

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

April 26, 2013

Consent Items



AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

Consent

I. AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

A. Request Approval to Amend the Extended Low-Income Housing Agreement for St. Giles Manor (2009-038X)

DEVELOPMENT NAME (“Development”):	St. Giles Manor APPLICATION # 2009-038X
DEVELOPER/PRINCIPAL(“Developer”):	BREC Development, LLC
APPLICANT: (“Owner”)	St. Giles Manor, Inc.
NUMBER OF UNITS:	106
LOCATION (“County”):	Pinellas County
TYPE:	Acquisition/Rehabilitation
SET ASIDE:	10% @ 35% AMI 90% @ 60% AMI
ALLOCATED AMOUNT:	\$1,510,466.00 TCEP

1. Background/Present Situation

- a) St. Giles Manor is an Acquisition/Rehabilitation Development providing 106 set-aside units in Pinellas County, Florida. Florida Housing issued a Final Allocation of Tax Credit Exchange Program funding in the amount of \$1,510,466.00 in March 2013.
- b) In their Application, the Applicant agreed to set-aside 50% of the ELI units for Persons with Special Needs. In doing so, the Applicant was required to execute a Memorandum of Understanding (“MOU”) with a service provider from the list provided by FHFC. The “MOU” requires a waiting list for filling the required units with Persons with Special Needs.
- c) The development operates under U.S. Department of Housing and Urban Development (“HUD”) Section 8 operating funds. HUD requires a waiting list, which supersedes the waiting list required by the MOU.
- d) Florida Housing received a request from the Owner on October 15, 2012 asking for a waiver of the Special Needs Housing set-aside commitment ([Exhibit A](#)). The development serves Elderly households and currently leases more than 79% of the Development’s total units to Special Needs Households. They also have a full time Service Coordinator on staff ([Exhibit B](#)). As the Development meets our requirements for Special Needs but are unable to execute a MOU, staff recommends waiving the MOU requirement.

2. Recommendation

Approve the requested changes reflected above and direct staff to amend the Extended Use Agreement accordingly.

HOUSING CREDITS

Consent

II. HOUSING CREDITS

A. Request Approval to Change Developer Ownership Interest for Village Place (2011-105C/2013-020C)

DEVELOPMENT NAME (“Development”):	Village Place APPLICATION # 2011-105C/2013-020C
DEVELOPER/PRINCIPAL(“Developer”):	HTG Affordable Partners II Developer, LLC
APPLICANT: (“Owner”)	HTG Fort Lauderdale, LLC
NUMBER OF UNITS:	112
LOCATION (“County”):	Broward County
TYPE:	New Construction
SET ASIDE:	10% @ 25% AMI 90% @ 60% AMI
ALLOCATED AMOUNT:	\$2,300,000 Housing Credits

1. Background/Present Situation

- a) Village Place is a new construction Development providing 112 set-aside units in Broward County, Florida. Florida Housing issued an invitation to enter credit underwriting in December, 2012.
- b) Florida Housing received a request from the Owner on April 8, 2013 asking for approval to change the developer ownership interest ([Exhibit A](#)). In their Application, the Applicant stated Shawn Wilson would own 7.5% non-managing member interest in the Developer. He has since departed and his ownership percentage is now held by HTG Affordable, LLC. This change increased HTG Affordable, LLC ownership interest from 88.5% to 96%. The developer ownership interest of the other members remains unchanged.

2. Recommendation

Approve the requested changes reflected above.

LEGAL

Consent

III. LEGAL

A. In Re: West Bartow Partnership Ltd., LLLP - FHFC Case No. 2013-001VW

Development Name: (“Development”):	The Manor at West Bartow Application No. 2007-038C
Developer/Principal: (“Developer”):	Polk County Housing Developers, Inc.
Number of Units: 100	Location: Polk
Type: Three-story with elevator	Set Asides: RRLP: 20% @ 40% AMI 80% @ 60% AMI
Demographics: Elderly	HC: \$1,155,000 Supplemental for ELI: \$850,000

1. Background

- a) During the 2007 Universal Cycle, West Bartow Partnership Ltd., LLLP (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the construction of an elderly development known as The Manor at West Bartow (the “Development”) located in Polk, Florida. Petitioner applied for and was awarded a Supplemental Loan based upon units set aside for Extremely Low Income households.
- b) On March 22, 2013, Florida Housing received a “Petition for Waiver of Part III.D.1.f. of the 2007 Universal Application Instructions to Provide Specific Features in Units Developed for Elderly Residents,” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-48.004(1)(a) Fla. Admin. Code (2007) provides, in pertinent part:
 - (a) The Universal Application Package or UA1016 (Rev. 3-07) is adopted and incorporated herein by reference and consists of the forms and instructions, obtained from the Corporation, for a fee, at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329 or available, without charge, on the Corporation’s Website under the 2007 Universal Application link labeled Instructions and Application, 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).
- b) Part III.D.1.f. of the Instructions provides in pertinent part:
 - f. The Applicant must provide the following features in the specified percentages of all units in new construction (NC) and Rehabilitation (R) Developments. The requirement to provide the following features is in addition to the features committed to by the Applicant in the Construction Features and Amenities section of this Application...

Tight-napped Berber-type carpet

LEGAL

Consent

- c) Petitioner requested a waiver of the above Rule to allow it to install non-skid flooring, instead of tight-napped Berber style carpeting. As justification, Petitioner states that in its experience, the non-skid flooring provides a better surface for elderly residents to ambulate within their residential units. Additionally, it is an easier surface to maintain and to keep clean. The Petitioner further provides that the non-skid flooring is an upgraded amenity for which it is willing to bear the additional cost.
- d) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- e) On March 26, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 59. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) Petitioner demonstrated that strict application of the above Rule under these circumstances would violate the principles of fairness. Petitioner established that permitting this change in Development would promote participation by experienced developers in efficient construction of new elderly units and also serve the underlying purpose of the statute by permitting upgraded features and amenities within residential units developed for elderly residents. A denial of the requested waiver would result in a substantial hardship due to the replacement costs of worn or unsanitary carpet, which costs would be reduced by the use of non-skid flooring.

3. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Part III.D.1.f. of the Instructions, to allow Petitioner to install non-skid flooring in the residential units in the Development, instead of tight-napped Berber-type carpet.

LEGAL

Consent

B. In Re: Northwest Properties IV, Ltd. - FHFC Case No. 2013-002VW

Development Name: (“Development”):	Northwest Gardens IV Application No. 2007-191C
Developer/Principal: (“Developer”):	Northwest Properties IV Development, LLC; HEF-Dixie Court Development, LLC
Number of Units: 138	Location: Broward
Type: Garden	Set Asides: RRLP: 10% @ 25% AMI 90% @ 60% AMI
Demographics: Family	HC: \$2,473,710

1. Background

- a) During the 2011 Universal Cycle, Northwest Properties IV, Ltd. (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the redevelopment of a family development known as Northwest Gardens IV (the “Development”) located in Broward County, Florida.
- b) On March 26, 2013, Florida Housing received a “Petition for Waiver of 2011 Universal Application Instructions, Housing Credit Program, Part III, Section (B)(4)(a)” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.004(1)(a) Fla. Admin. Code (2011) provides, in pertinent part:
 - (a) The Universal Application Package or UA1016 (Rev. 2-11) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s Website under the 2011 Universal Application link labeled Instructions and Application, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00703>, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the HOME and HC Program(s).
- b) Part III.B.4.a. of the Instructions provides in pertinent part:
 - a. For all new construction units:

If the proposed Development includes any new construction units (regardless of the Development Category selected at Part III.A.3.a. of the Application), the eligible new construction units must (i) meet the requirements of Energy Star New Homes per the Energy Star Qualified Homes Florida Builder Option Package, Rev. 01/05/2010, which is incorporated by reference and available on the 2011 Universal Application link labeled Related References and Links...

LEGAL

Consent

- c) Petitioner requested a waiver of the above Rule to allow it to install heat strips, instead of a heat pump in all units in the Development; and allow it to install windows having a U-Value ranging from 0.71 to 0.77, instead of windows with a U-Value of 0.52 or less. As justification, Petitioner states that the use of a heat pump would be inefficient and costly, as opposed to the use of heat strips, which were not an option in the Builder Option Package. Petitioner also states that its proposed windows have a lower Solar Heat Gain Coefficient (“SHGC”) and results in a more energy efficient unit than is required. Further, the required windows have vinyl frames which are less durable than the proposed windows, which have aluminum frames. The Petitioner further provides that the Development will achieve substantially lower Home Energy Rating System Index score, increase durability, and will reduce costs of operation.
- d) The requested change would neither affect the scoring of Petitioner’s application nor allow Petitioner to gain an unfair advantage over other applicants.
- e) On March 28, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 61. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) Petitioner has demonstrated that strict application of the above Rule under these circumstances would violate the principles of fairness. Petitioner established that permitting this change in Development would promote construction of energy-efficient systems and also serve the underlying purpose of the statute by permitting upgraded features and amenities within the residential units. A denial of the requested waiver would result in a substantial hardship due to increased costs of installation and operation of heat pumps and installation of less efficient and less durable windows.

3. Recommendation

Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Part III.B.4.a. of the Instructions, to allow Petitioner to install heat strips in all the units in the Development, instead of a heat pump; and install windows having a U-Value ranging from 0.71 to 0.77, with a SHGC ranging from 0.23-0.28, instead of windows with a U-Value of 0.52 or less.

LEGAL

Consent

C. In Re: Northwest Properties II, Ltd. - FHFC Case No. 2013-003VW

Development Name: (“Development”):	Northwest Gardens II Application No. 2007-185C
Developer/Principal: (“Developer”):	Northwest Properties II Development, LLC; HEF-Dixie Court Development, LLC
Number of Units: 128	Location: Broward
Type: Garden	Set Asides: RRLP: 10% @ 25% AMI 90% @ 60% AMI
Demographics: Elderly	HC: \$2,170,036

1. Background

- a) During the 2011 Universal Cycle, Northwest Properties II, Ltd. (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the redevelopment of an elderly development known as Northwest Gardens II (the “Development”) located in Broward County, Florida.
- b) On March 26, 2013, Florida Housing received a “Petition for Waiver of 2011 Universal Application Instructions, Housing Credit Program, Part III, Section (B)(4)(a)” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-48.004(1)(a) Fla. Admin. Code (2011) provides, in pertinent part:
 - (a) The Universal Application Package or UA1016 (Rev. 2-11) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s Website under the 2011 Universal Application link labeled Instructions and Application, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00703>, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the HOME and HC Program(s).
- b) Part III.B.4.a. of the Instructions provides in pertinent part:
 - a. For all new construction units:

If the proposed Development includes any new construction units (regardless of the Development Category selected at Part III.A.3.a. of the Application), the eligible new construction units must (i) meet the requirements of Energy Star New Homes per the Energy Star Qualified Homes Florida Builder Option Package, Rev. 01/05/2010, which is incorporated by reference and available on the 2011 Universal Application link labeled Related References and Links...

LEGAL

Consent

- c) Petitioner requested a waiver of the above Rule to allow it to install heat strips, instead of a heat pump in all units in the Development; and allow it to install windows having a U-Value ranging from 0.71 to 0.77, instead of windows with a U-Value of 0.52 or less. As justification, Petitioner states that the use of a heat pump would be inefficient and costly, as opposed to the use of heat strips, which were not an option in the Builder Option Package. Petitioner also states that its proposed windows have a lower Solar Heat Gain Coefficient (“SHGC”) and results in a more energy efficient unit than is required. Further, the required windows have vinyl frames which are less durable than the proposed windows, which have aluminum frames. The Petitioner further provides that the Development will achieve substantially lower Home Energy Rating System Index score, increase durability, and will reduce costs of operation.
- d) The requested change would neither affect the scoring of Petitioner’s application nor allow Petitioner to gain an unfair advantage over other applicants.
- e) On March 28, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 61. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) Petitioner demonstrated that strict application of the above Rule under these circumstances would violate the principles of fairness. Petitioner established that permitting this change in Development would promote construction of energy-efficient systems and also serve the underlying purpose of the statute by permitting upgraded features and amenities within residential units developed for elderly residents. A denial of the requested waiver would result in a substantial hardship due to increased costs of installation and operation of heat pumps and installation of less efficient and less durable windows.

3. Recommendation

Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Part III.B.4.a. of the Instructions, to allow Petitioner to install heat strips in all the units in the Development, instead of a heat pump; and install windows having a U-Value ranging from 0.71 to 0.77, with a SHGC ranging from 0.23-0.28, instead of windows with a U-Value of 0.52 or less.

LEGAL

Consent

D. In Re: Ability Oakland II, LLC - FHFC Case No. 2013-004VW

Development Name: (“Development”):	Oakland Terrace Apartments Application No. 2011-046C
Developer/Principal: (“Developer”):	Ability Housing of Northeast Florida, Inc.
Number of Units: 60	Location: Duval
Type: Garden	Set Asides: RRLP: 20% @ 30% AMI 80% @ 60% AMI
Demographics: Family	HC: \$717,500.00

1. Background

- a) During the 2011 Universal Cycle, Ability Oakland II, LLC (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the preservation of a family development known as Oakland Terrace Apartments (the “Development”) located in Duval County, Florida.
- b) On March 28, 2013, Florida Housing received a “Petition for Waiver of 2011 Universal Application Instructions, Housing Credit Program, Part III, Section (B)(4)(b)” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-48.004(1)(a) Fla. Admin. Code (2011) provides, in pertinent part:
 - (a) The Universal Application Package or UA1016 (Rev. 2-11) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s Website under the 2011 Universal Application link labeled Instructions and Application, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00703>, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the HOME and HC Program(s).
- b) Part III.B.4.b. of the Instructions provides in pertinent part:
 - b. For all rehabilitation units:

If the proposed Development includes any rehabilitation units (regardless of the Development Category selected at Part III.A.3.a. of the Application), the rehabilitation units must include as many of the following energy features as structurally and financially feasible within the scope of the rehabilitation work. The feasible energy features for each proposed Development will be based on a capital needs assessment performed during the credit underwriting process. If this provision applies to the proposed Development, the Applicant must select “Yes” to be considered for participation in any program.

LEGAL

Consent

- Energy Star qualified refrigerator
 - Energy Star qualified dishwasher
 - Water heating (choose gas, electric, gas tankless, or boiler/hot water maker):
- c) Petitioner requested a waiver of the above Rule to allow it to utilize shared tankless hot water heaters, instead of installing individual hot water heaters in all units in the Development. As justification, Petitioner states that the use of shared tankless hot water heaters will allow the Development to substantially reduce installation costs. Petitioner also states that its proposed shared tankless water heaters will provide increased living space and reduced costs to the residents as the Development will pay for the utility.
- d) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- e) On March 29, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 62. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) Petitioner demonstrated that strict application of the above Rule under these circumstances would violate the principles of fairness. Petitioner established that permitting this change in Development would promote construction of energy-efficient systems, provide more living space for its residents, and provide a cost benefit to the low income residents. A denial of the requested waiver would result in a substantial hardship due to increased costs of installation and operation of less efficient hot water heaters.

3. Recommendation

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Part III.B.4.b. of the Instructions, to allow Petitioner to install shared tankless water heater, instead of hot water heaters in all the units in the Development, with the shared tankless water heaters to be installed on the exterior of the units, serving two or three units in the Development.

MULTIFAMILY BONDS

Consent

IV. MULTIFAMILY BONDS

A. Request Approval to Amend and Subordinate the LURA and EUA for Westbrook Apartments

Development Name: Westbrook Apartments	Location: Orange
Developer/Owner: TWC Seventy-Three, Ltd./The Wilson Company	Set-Asides: 50% @ 60 AMI (MMRB) 100% @ 60% AMI (HC)
Funding Source: Multifamily Housing Revenue Bonds (MMRB)/Low Income Housing Credits (HC)	Amount: \$11,880,000 Tax Exempt Bonds; \$200,000 Taxable Bonds; \$810,342 HC
Number of Units: 234	Type: Rental

1. Background

Florida Housing financed the construction of the above referenced Development in 1998 with \$11,880,000 in tax exempt bonds designated as 1998 Series U-1 and \$200,000 in taxable bonds designated as 1998 Series U-2, and issued tax credits in the amount of \$810,342.

2. Present Situation

In a letter dated March 6, 2013, attached as [Exhibit A](#), the owner advised Florida Housing of its intention to refinance the Bond loan with a loan from First Housing Development Corporation which will be insured by the Housing and Urban Development (HUD) 223(f) Program. As required by HUD, the existing Land Use Restriction Agreement (LURA) and Extended Low-Income Housing Agreement (EUA) will have to be subordinated to the new loan and consent for the subordination and modification of these documents is being requested.

3. Recommendation

That the Board approve the amendment and subordination of the LURA and EUA for the Development, 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

V. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan Budget Amendment for the ARC Jacksonville, Inc., a Not-for-Profit Entity, for Hodges Village (2011-003P-09)

DEVELOPMENT NAME (“Development”):	Hodges Village
APPLICANT/DEVELOPER (“Developer”):	The ARC Jacksonville, Inc.
NUMBER OF UNITS:	100
LOCATION (“County”):	Duval County
TYPE:	Rental
SET ASIDE:	20% @ or below 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS: This is a budget amendment to address increased costs of architectural/engineering budget line item. This is not a request for an increase in the loan amount.	

1. Background

- a) On April 27, 2012, the Board approved a PLP loan in the amount of \$500,000 for Hodges Village.
- b) On January 3, 2013, the Developer closed on the loan and was eligible to begin drawing funds. To date, \$266,644 has been disbursed on the loan.

2. Present Situation

- a) The Developer has requested a change in the budget ([Exhibit A](#)) to increase the line item for architectural fees. This increase is offset by reductions in several other line items. Therefore, this is not a request to increase the loan amount.
- b) The Technical Assistance Provider (TAP) has submitted a letter ([Exhibit B](#)) supporting the budget changes and has provided a budget ([Exhibit C](#)) with the currently approved line items and the proposed amended line items.
- c) Staff has reviewed the revised budget and determined that all revised budget items are PLP eligible.

3. Recommendation

Approve the amended budget for the PLP Loan in the amount of \$500,000 for Hodges Village for eligible predevelopment expenses as recommended by the TAP and allow the Developer to draw funds based on the new budget.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VI. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request to Modify the Energy Consumption Provider Agreements with Matern Professional Engineering and the University of Central Florida/Florida Solar Energy Center to Extend the Terms

1. Background

At its April 30, 2010, meeting, Florida Housing's Board authorized staff to enter contract negotiations with Matern Professional Engineering, Inc. and University of Central Florida/Florida Solar Energy Center to be included in the pool of Energy Consumption Providers approved by Florida Housing to calculate utility allowance estimates using the "energy consumption model" for owners of Housing Credit Program developments monitored by Florida Housing. In 2011 Florida Housing issued a new RFQ in order to add additional companies to the pool of Energy Consumption Providers.

2. Present Situation

- a) The agreements to be included in the pool of Energy Consumption Providers expire on April 30, 2013, for Matern Professional Engineering, Inc. and the University of Central Florida/Florida Solar Energy Center. The agreements did not allow for additional renewals.
- b) Florida Housing staff would like permission to modify the agreements in order to extend the terms until June 30, 2014, for the named providers so the agreements will end at the same time as the other providers selected in the 2011 Request for Qualifications.

3. Recommendation

Florida Housing staff believes it is in the best interest of Florida Housing to extend the terms of the agreements until 2014, and at that time a new RFQ will be issued for this service.

SPECIAL ASSETS

Consent

VII. SPECIAL ASSETS

A. Request Approval of SAIL Loan Modification for two Developments for Vestcor Development Corporation

Development Name: Holly Cove (“Development”)	Location: Clay
Developer/Principal: Vestcor (“Developer”) ; Vestcor-WR Associates, Ltd., a Florida limited partnership (“Borrower”)	Set-Aside: 80% @ 60% AMI, SAIL 56 years/HC 50 years
Funding Sources: SAIL 96S-011, HC 95L-505	Amounts: SAIL \$2,417,000 HC \$353,420
Number of Units: 202 / Family	Servicer: First Housing
<hr/>	
Development Name: Leigh Meadows (“Development”)	Location: Duval
Developer/Principal: Vestcor (“Developer”); VCP-SB Associates, Ltd., a Florida limited partnership (“Borrower”)	Set-Aside: SAIL/HC: 100% @ 60% AMI, SAIL ELI 14% @ 30% AMI, SAIL 50 years/HC 50 years
Funding Sources: SAIL 97S-019 HC 96L-508, RFP 2010-16-09	Amounts: SAIL \$ 3,157,000 HC \$ 634,880.71
Number of Units: 304 / Family	Servicer: First Housing

1. Background

Vestcor Development Corporation, Inc. (“Vestcor”) received funding from FHFC for development of Holly Cove Apartments in 1996 and Leigh Meadows Apartments in 2001. Funding sources from FHFC have included Multifamily Mortgage Revenue Bonds (“MMRB”), State Apartment Incentive Loans (“SAIL”), State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) and Low Income Housing Tax Credits (“HC”).

2. Present Situation

- a) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and stated in the proposed Rule 67-48 as follows:

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (5)- (10), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual

SPECIAL ASSETS

Consent

installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6)(b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

- b) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL notes in order for the loans to be modified to the 3% interest rate.

3. Recommendation

Approve the modification of the loan terms for the two loans stated above from a 9% cashflow note to a 3% cashflow note for the remaining term of the loan with conditions as stated above and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

B. 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 Management Group

1. Background

During the 1993 State Apartment Incentive Loan/Hurricane Andrew Recovery and Rebuilding Program (“SAIL/HRR”) 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. The Board approved a one year extension for the SAIL loan at its January 27, 2012 meeting.

2. Present Situation

The Borrower has requested approval to extend the SAIL loan, at its current terms, to February 20, 2014, to allow additional 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, 2014, extend the LURA for an additional one year, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

- C. **Request Approval of the Extension of the SAIL Loan for Vista Del Lago Limited Partnership, a Florida Limited Partnership, for Courtyard on Flagler Apartments (95-001S/96L-00)**

Development Name: Courtyard on Flagler (“Development”)	Location: Palm Beach County
Developer/Principal: Vista Del Lago Development Corporation (“Developer”); Vista Del Lago Limited Partnership (“Borrower”)	Set-Aside: SAIL & HC 20% @ 40% & 80% @ 60% AMI; LURA: 30 years, EUA: 45 years
Number of Units: 58	Allocated Amount: SAIL - \$600,000; HC \$386,111
Demographics: Family	Servicer: First Housing Development Corporation

1. **Background**

During the 1994-95 State Apartment Incentive Loan (“SAIL”) Cycle VII, Florida Housing awarded a \$600,000 construction/permanent loan to Vista Del Lago Development Corporation (“Borrower”), a Florida limited partnership, for the development of a 58-unit development in Palm Beach County. The SAIL loan closed on January 23, 1996, and matured on January 23, 2013. The Development also received a 1996 allocation of low-income housing tax credits of \$386,111.

2. **Present Situation**

The Borrower has requested a one year extension of the SAIL loan, at current terms to allow time for refinancing of the Development. The Borrower has agreed to an additional one year extension of the SAIL Land Use Restriction Agreement (“LURA”) term.

3. **Recommendation**

Approve the extension of the SAIL loan, at its current terms, to January 23, 2014, extend the LURA for an additional one year, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

D. Request Approval of the Extension of the SAIL Loan for Villa Biscayne of South Dade, Ltd., a Florida Limited Partnership for Villa Biscayne Apartments (93HRR-019/95L-003)

Development Name: Villa Biscayne (“Development”)	Location: Miami-Dade County
Developer/Principal: Royal American Development, Inc. (“Developer”); Villa Biscayne of South Dade, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 20% @ 45% AMI, 15% @ 50% AMI and 65% @ 60% AMI LURA & EUA: 50 years
Number of Units: 180	Allocated Amount: SAIL - \$2,900,000, HC \$987,597
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

During the 1993 State Apartment Incentive Loan/Hurricane Andrew Recovery and Rebuilding Program (“SAIL/HRR”) Cycle, Florida Housing awarded a \$2,900,000 construction/permanent loan to Villa Biscayne of South Dade, Ltd., a Florida limited partnership (“Borrower”), for the development of a 180-unit apartment complex in Miami-Dade County. The SAIL loan closed on September 9, 1994, and originally matured on March 15, 2011. The Development also received a 1995 allocation of low-income housing tax credits of \$987,597. The Development was placed in service in August 1995. The Borrower has previously requested and was approved for two loan extensions to June 1, 2013 to allow time for refinancing of the Development.

2. Present Situation

- a) The Borrower has requested approval for an additional one year extension of the SAIL loan, at its current terms, to June 1, 2014 to allow additional time to complete the refinancing of the Development. The Borrower has agreed to an extension of the LURA term for an additional year. The Borrower has also agreed to pay the base interest that will be due for the SAIL loan for 2012 of \$87,000 at closing of the extension.
- b) On March 28, 2013, Wells Fargo Bank filed a foreclosure action against Villa Biscayne of South Dade, Ltd. The general partner expects the foreclosure action will be dismissed.

3. Recommendation

Subject to dismissal of the current foreclosure action by Wells Fargo Bank, approve the extension of the SAIL loan, at its current terms, to June 1, 2014, extend the LURA for an additional one-year, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

E. Request Approval of Settlement Agreement for New Urban Lake Worth, L.L.C., a Florida Limited Liability Corporation, for Hammon Park/CWHIP 2004-037W

Development Name: Hammon Park (“Development”)	Location: Palm Beach County
Developer/Principal: New Urban Lake Worth, L.L.C. (“Borrower”)	Set-Aside: CWHIP 100% @ 140% AMI LURA: 30 Years
Number of Units: 33	Allocated Amount: CWHIP: \$1,575,256
Demographics: Family with 50% Essential Services Personnel	Servicer: AmeriNational

1. Background

Florida Housing closed a loan under the Community Workforce Housing Innovation Pilot (“CWHIP”) Program in the amount of \$1,575,256 on March 10, 2010 consisting of a loan in the principal amount of \$1,410,256 and a Supplemental Loan for Green Building in the principal amount of \$165,000 (collectively, the (“CWHIP Loan”)), to be used by the Borrower to finance a portion of the construction of a 33-unit development to be known as Hammon Park. The Borrower drew \$201,586 of funds from the CWHIP Loan. The CWHIP Loan was junior to a First Mortgage issued by City National Bank (“Senior Lender”). As a result of defaults the Senior Lender filed a foreclosure action. FHFC joined that suit and filed a cross claim of foreclosure against the Borrower and added claims against the Guarantors.

2. Present Situation

Since FHFC’s loan is subordinate to the First Mortgage, and in this case the property is valued well under the amount of the First Mortgage, FHFC would not receive any recovery. After mediation, the Guarantors agreed to settle the claims of the First Mortgage holder and FHFC. The Guarantors offered a one-time lump sum payment of \$45,000 to FHFC in release of all claims under the CWHIP Loan.

3. Recommendation

Approve the Settlement Agreement and direct staff to proceed with document modification to release the Guarantors from claims under the loan documents.

SPECIAL ASSETS

Consent

F. Request Approval for Sale of Escambia County Property (PLP 05-091)

Development Name: Escambia County Community Land Trust Affordable Housing Development, Phase I (“Development”)	Location: Escambia County
Developer/Principal: Escambia County Community Land Trust, Inc., (“ECCLT”) (“Developer”)	Set-Aside: 100% @ 60% AMI, 15 Years
Number of Units: 1.39 Acres Vacant Land	Allocated Amount: PLP \$500,000
Demographics: Family	Servicer: Florida Housing

1. Background

Escambia County Community Land Trust Affordable Housing Development, Phase I (“Development”) d/b/a Escambia County Community Land Trust, Inc., (“Borrower”) was intended to be an affordable 20 unit home ownership development built on 1.39 acres of land located in Escambia County, Florida. The Development was to be financed partially with \$500,000 from the Predevelopment Loan Program (PLP) and the PLP loan closed on September 15, 2006. The Borrower subsequently drew \$237,983 of PLP funds but was unable to complete the Development and the loan matured on September 15, 2009. In October of 2010, FHFC staff began foreclosure proceedings. On March 8, 2011 a Summary Judgment hearing was held and on April 11, 2011 Florida Housing was the successful bidder at the foreclosure sale and Certificate of Title was issued. The property was listed for sale on Florida Housing’s website under Preservation Opportunities.

2. Present Situation

Staff has received several offers for the purchase of the property, but the highest offer was from Pensacola Habitat for Humanity in the amount of \$60,000 for a proposed development which may receive funding from HUD.

3. Recommendation

Approve the potential sale of the property to Pensacola Habitat for Humanity, and direct staff to proceed with negotiations to finalize the sale.

SPECIAL ASSETS

Consent

G. Request Approval of Transfer of General Partnership Interest for Glen Oaks Apartments (MR1997B/96HR-012/1998-506C)

Development Name: Glen Oaks Apartments (“Development”)	Location: Leon County
Developer/Principal: Banyan (“Developer”)/Affordable/Glen Oaks, Ltd. (“Borrower”)	Set-Aside: MMRB 50% @60%; HOME 20% @50%, 80% @60%; HC 11.9% @50% 88.1% @ 60% AMI MMRB & HOME LURA 50 years; EUA 30 years
Number of Units: 256	Allocated Amount: MMRB \$9,000,000; HOME \$2,576,000; HC \$630,791.68
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 1997 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded tax exempt bonds in the amount of \$9,000,000 to Affordable/Glen Oaks, Ltd., a Florida limited partnership (“Borrower”), for the development of a 256-unit property in Leon County, Florida. Florida Housing also awarded \$2,576,000 in Home Investment Partnership Program (“HOME”) funds. The HOME loan was closed on June 24, 1997, and will mature on June 1, 2030. The Development also received a 1998 allocation of low-income housing tax credits of \$630,791.68.
- b) In October 2007, the Board approved a refinance of the first mortgage that paid off Florida Housing’s bonds and paid down the HOME loan by \$234,556, and a transfer of the general partner interests.

2. Present Situation

- a) The Borrower requests approval to transfer and assign the general partner interest in Affordable/Glen Oaks, Ltd. from Bull Dolphin Glen Oaks, L.L.C. to Decro Gamma Glen Oaks, L.L.C.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit A](#)).

3. Recommendation

Staff recommends that the Board approve the transfer of the general partnership interest subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

H. Request Approval to Refinance the First Mortgage for Lakesmart Associates, Ltd., for Villas at Lake Smart Apartments (MR2002P1&2/GUAR#53/RISK/2002-533C/RFP 2011-05-07/SMI#30)

Development Name: Villas at Lake Smart Apartments (“Development”)	Location: Polk County
Developer/Principal: Carlisle Development Group (“Developer”); Lakesmart Associates, Ltd. (“Borrower”)	Set-Aside: MMRB 40% @60%; SAIL ELI 25% @40%; HC 100% @60% AMI LURA 50 years; SAIL ELI 15 years; EUA 30 years
Number of Units: 220	Allocated Amount: MMRB \$8,975,000; SMI \$404,613.92; SAIL ELI \$4,125,000 ; HC \$495,125
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$7,975,000, and FHFC issued taxable bonds in the original amount of \$1,000,000 to Lakesmart Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 220-unit apartment complex in Polk County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on November 26, 2002, and is scheduled to mature on November 15, 2042. The Development is guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”) with HUD Risk Sharing. The Development also received a 2002 allocation of low-income housing tax credits of \$495,125.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$404,613.92 of which \$252,883.70 was disbursed, and was paid in full on April 11, 2011. The Borrower also received a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$4,125,000. The SAIL ELI loan closed on September 21, 2012, and will mature on September 21, 2027.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage loan. The Borrower intends to obtain a HUD insured 223(f) program first mortgage loan originated by First Housing Development Corporation, the proceeds of which will be used to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan has already been repaid.
- b) The Borrower also requests that the SAIL ELI loan, the SAIL ELI loan documents, and the MMRB Land Use Restriction Agreement (“LURA”) and the Low Income Housing Tax Credits Extended Use Agreement (“EUA”) be subordinated to the new first mortgage, and the term of the SAIL ELI loan be extended. As necessary to facilitate the refinance, MMRB loan documents may need to be modified.

SPECIAL ASSETS

Consent

- c) Staff received a credit underwriting report ([Exhibit B](#)) from Seltzer Management Group recommending approval for the new financing, subordination of the SAIL ELI loan, the SAIL ELI loan documents, the MMRB LURA, and the HC EUA to the new first mortgage, extension of the SAIL ELI loan term, and modification of MMRB loan documents as necessary.

3. **Recommendation**

Approve the refinancing of the first mortgage, extension of the SAIL ELI loan, subordination of the SAIL ELI loan, SAIL ELI loan documents, the MMRB LURA, and the HC EUA to the new first mortgage, and modification of MMRB loan documents as necessary, subject to the conditions outlined in the credit underwriter's report, 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

I. Request Approval of Transfer of Ownership Interest for Palm Villas Apartments (94DRHR-005/95L-016)

Development Name: Palms Villas Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Centro Palm, Inc. (“Developer”) Palm Drive Associates, Ltd. (“Borrower”)	Set-Aside: HOME& HC 21%@40%; 46%@50%; 33%@60% AMI LURA & EUA 50 years
Number of Units: 91	Allocated Amount: HOME \$1,210,657; HC \$465,382
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

During the 1994 funding cycle, Florida Housing awarded HOME Investment Partnership (“HOME”) funds in the amount of \$1,210,657 to Palm Drive Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 91-unit property in Miami-Dade County, Florida. The loan was closed on August 31, 1995, and will mature on August 31, 2025. The Development also received a 1995 allocation of low-income housing tax credits of \$465,382.

2. Present Situation

- a) The Borrower requests approval to transfer and assign the ownership interest in Palm Drive Associates, Ltd. to Centro Campesino Farmworker Center, Inc. (CCFC), the current first mortgagee.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit C](#)).

3. Recommendation

Staff recommends that the Board approve the transfer of the ownership interest subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

J. Request Approval of Transfer, Assumption, Subordination and Renegotiation of the HOME Loan and First Mortgage Refinancing for Live Oak Plantation Apartments (93HR-005/94L-015)

Development Name: Live Oak Plantation Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Southport Financial Services, Inc. (“Developer”) Schickedanz Bros-Palm Beach, Ltd. (“Borrower”)	Set-Aside: HOME 46% @ 50%; 54% @ 60%; HC 100% @ 60% AMI LURA 35 years; EUA 30 years
Number of Units: 218	Allocated Amount: HOME \$1,531,000; HC \$1,078,659
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 1993 funding cycle, Florida Housing awarded HOME Investment Partnership (“HOME”) funds in the amount of \$1,531,000 to Schickedanz Bros – Palm Beach, Ltd., a Florida limited partnership (“Borrower”), for the development of a 218-unit property in Palm Beach County, Florida. The loan was closed on February 28, 1995, and will mature on February 28, 2025. The Development also received a 1994 allocation of low-income housing tax credits of \$1,078,659.
- b) In 2005, the Limited Partner and Housing Credit Syndicator MMA replaced the General Partner with an affiliate of Southport Financial Services, Inc. (“Southport and Purchaser”). Southport is now requesting with the purchase of the development to assume the HOME loan with the refinancing of the first mortgage. The HOME loan terms include a base interest rate of 3% with an applicable federal rate (AFR) of 7.04% for thirty years. The 3% base rate is payable annually. The difference between the base rate and the AFR is due at maturity of the loan. The Development has a thirty-five year HOME Land Use Restriction Agreement (LURA).

2. Present Situation

- a) The Purchaser requests approval of the transfer, assumption, renegotiation and subordination of the HOME loan and approval of the refinancing of the first mortgage. The terms of the renegotiated HOME loan will include a 3% interest rate payable from available cashflow coterminous with the first mortgage plus six months as requested by the first mortgage holder. The first mortgage loan is expected to have a term of seventeen years. For consideration of the cashflow loan, Southport has agreed to subordinate payment of deferred developer fee to the annual HOME loan interest payment. The accrued AFR interest will be added to the principal of the loan and will be due at maturity. Southport has agreed to extend the affordability period for an additional fifty years from the date the new development is placed in service.

SPECIAL ASSETS

Consent

- b) Southport is also refinancing Quail Woods (96L-046) which has Florida Housing allocated housing credits. The first mortgage will cover both developments and therefore Southport has agreed to provide additional collateral to the HOME loan by having it secured by the mortgage against Quail Woods (an additional 72 units), which substantially improves the value of Florida Housing's subordinate lien position.
- c) First Housing Development Corporation, the credit underwriter, is waiting on an updated commitment letter from the first mortgage lender. Florida Housing's recommendation is conditioned upon receipt of a positive recommendation from the credit underwriter.

3. **Recommendation**

Staff recommends that the Board approve the transfer, assumption, subordination and renegotiation of the HOME loan and refinancing of the first mortgage subject to a positive recommendation from the credit underwriter and the conditions provided therein and direct staff to proceed with loan document modification activities as needed.