Florida Limited Partnership (“Borrower”), for the development of a 196-unit development in Pasco County. The SAIL loan closed on December 21, 1994, and matured on December 21, 2011. The Development also received a 1993 allocation of low-income housing tax credits of \$921,574.

2. Present Situation

- a) By letter dated November 21, 2011, the Developer requests consent from the Board to refinance the existing first mortgage, subordinate the SAIL loan, and extend the SAIL loan for approximately three years to be co-terminus with the new first mortgage. The Developer has agreed to an extension of the LURA (Land Use Restriction Agreement) term equal to the loan extension.
- b) Staff recommends approval for the new financing and subordination of the SAIL loan to the new first mortgage, and a three year extension of the SAIL loan to be co-terminus with the new first mortgage and extension of the LURA term equal to the loan extension. The request is contingent upon a positive recommendation from the credit underwriter.

3. Recommendation

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

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D. Request Affirmation of SAIL Short-pay for Springbrook Commons Ltd., a Florida Limited Partnership for Springbrook Commons Apartments (96S-001/94L-109)

Development Name: Springbrook Commons (“Development”)	Location: Palm Beach County
Developer/Principal: Gatehouse (“Developer”); Springbrook Commons, Ltd. (“Borrower”)	Set-Aside: SAIL & HC: 20% @ 40%, 80% @ 60% AMI LURA & EUA: 50 Years
Number of Units: 144	Allocated Amount: SAIL \$1,880,900 Housing Credits \$802,350
Demographics: Family	Servicer: Seltzer

1. Background

During SAIL Cycle VIII, Florida Housing awarded a \$1,880,900 SAIL loan to Springbrook Commons Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 144 unit apartment complex in Palm Beach County, Florida. The SAIL loan closed on November 14, 1995, and will mature on May 31, 2012. The Development also received a Housing Credit allocation of \$802,350 and was placed in service on December 12, 1996.

2. Present Situation

- a) The Borrower states that the development has been underwater for some time and has made attempts to sell the property and now has a potential purchaser to buy the Development for less than the total debt outstanding. The Borrower has been unable to secure any better offers for the property. The current purchaser is West Palm Beach Housing Authority and the proposed purchase price provides sufficient funds to pay off the first mortgage and a partial payment on the SAIL loan of approximately \$74,460.
- b) Fla. Admin. Code R. 9I-35.006 (8) allows that upon sale of the development if there is insufficient funds from the sale, “the SAIL loan shall not be satisfied until the Agency has received: An appraisal ... indicating that the purchase price ... is reasonable and consistent with existing market conditions; A certification from the borrower that the purchase price reported is the actual price paid for the project and that no other consideration passed between the parties and that the income reported to the Agency during the life of the loan was true and accurate; and A certification that there are no other funds available to repay the loan and that the borrower knows of no other source of funds that could or would be forthcoming so as to pay off the loan.”
- c) The Borrower will be required to meet the outlined requirements to the satisfaction of Florida Housing before closing. An appraisal has been received confirming that the sale price is reasonable and consistent with market conditions. The Borrower requests that Florida Housing approve the sale and provide a satisfaction of the mortgage upon payment of those funds remaining from the sale proceeds after paying the first mortgage and closing costs to be applied to the balance of the SAIL loan at the time of the closing.

SPECIAL ASSETS

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3. **Recommendation**

Affirm the conditions pursuant to Fla. Admin. Code R. 91-35.006 (8) and direct staff to release the mortgage upon payment subject to a review and approval of all proceeds and costs by the credit underwriter and staff review of same and other closing documents indicating that the sale proceeds are sufficient only to pay off the first mortgage and a portion of the SAIL loan balance outstanding and assumption of all use restrictions by the purchaser all subject to further approvals and verifications by legal counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

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- E. **Request Approval to Refinance the First Mortgage and renegotiate the SAIL loan terms for Pinnacle Palms, Ltd., a Florida Limited Partnership for Pinnacle Palms Apartments (Guarantee/2001-052S/2002-506C)**

Development Name: Pinnacle Palms Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Pinnacle Housing Group (“Developer”); Pinnacle Palms, Ltd. (“Borrower”)	Set-Aside: SAIL & HC: .66% @ 25%, 99.34% @ 60% AMI LURA: 50 years; EUA 50 years
Number of Units: 152	Allocated Amount: SAIL: \$1,529,000; HC \$481,660
Demographics: Elderly	CU/Servicer: Seltzer

1. **Background**

During the 2001 funding cycle, Florida Housing awarded a \$1,529,000 SAIL loan to Pinnacle Palms, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 152-unit apartment complex in Palm Beach County, Florida. The SAIL loan closed on June 26, 2002, and will mature on June 1, 2042. The Development also received a 2002 allocation of low-income housing tax credits of \$481,660 and has funding from local bonds with a non HUD-Risk Sharing guarantee through Florida Housing’s Guarantee Program.

2. **Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage, removing the Guarantee Program liability and renegotiate the SAIL loan terms to be fully amortizing (P&I) at 1% for thirty years. The Borrower will pay \$200,000 of the accrued interest at closing with the remaining accrued interest (~\$448,582) added to the end of the loan to be paid at maturity. The Borrower will also add a 4th lien subordinate debt to the development.
- b) Staff agrees that this refinancing and renegotiated SAIL loan terms will benefit the Guarantee Program portfolio by removing a non HUD-Risk Sharing development and by making the development financially more viable. The request will require a positive credit underwriting review.

3. **Recommendation**

Approve the refinancing of the first mortgage, the renegotiated terms of the SAIL loan to be fully amortizing at 1% for 30 years with payment of \$200,000 of accrued interest at closing and the addition of a 4th lien subordinate debt, subject to a positive recommendation from the credit underwriter and the conditions outlined in the credit underwriter’s report and to further approvals and verifications by the credit underwriter, legal counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities.