

FLORIDA HOUSING FINANCE CORPORATION
Telephonic Board Meeting
December 6, 2013
Action Items



MULTIFAMILY BONDS

Action

I. MULTIFAMILY BONDS

A. Request Approval of the Final Credit Underwriting Report and Approval of the Transfer, Assumption, Renegotiation, and Subordination of the SAIL Loan and EUA for The Hamlet at Walden Pond (2013-101B)

Development Name: The Hamlet at Walden Pond	Location: Miami-Dade County
Developer/Principal (“Applicant”): Walden Pond II Developer, LLC; PRH Affordable Investments, LLC; PRH Investments, LLC; and Walden II GP, LLC	Set-Asides: 40% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC) 20% @ 40% AMI (SAIL/9% HC) 80% @ 60% AMI (SAIL/9% HC)
Funding Source: Multi-Family Housing Revenue Bonds (MMRB); Housing Tax Credits (HC); State Apartment Incentive Loan Program (SAIL)	Amount: \$18,830,000 Tax Exempt Bonds \$1,324,862 Housing Tax Credits
Number of Units: 312	Type: Rental/Family

1. Background

- a) Applicant submitted an Application (“Application”) on behalf of the proposed Development using the Non-Competitive Application package. Applicant applied for tax-exempt bonds in the amount of \$18,830,000 and non-competitive HC in the amount of \$1,212,113 in order to acquire and rehabilitate the Development.
- b) This development previously received a SAIL loan of \$3,740,200 in 1993 and a 9% housing credit allocation of \$1,743,523 in 1995. A Land Use Restrictions Agreement (LURA) and Extended Use Agreement (EUA) exist on this development.

2. Present Situation

- a) While the current Program Rule does not prohibit changes or modifications of the proposed Development during credit underwriting, the Board has directed staff to notify it of any such changes.
- b) Development costs for the acquisition/rehabilitation are \$37,526,992, which is an increase of \$88,983 or 0.2% from Application primarily due to an upward adjustment to Housing Credit compliance fees and increased Architectural Fees and costs of Building permits.
- c) The Applicant requests approval for the transfer of ownership of the Development, assumption and renegotiation of the terms of the SAIL loan and subordination of the SAIL loan (LURA) and Extended Use Agreement (EUA) to the new first mortgage. The Applicant requests the SAIL loan term to be extended to be co-terminus with a proposed new first mortgage. The affordability period in the LURA will be extended by 16 years.

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- d) A Final Credit Underwriting Report dated December 3, 2013, is attached as [Exhibit A](#).

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report recommending and allocating \$18,830,000 in tax exempt bonds for the acquisition and rehabilitation of the Development and the transfer of the Development, the assumption, renegotiation, and subordination of the SAIL loan with the new terms and the existing EUA, and the extension of the LURA affordability period subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

B. Assignment of Bond Underwriters and Structuring Agents

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition and construction of the proposed Development referenced below, a Final Credit Underwriting Report is being presented to the Board for approval simultaneously with this request to assign the appropriate professionals to this transaction. A brief description of the Development is detailed below along with the Staff's recommendation for the assignment.
- b) Additionally, the Corporation's Senior Financial Advisor has prepared a method of bond sale letter. Staff has reviewed the method of sale letter and Board approval is requested at the current meeting.

2. Present Situation

The Credit Underwriter, the Senior Financial Advisor and Florida Housing staff has reviewed the financial structure for the proposed Development.

3. Recommendation

That the Board approves the assignment of the recommended professionals, as shown in the chart below, for the proposed Development.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional
The Hamlet at Walden Pond	Miami-Dade County	312	Private Placement	RBC Capital Markets, LLC

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C. **Request Approval of the Method of Bond Sale Recommendation from Florida Housing's Senior Financial Advisor**

1. **Background/Present Situation**

- a) The Credit Underwriter has provided a Final Credit Underwriting Report for the proposed Development below. Florida Housing seeks Board approval pursuant to the recommendation of the Credit Underwriter and the appropriate Florida Housing staff.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed bond structure by the Senior Financial Advisor in order to make a recommendation to the Board for the method of bond sale.
- c) TIBOR PARTNERS, Inc. has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as [Exhibit B](#).

Development Name	Location of Development	Number of Units	Method of Bond Sale
The Hamlet at Walden Pond	Miami-Dade County	312	Private Placement

2. **Recommendation**

That the Board approves the recommendation of the Senior Financial Advisor for the method of bond sale for the above Development.