

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
August 9, 2013
Consent Items



GUARANTEE PROGRAM

Consent

I. GUARANTEE PROGRAM

A. Request Approval of the Transfer of General Partnership Interest in Garfield Place Apartments

Development Name:	Garfield Place
Developer/Principal:	PAC Land Development / Thomas Cavanaugh
Number of Units:	228
Location:	Deland, Volusia County
Type/Demographic:	Family
Set-aside:	100% @ 60%
Funding Sources:	\$10,480,000 FHFC 2004 Series A bonds
	\$761,111 Housing Credits 2004-532C
	Guarantee 106 (HUD Risk-sharing 067-98038)

1. Background

- a) In February 2004, Florida Housing issued bonds, along with housing credits, to fund the new construction of Garfield Place Apartments (the "Development"), a 228-unit multifamily rental community in Deland, Florida, developed by PAC Land Development ("PAC Land"). The transaction was credit-enhanced by the Guarantee Program by virtue of its guarantee of the underlying 1st mortgage. It also participates in HUD Risk-sharing, with HUD assuming 50% of the 1st mortgage guarantee.
- b) On May 31, 2013, KGH II, Inc., the existing general partner (PAC Land affiliated entity), entered into a purchase and sale agreement with Deland Leased Housing Associates I, LLC ("DLHA"), a newly-created Minnesota entity registered to do business in Florida. DLHA is an affiliate of Dominion Acquisition and Development (Dominium), created in 1999 and reportedly the largest multifamily owner-operator in Minnesota.

2. Present Situation

- a) By letter dated May 10, 2013 ([Exhibit A](#)), Dominion is requesting Florida Housing's approval of the transfer of the general partnership interest to DLHA.
- b) Staff has received a written recommendation from Seltzer Management Group (SMG) dated July 23, 2013 ([Exhibit B](#)) providing a positive recommendation for the proposed transfer.

3. Recommendation

Approve the transfer of general partnership interest in the Development subject satisfactory resolution of all requirements in SMG's recommendation and direct staff to proceed with loan document modification activities as required.

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II. LEGAL

A. In Re: Jack Orr Plaza Preservation Phase One, LLC - FHFC Case No. 2013-013VW

Development Name: (“Development”):	Jack Orr Plaza Preservation Phase One Application No. 2011-114C
Developer/Principal: (“Developer”):	Jack Orr Plaza Phase One Developer, LLC
Number of Units: 200	Location: Miami-Dade
Type: High Rise	Set Asides: RRLP: 20% @ 28% AMI 80% @ 60% AMI
Demographics: Elderly	HC: \$2,057,355.00

1. Background

- a) During the 2011 Universal Cycle, Jack Orr Plaza Preservation Phase One, LLC (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the rehabilitation of an elderly development known as Jack Orr Plaza Preservation Phase One (the “Development”) located in Miami-Dade County, Florida.
- b) On July 2, 2013, Florida Housing received a “Petition for Waiver of Section III (B) (1) (b) of Instructions and Chapter 67-48” (“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 (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 of the Instructions provides in pertinent part:
 - Part III. Proposed Development...
 - B. Construction Features and Amenities...
 1. Required General Features and Amenities for All Developments (Threshold)...
 - b. All Units in All Developments Except SRO:..
 - Full-size range, oven and Energy Star qualified refrigerator in all units.

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- c) Petitioner requested a waiver of the above Rule to allow it to install 24” ranges, instead of installing full-sized ranges in the units in the Development. As justification, Petitioner states that full-sized ranges would deprive residents of counter space and drawer space in kitchens already of limited size and would cause unneeded expense to the Petitioner by requiring Petitioner to upgrade the electrical panel which Petitioner claims is “not feasible or necessary.”
- 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 July 5, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 130. 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 cause undue hardship. Petitioner established that requiring the Developer to place full-sized ranges in each rehabilitating unit would require a drastic redesign of the kitchen layout and would require upgrading the electric panel by as much as 10%. This expense is unnecessary as 24” ranges are adequate to meet the needs of the intended residents, that being no more than two elderly residents per unit. Furthermore, the redesign necessary to accommodate full-sized ranges would leave residents with much reduced counter and drawer space.

3. Recommendation

Staff recommends the Board grant Petitioner’s request for a waiver of Part III.B.1.b. of the Instructions, to allow Petitioner to install a 24” range, instead of a full-sized range in every the unit in the Development.

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B. In Re: Independence Village, LLC - FHFC Case No. 2013-017VW

Development Name: (“Development”):	Independence Village Project Proposal No. 2008-01-05
Developer/Principal: (“Developer”):	Independence Village, LLC
Number of Units: 24	Location: Bay County
Type: Duplex Apartments	Set Asides: SAIL: 33% @ 35 % AMI 67% @ 60% AMI
Demographics: Youth aging out of foster care	SAIL: \$1,691,744.00

1. Background

- a) Pursuant to RFP 2008-01, “The Development and Substantial Rehabilitation of Special Needs Housing,” Independence Village, LLC (“Petitioner”) applied for and was awarded State Apartment Incentive Loan (SAIL) funding to finance the construction of Independence Village Project (the “Development”) located in Bay County, Florida, to provide housing for youth aging out of foster care.
- b) On July 9, 2013, Florida Housing received a Petition for Waiver or Variance from Rule 67-48.010(8)(a), F.A.C. (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.010(8)(a), Fla. Admin. Code (2008) provides, in pertinent part:
 - (a) By May 31 of each year of the SAIL loan term, the Applicant shall provide the Corporation with audited financial statements and a certification detailing the information needed to determine the annual payment to be made...The audited financial statements are to be prepared in accordance with generally accepted accounting principles for the 12 months ended December 31...If the Applicant has not submitted the required audited financial statements, the Corporation servicer shall deem the Development Cash Flow sufficient and issue a billing for interest due on the SAIL loan for the immediate preceding calendar year by July 31...Failure to submit the required audited financial statements and certifications by May 31 of each year of the SAIL loan term shall constitute an event of default on the SAIL loan...
- b) Petitioner has requested a waiver of the above Rule which requires it to provide audited financial statements by May 31 of each year; that requires it use a calendar fiscal year ending December 31; that the servicer issue a billing for interest due on the SAIL loan; and that it not be in default on the SAIL loan.¹ Petitioner requests that it be allowed to have the reporting flexibility permissible under current Rule 67-48.010(8)(a), Fla.Admin.Code (2011), which allows Petitioner to select its fiscal year end and requires that audited financial statements be provided 151 days after that fiscal year end date. Under the current Rule, Petitioner would not be default and the servicer would not issue a billing for interest due on the SAIL loan. Currently, Petitioner’s fiscal year ends on June 30th.

¹ Petitioner requested a waiver of the \$500 late fee. This request is moot as Petitioner subsequently paid the fee.

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- c) The requested change would neither affect the scoring of Petitioner's proposal nor allow Petitioner to gain an unfair advantage over other applicants' proposals.
- d) On July 11, 2013, the Notice of Petition was published in the Florida Administrative Register. To date, Florida Housing has received no comments concerning the Petition.
- e) 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.
- f) 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 operates with limited resources and receives most of its funding from Big Bend Community Base Care ("Big Bend CBC"). Big Bend CBC audits all of its properties at one time and conducting a separate audit on the Development would cause Petitioner to incur a substantial economic hardship. Granting the waiver will provide Petitioner more flexibility in reporting and allow it to continue to provide much needed housing.

3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Rule 67-48.010(8)(a), Fla. Admin. Code (2008), and require Petitioner to comply with Rule 67-48.010 (8)(a), Fla. Admin. Code (2011).

MULTIFAMILY BONDS

Consent

III. MULTIFAMILY BONDS

- A. **Request Approval to Amend and Subordinate the Land Use Restriction Agreement (LURA) and the Low Income Housing Tax Credit Extended Use Agreement (EUA) for Westminster Apartments**

Development Name: Westminster Apartments	Location: Pinellas
Developer/Principal: The Wilson Company/TWC Seventy-Nine, Ltd.	Set-Aside: 40% @ 60 AMI (MMRB) 100% @ 60 AMI (HC)
Funding Sources: Multi-Family Mortgage Revenue Bonds (MMRB)/Guaranty Program-HUD Risk Share (GP)/ Low Income Housing Credits (HC)	Amounts: \$12,780,000 Tax Exempt Bonds; \$2,840,000 Taxable Bonds; \$702,954 Housing Credits
Number of Units: 270	Type: Rental

1. **Background**

Florida Housing financed the construction of the above referenced Development in 2002 with \$12,780,000 in tax exempt bonds designated as 2002 Series E-1, and \$2,840,000 in taxable bonds designated as 2002 Series E-2, and issued tax credits in the amount of \$702,954.

2. **Present Situation**

In a letter dated July 15, 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 Housing and Urban Development (HUD) through the 223(f) program. As required by HUD, the existing LURA and 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**

Staff recommends 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.

PROFESSIONAL SERVICES SELECTION

Consent

IV. PROFESSIONAL SERVICES SELECTION

A. Request Approval to Amend and Renew Contract for Single Family Mortgage Revenue Bond Servicing

1. Background

- a) At its February 26, 2010, meeting, the Board of Directors of Florida Housing directed staff to issue a Request for Proposals for Single Family Mortgage Revenue Bond Servicing and Compliance Administration. RFP 2010-02 was issued on April 9, 2010, to initiate the competitive solicitation process. Florida Housing entered into a contract with U.S. Bank to provide the requested services. The contract provided for a two year contract with to one-year renewals.
- b) The first two year term expired on October 1, 2012, and the contract was renewed for one year.

2. Present Situation

- a) The term of the current renewal ends on October 1, 2013. U.S. Bank has advised that it will no longer provide compliance administration services. U.S. Bank's Single Family Mortgage Revenue Bond servicing is still needed by Florida Housing.
- b) The Board approved issuance of an RFP for Single family Mortgage Revenue Bond Compliance Administration services on April 26, 2013. The staff recommendation on the Compliance Administration RFP is elsewhere on this meeting agenda for the Board's consideration.

3. Recommendation

Staff recommends that the current Contract with U.S. Bank be amended to remove Compliance Administration, and that the contract, as amended, be approved for the final one year renewal.

SPECIAL ASSETS

Consent

V. SPECIAL ASSETS

A. Request Approval of the Extension of the HOME Loan for Edison Terraces (II), Ltd., a Florida Limited Partnership for Edison Terraces II (92HR-002/92L-025)

Development Name: Edison Terraces II (“Development”)	Location: Miami-Dade County
Developer/Principal: Tacolcy Economic Development Corporation (“Developer”); Edison Terraces (II), Ltd. (“Borrower”)	Set-Aside: 83.33% HOME Assisted 20% @ 50% & 80% @ 80% AMI, HC 83.3% @ 60% AMI; LURA: 20 years; EUA: 30 years
Number of Units: 60 (50 units set-aside for HOME & HC)	Allocated Amount: HOME \$1,775,000; HC \$150,978
Demographics: Family	Servicer: First Housing

1. Background

During the 1992 HOME Cycle, Florida Housing awarded a \$1,775,000 construction/permanent loan to Edison Terraces (II), Ltd., a Florida limited partnership (“Borrower”), for the development of an 60-unit development in Miami-Dade County. The HOME loan closed on September 3, 1993, and will mature on September 3, 2013. The Development also received a 1992 allocation of low-income housing tax credits of \$150,978.

2. Present Situation

The Borrower has requested approval to extend the HOME loan, at its current terms, to September 3, 2014, to allow time to complete the refinancing of the Development. The Borrower has agreed to an extension of the LURA term equal to the loan extension (adding one year to the current 20 years).

3. Recommendation

Approve the extension of the HOME loan, at its current terms, to September 3, 2014, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

B. Request Approval of Transfer of General Partner and Limited Partner Interest for Regency Gardens Apartments, Ltd., a Florida Limited Partnership for Regency Gardens (2002-090S/2000-033C)

Development Name: Regency Gardens (“Development”)	Location: Broward County
Developer/Principal: Alliant Capital/Project Teamwork (“Developer”) Regency Gardens Apartments, Ltd. (“Borrower”)	Set-Aside: SAIL 10% @ 28% & 90% @ 60%; HC 10% @ 28% & 90% @ 60% AMI SAIL: 50 years; EUA 50 years
Number of Units: 94	Allocated Amount: SAIL \$700,000 ; HC \$488,800
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

During the 2002 State Apartment Incentive Loan (“SAIL”) cycle XIV Florida Housing Finance Corporation (“Florida Housing”) awarded a \$700,000 construction/permanent loan to Regency Gardens Apartments, Ltd (“Borrower”), a Florida limited partnership, for the development of a 94-unit development in Broward County. The SAIL loan closed on September 23, 2003, and will mature on February 28, 2019. The Development also received a 2000 allocation of low-income housing tax credits of \$488,800.

2. Present Situation

- a) The Borrower requests approval to transfer and assign the 0.49% general partner interest from Alliant Holdings of Regency, L.L.C., an Alliant Capital affiliate, and the 0.51% general partner interest from Project Teamwork, Inc., to the proposed general partner, The Partnership, Inc., (“TPI”). The limited partnership interest will also be transferred to Pompano Beach Leased Housing Associates SLP I, LLC an affiliate of Dominionium.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit A](#)).

3. Recommendation

Staff recommends that the Board approve the transfer of general partner interests, 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

C. **Request Approval of Transfer of General Partner Interest for Coral Village, Ltd., a Florida Limited Partnership for Coral Village (97HR-002/97L-047)**

Development Name: Coral Village (fka Sterling Manor) (“Development”)	Location: Lee County
Developer/Principal: National Development Properties of Florida Bay, Inc. (“Developer”) Coral Village, Ltd. (“Borrower”)	Set-Aside: HOME 40% @ 50% & 60% @ 60%; HC 15.63% @ 35% & 25% @ 50% & 59.37% @ 60% AMI HOME: 15 years; EUA 50 years
Number of Units: 64	Allocated Amount: HOME \$830,000 ; HC \$327,308
Demographics: Elderly	Servicer: First Housing Development Corporation

1. **Background**

During the 1997 HOME cycle Florida Housing Finance Corporation (“Florida Housing”) awarded an \$830,000 construction/permanent loan to Coral Village, Ltd (“Borrower”), a Florida limited partnership, for the development of a 64-unit development in Lee County. The HOME loan closed on March 20, 1998, and will mature on March 20, 2028. The Development also received a 1997 allocation of low-income housing tax credits of \$327,308.

2. **Present Situation**

- a) The Borrower requests approval to transfer and assign the 0.1% general partner interest in the Borrower from Cape Coral Housing Rehabilitation and Development Corporation, a National Development Properties of Florida Bay, Inc., affiliate, to the proposed general partner, Lee County Housing Development Corporation, a Florida not-for-profit corporation.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit B](#)).

3. **Recommendation**

Staff recommends that the Board approve the transfer of 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

D. Request Approval to Refinance the First Mortgage for ONIC-Hidden Cove, Inc., a Florida Non-Profit Corporation for Hidden Cove Apartments (2001HR-011)

Development Name: Hidden Cove Apartments (“Development”)	Location: Orange County
Developer/Principal: Orlando Neighborhood Improvement Corporation/ ONIC-Hidden Cove, Inc. (“Borrower”)	Set-Aside: HOME 25% @ 50%; 80% @ 60% AMI LURA: 50 years
Number of Units: 128	Allocated Amount: HOME \$1,666,000
Demographics: Family	Servicer: Seltzer Management Group

1. Background

During the 2001 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a HOME Loan in the original amount of \$1,666,000 to ONIC-Hidden Cove, Inc. a Florida non-profit corporation (“Borrower”), for the development of a 128-unit apartment complex in Orange County, Florida. The HOME loan closed on June 28, 2008, and will mature on June 30, 2018.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The first mortgage lender has agreed to lower the interest rate and extend the loan for 10 years. FHFC’s HOME loan term would be extended to be co-terminus with the first mortgage and the HOME LURA term would be extended for an additional length of time equal to the extension of the mortgage term.
- b) Staff has received a credit underwriting report ([Exhibit C](#)) providing a positive recommendation for approval for the new financing and extension of the HOME loan term and LURA.

3. Recommendation

Approve the refinancing of the first mortgage loan, extension of the HOME loan to be co-terminus with the maturity of the first mortgage and extend the HOME LURA for an additional length of time equal to the extension of the mortgage term, 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

- E. **Request Approval of Financing of the Proposed First Mortgage and Extension and Restructuring of the TCAP/HOME Loan and LURA and TCEP ELIHA and Loan Documents for Little Oaks Redevelopment, Ltd., a Florida Limited Partnership for Little Oaks Apartments (2009-049CTX/RFP 2009-004)**

Development Name: Little Oaks (“Development”)	Location: Lake County
Developer/Principal: Royal America Development (“Developer”); Little Oaks Redevelopment, Ltd. (“Borrower”)	Set-Aside: TCAP/HOME & TCEP ELIHA 90% @ 60% & 10% @ 33% AMI; LURA & EUA: 50 years
Number of Units: 68	Allocated Amount: TCAP \$1,661,276; HOME \$115,900; TCEP \$2,170,331; HC \$100
Demographics: Family	Servicer: Amerinational Community Services

1. **Background**

On August 20, 2009 the Board approved the award list for the Request for Proposals (“RFP”) 2009-04 to award Exchange funds with or without Tax Credit Assistance Program (“TCAP”) and Little Oaks Development, Ltd., was awarded a \$1,661,276 TCAP loan and a \$115,900 HOME loan (collectively the “TCAP/HOME” loan) and a 2,170,331 Tax Credit Exchange Program (“TCEP”) loan for construction/permanent financing for the development of a 68-unit development in Lake County. The TCAP/HOME and TCEP loans closed on July 26, 2010. The Development also received a 2009 allocation of low-income housing tax credits of \$100.

2. **Present Situation**

- a) The Borrower requests consent from the Board to refinance the proposed first mortgage, subordinate the TCAP/HOME loan documents and the Extended Low-Income Housing Agreement (“ELIHA”), and extend the TCAP/HOME loan to be co-terminus with the new first mortgage. The Borrower has agreed to an extension of the Land Use Restriction Agreement (“LURA”) term.
- b) Staff has received a credit underwriting report ([Exhibit D](#)) from AmeriNational Community Services providing a positive recommendation for approval for the new financing and subordination of the TCAP/HOME loan and the ELIHA to the new first mortgage, modification of the TCAP/HOME loan terms, an extension of the TCAP/HOME loan to be co-terminus with the new first mortgage, and extension of the LURA term.

3. **Recommendation**

Approve the financing of the first mortgage, modification of the TCAP/HOME loan terms, extension of the TCAP/HOME loan and extension of the TCAP/HOME LURA, subordination of the TCAP/HOME loan and the ELIHA 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

F. Request Approval to Refinance the First Mortgage and Subordinate CDBG Funding for Tuscany Place Associates, Ltd., a Florida Limited Partnership for Tuscany Place Apartments (GUAR #45/HUD Risk/2002-108S/2003-521C)

Development Name: Tuscany Place Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone/Tuscany Place Associates, Ltd. (“Borrower”)	Set-Aside: SAIL 11%@50, 89%@60%; HC 100%@60% AMI LURA: 50 years; EUA: 50 years
Number of Units: 340	Allocated Amount: SAIL \$2,000,000; HC \$1,146,784
Demographics: Large Family	Servicer: Seltzer Management Group

1. Background

During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,000,000 to Tuscany Place Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 340-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on June 13, 2003, and will mature on December 1, 2044. The Development also received a 2003 allocation of low-income housing tax credits of \$1,146,784. The Development is HUD risk sharing with Florida Housing’s Guarantee Program (“Guarantee Program”).

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The Borrower intends to obtain a conventional first mortgage loan through Fannie Mae, the proceeds of which will be utilized to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC.
- b) The Borrower also requests that the term of the SAIL loan be extended and the SAIL Land Use Restriction Agreement (“LURA”) would be extended by an equal amount of time. The SAIL loan, the SAIL LURA, and the Low Income Housing Tax Credit Extended Use Agreement (“EUA”) will be subordinated to the new first mortgage. The Development also received a \$1,000,000 Miami-Dade County CDBG loan that requires Board approval.
- c) Staff has received a credit underwriting report ([Exhibit E](#)) providing a positive recommendation for approval for the new financing including the CDBG loan, subordination of the SAIL loan, LURA, and EUA to the new first mortgage, and extension of the SAIL loan term and LURA.

3. Recommendation

Approve the refinancing of the first mortgage loan, Miami-Dade County CDBG subordinate loan, the extension of the SAIL loan and extension of the SAIL LURA by an equal amount of time, subordination of the SAIL loan, LURA, and HC EUA 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

G. Request Approval of Transfer, Assumption, Subordination and Renegotiation of the SAIL Loan and First Mortgage Refinancing for Golden Lake Housing Associates, Ltd., a Florida Limited Partnership for Wood Lake Apartments (97-015S/97L-501)

Development Name: Wood Lake (“Development”)	Location: Palm Beach County
Developer/Principal: Related Group of Florida (“Developer”); Golden Lake Housing Associates, Ltd. (“Borrower”)	Set-Aside: SAIL and HC 100% @ 60% AMI LURA: 50 years; EUA: 50 years
Number of Units: 224	Allocated Amount: SAIL - \$2,350,000 Housing Credits - \$634,548
Demographics: Family	Servicer – AmeriNational Community Services

1. Background

During the 1996-97 State Apartment Incentive Loan (“SAIL”) Cycle IX, Florida Housing Finance Corporation (“Florida Housing”) awarded a \$2,350,000 construction/permanent loan to Golden Lake Housing Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 224-unit development in Palm Beach County. The SAIL loan closed on December 20, 1996 and will mature on July 31, 2029. The Development also received a 1997 allocation of low-income housing tax credits of \$634,548.

2. Present Situation

- a) The Purchaser requests consent from the Board to refinance the existing first mortgage with tax-exempt bonds issued by the Housing Finance Authority of Palm Beach County and assumption, and modification of the SAIL loan. Additionally, it requests that the SAIL loan term be extended to be co-terminus with the new MMRB financing. The accrued SAIL interest will be paid at closing. The terms of the renegotiated SAIL loan will include a 3% interest rate payable from 75% of available cashflow. For consideration of the cashflow loan, the Purchaser has agreed to subordinate payment of deferred developer fee to the annual SAIL loan interest payment. The affordability period in the LURA will be extended for an additional amount of time equal to the additional term of the SAIL loan.
- b) AmeriNational, the credit underwriter, is waiting on an updated appraisal and other information from the first mortgage lender. Florida Housing’s recommendation is conditioned upon receipt of a positive recommendation from the credit underwriter.

3. Recommendation

Approve the transfer, assumption, subordination and renegotiation of the SAIL loan and refinancing of the first mortgage subject to a positive recommendation from the credit underwriter and the conditions provided therein 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 as needed.