

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
November 1, 2013  
Consent Items



# COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

## Consent

### I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

#### A. Request Approval to Increase the Purchase Price of Two Home Models for the Homes of West Augustine CWHIP 06-18

Applicant Name (“Applicant”):	Housing Finance Authority of St. Johns County (HFA SJC)/ St. Johns County Community Redevelopment Agency (SJCCRA)
Development Name (“Development”):	Homes of West Augustine
Developer/Principal (“Developer”):	Benjamin Coney
Number of Units: 111 - Homeownership	Location: St. Johns County, Florida
Type: CWHIP Loan	Allocated Amount: \$5,000,000

#### 1. Background

On October 23, 2009, the Board approved the Final Credit Underwriting Report (“CUR”) for the Development. The CWHIP loan closed on March 12, 2010, and the construction period extends through March 12, 2015. The Development consists of 20-acres of land containing 111 lots to be developed into 111 single-family homes. St. Johns County deeded the lots to the SJCCRA, who subsequently donated 34 of the lots to Habitat for Humanity of St. Augustine/St. Johns County to build homes specifically targeting workforce housing households. The remaining 77 lots were to be developed by HFA SJC with the remaining private partners listed above, also targeted for workforce housing households. The mix of model types is determined by the Buyer, as the homes are constructed when the Buyer is approved for financing. There has been no speculative construction, as a result.

#### 2. Present Situation

- a) Applicant has completed and closed on 37 homes and has another seven homes under construction for qualified buyers. As the for-sale housing market has improved, the Borrower has been experiencing increases in the cost to develop the homes. As such they are making this request in order to offset these increases. Their letter is attached as [Exhibit A](#).
- b) The credit underwriter has reviewed this request and, in a letter (CU letter) dated October 14, 2013 ([Exhibit B](#)) recommends that it be granted subject to certain conditions.

#### 3. Recommendation

Staff recommends that the Board approve the request to increase the price of the two home models subject to the conditions contained in the CU letter and further approvals by the credit underwriter, counsel and the appropriate corporation staff.

## HOME RENTAL

### *Consent*

## II. HOME RENTAL

### A. Request Approval to Extend HOME Loan Closing Deadline for St. Martin's Place (2011-069CH)

<b>Development Name: St. Martin's Place ("Development")</b>	<b>Location: Miami-Dade County</b>
<b>Developer: BHG St. Martin's Place Developers, LLC, (Developer)</b>	<b>Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 94 HOME Units</b>
<b>Type: New Construction/High Rise</b>	<b>HOME: \$4,700,000 Housing Credits: \$2,561,000</b>
<b>Total Number of Units: 94</b>	<b>Demographics: Homeless</b>

#### 1. Background/Present Situation

- a) The Applicant applied for funding during the 2011 Universal Application Cycle, seeking an allocation of Low Income Housing Tax Credits and HOME Program funds. The Applicant was notified by Florida Housing Finance Corporation ("Florida Housing") of its final ranking on or about June 8, 2012 that the Development was not funded as Florida Housing deemed the St. Martins Place Application ineligible.
- b) On December 7, 2012, the Board adopted the Findings of Fact and Conclusions of Law of the Recommended Order, and St. Martins Written Argument to modify the Hearing Officer's recommendation to include that the Development will receive an allocation of HOME Program funds from its next available allocation, and issued a Final Order accordingly. Staff proceeded with all necessary credit underwriting activities. On December 11, 2012, the Development was issued a notice of their funding eligibility as they were determined to be in the funding range.
- c) On June 21, 2013, the Board approved the final credit underwriting report and directed staff to proceed with a firm loan commitment and loan closing activities.
- d) On June 21, 2013, staff issued a firm commitment letter for a HOME loan in an amount up to \$4,700,000. Pursuant to Rule 67-48, the loan must close within 120 days of issuance of the firm loan commitment or October 19, 2013.
- e) Rule Chapter 67-48.0072(4)(c), F.A.C. states the loan must also close within 12 months of the date of the letter of invitation to enter credit underwriting (December 11, 2012). Applicants may request one (1) extension of up to 12 months.
- f) On August 28, 2013, the Developer requested a Rule Waiver to change the structure of the Applicant Entity and the Development Entity for the Development. The Applicant entity remained BHG St. Martins PL, Ltd, however the new Managing General Partner of the Applicant, with a .0051% ownership interest, is St. Martins Place MBS GO, Inc., which in turn is wholly owned by MBA Properties. In addition, the current General Partner of the Applicant entity, MM BHG St. Martins Place, LLC, continued as Co-General Partner, with a .0049% ownership interest. BHG Development Group, LLC, also

## HOME RENTAL

### *Consent*

remained a managing member of that Co-General Partner, with a 1% ownership interest. The other Member of the Co-General Partner, with a 99% ownership interest, is the MDES Trust, an irrevocable family trust, with Jose Luis DeRamon serving as Trustee. On September 20, 2013, the Board approved the Rule Waiver Petition. On October 16, 2013, staff received a credit underwriting letter with a positive recommendation for the changes to the Applicant Entity and Development entity as approved in the Rule Waiver Petition approved by the Board on September 20, 2013 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

- g) On October 11, 2013, staff received a letter from the Developer requesting a loan closing extension until October 15, 2014. The request was made in order to complete and finalize the closing checklist documents with their syndication partners and recently joined managing general partner ([Exhibit B](#)).

### **2. Recommendation**

Approve the Developer's request to extend the closing deadline until February 16, 2014.

## LEGAL

### Consent

### III. LEGAL

#### A. In Re: Fairfield Manor, Ltd. – FHFC Case No. 2013-027VW

<b>Development Name: (“Development”):</b>	<b>Fairfield Manor</b>
<b>Developer/Principal: (“Developer”):</b>	<b>The Paces Foundation, Inc.</b>
<b>Number of Units: 92</b>	<b>Location: Escambia County</b>
<b>Type: High-Rise</b>	<b>Set Aside: 10% @ or below 35% AMI 90% @ or below 60% AMI</b>
<b>Demographics: Elderly</b>	<b>Allocated Amount:</b>
<b>MMRB: N/A</b>	<b>Housing Credits: \$1,500,000</b>

#### 1. Background

a) During the 2011 Universal Cycle, Florida Housing awarded an allocation of Housing Credits to Fairfield Manor, Ltd. (“Petitioner”). On August 29, 2013, Florida Housing received a “Petition for Waiver of Rule 67-48.004(14)(g), for a Change in Development Type” (the “Petition”), from Petitioner. A copy of the Petition is attached as [Exhibit A](#).

b) Rule 67-48.004(14), Fla. Admin. Code (2011), provides:

(14) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

\* \* \*

(g) Development Type; ...

c) Petitioner requests a waiver of the Rule 67-48.004(14)(g), Fla. Admin. Code, to the extent that the Rules prohibit changing the Applicant’s Development Type as stated in its Application, to allow it to change its Development Type from “3-story with elevator,” to “Mid-Rise with Elevator (a building comprised of 4 stories).”

d) On September 3, 2013, Notice of the Petitions was published in Volume 39, Number 171, of the [Florida Administrative Register](#).

e) To date, Florida Housing has received no comments concerning the Petition.

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#### 2. **Present Situation**

a) Petitioner states that the proposed change of Development Type is necessary to allow it to construct a four-story building, to include two elevators, which will increase the amount of green space in the common areas of the development and improve its LEED certification, to reduce the amount of impervious surface on the site, to add a swimming pool for residents, and to reduce the distance the elderly residents must travel from their apartment units to the elevators. The change in Development Type would not have changed Petitioner's score on its 2011 Universal Cycle Application.

b) 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.

#### 3. **Recommendation**

Staff recommends that the Board grant Petitioner's requested waiver from the requirements of Rule 67-48.004(14)(g) Fla. Admin. Code (2011), to the extent necessary to allow Petitioner to change its Development Type from "3-story with elevator," to "Mid-Rise with Elevator (a building comprised of 4 stories)."

## LEGAL

### Consent

#### B. In Re: Northwest Properties II, Ltd. - FHFC Case No. 2013-028VW

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

#### 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 September 30, 2013, Florida Housing received a “Petition for Waiver of 2011 Universal Application Instructions, Housing Credit Program, Part III, Section (B)(2)(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).

Part III.B.2.a. of the Instructions provides in pertinent part:

#### 2. Required Universal Design and Visitability Features (Threshold)

All universal design and visitability features must meet the specifications outlined in the FHFC Universal Design and Visitability Manual (the Manual). The Manual, effective 11-3-2010, is incorporated by reference and available on the 2011 Universal Application link labeled Related References and Links.

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- a. For all new construction units:

In addition to meeting the requirements outlined in Item III.B.1. above, all proposed Developments that involve any new construction units, regardless of which Development Category was selected at Part III.A.3.a. of the Application, must include the universal design and visitability features and amenities outlined in Part A.1. of the Manual in all of the new construction units.

Part A.1 of the Manual states:

Feature: Electrically-wired doorbell accessible to a seated person at the entrance of unit, not more than 48" from finished floor of primary entry door.

- b) Petitioner requested a waiver of the above Rule to allow it to install community-wide access control intercom system installed at a single entry point at each building in the Development, except for the two-unit building in the Development, in lieu of an electric doorbell at individual unit doors.
- c) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- d) On October 2, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 192. 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 create a substantial hardship and violate the principles of fairness. Petitioner established that permitting this change in Development would provide greater security by restricting access to the building, as the intercom system is an integrated doorbell and intercom device. Only invitees will be allowed to gain access. Retrofitting doorbells would delay completion and add no value to the security of the residents as Petitioner has elected to install the intercom system. Granting the waiver also serve the underlying purpose of the statute by permitting an upgraded security system. A denial of the requested waiver would result in a substantial hardship and violate the principles of fairness due to the costly installation of a redundant security system.



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#### **3. Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Part III.B.2.a. of the Instructions, to allow Petitioner to install community-wide access control intercom system installed at a single entry point at each building in the Development, except for the two-unit building in the Development, in lieu of an electric doorbell at individual unit doors.

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#### C. In Re: Northwest Properties IV, Ltd. - FHFC Case No. 2013-029VW

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

#### 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 September 30, 2013, Florida Housing received a “Petition for Waiver of 2011 Universal Application Instructions, Housing Credit Program, Part III, Section (B)(2)(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).

Part III.B.2.a. of the Instructions provides in pertinent part:

#### 2. Required Universal Design and Visitability Features (Threshold)

All universal design and visitability features must meet the specifications outlined in the FHFC Universal Design and Visitability Manual (the Manual). The Manual, effective 11-3-2010, is incorporated by reference and available on the 2011 Universal Application link labeled Related References and Links.

- a. For all new construction units:

In addition to meeting the requirements outlined in Item III.B.1. above, all proposed Developments that involve any new construction units, regardless of which Development

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Category was selected at Part III.A.3.a. of the Application, must include the universal design and visitability features and amenities outlined in Part A.1. of the Manual in all of the new construction units.

Part A.1 of the Manual states:

Feature: Electrically-wired doorbell accessible to a seated person at the entrance of unit, not more than 48" from finished floor of primary entry door.

- b) Petitioner requested a waiver of the above Rule to allow it to install community-wide access control intercom system installed at a single entry point at each building in the Development in lieu of an electric doorbell at individual unit doors in the Development.
- c) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants.
- d) On October 2, 2013, the Notice of Petition was published in the Florida Administrative Register in Volume 39, Number 192. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

- f) Petitioner has demonstrated that strict application of the above Rule under these circumstances would create a substantial hardship and violate the principles of fairness. Petitioner established that permitting this change in Development would provide greater security by restricting access to the building, as the intercom system is an integrated doorbell and intercom device. Only invitees will be allowed to gain access. Retrofitting doorbells would delay completion and add no value to the security of the residents as Petitioner has elected to install the intercom system. Granting the waiver also serve the underlying purpose of the statute by permitting an upgraded security system. A denial of the requested waiver would result in a substantial hardship and violate the principles of fairness due to the costly installation of a redundant security system.

### 3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Part III.B.2.a. of the Instructions, to allow Petitioner to install community-wide access control intercom system installed at a single entry point at each building in the Development in lieu of an electric doorbell at individual unit doors in the Development.

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**D. In Re: Martin Lakeside Apartments, Ltd. – FHFC Case No. 2013-031VW**

<b>Development Name: (“Development”):</b>	<b>Lakeside Apartments Application Nos. 2011-233C and 2013-015C (the latter represents the forward allocation application number)</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Atlantic Housing Partners, L.L.P.</b>
<b>Number of Units: 36</b>	<b>Location: Martin County</b>
<b>Type: Garden</b>	<b>Set Asides: 100% 80% @ 60% AMI 20% @ 33% AMI</b>
<b>Demographics: Family</b>	<b>HC: \$436,043</b>

**1. Background**

- a) During the 2011 Universal Cycle, Martin Lakeside Apartments, Ltd. (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the construction of a development intended to serve low-income individuals and families known as Lakeside Apartments (the “Development”) located in Martin County, Florida.
- b) On October 2, 2013, Florida Housing received a “Petition for Waiver From Florida Administrative Code Rule 67-48.004” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit D](#).

**2. Present Situation**

- a) Rule 67-48.004(14) Fla. Admin. Code (2011) provides in relevant part:

“(14) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

\*\*\*\*\*

- (i) Total number of units;

\*\*\*\*\*

- b) In its application, Petitioner committed the Development to a total of 36 units, consisting of 25 rehabilitation units and 11 new construction units.
- c) Petitioner requests a waiver of the above rule. Specifically, Petitioner seeks to reduce the total number of units in the Development from 36 to 32, while increasing the number of units preserved and rehabilitated from 25 to 32, resulting in a “100% Preservation Development” with no new construction units.

## LEGAL

### *Consent*

- d) The waiver is necessary because the cost of construction increased substantially since the date of the Housing Credit allocation in 2011. Petitioner acknowledges that it would expect a pro rata reduction in the Housing Credit allocation proportionate to the reduction in the number of total units, i.e., from \$436,043 to \$387,594 ( $32/36 \times \$436,043$ ).
- e) The requested change would neither affect the scoring of Petitioner's application nor allow Petitioner to gain an unfair advantage over other applicants. In addition, the Housing Credit allocation for the Development will be reduced in proportion to the reduction in the number of units.
- f) On October 3, 2013, Notice of the Petition was published in the Florida Administrative Register in Volume 39, Number 193. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) Petitioner has demonstrated that strict application of the above rule under these circumstances would constitute a substantial economic hardship for Petitioner due to the substantial increase in construction costs since 2011 through no fault of the Petitioner. Granting the requested waiver will serve the purpose of the underlying statute and the Act as a whole by facilitating the availability of affordable housing to low-income persons and households that might not be otherwise available through preservation and rehabilitation, while recognizing the economic realities of developing, preserving and constructing affordable rental housing.

### 3. Recommendation

Staff recommends the Board grant Petitioner's request for a waiver of Rule 67-48.004(14)(i) to permit Petitioner to reduce the total number of units in the Development from 36 to 32, subject to (1) a reduction in Petitioner's Housing Credit allocation for the Development from \$436,043 to \$387,594 and (2) the number of rental assistance (RA) units remaining the same as in the Petitioner's application.

# MULTIFAMILY BONDS

## Consent

### IV. MULTIFAMILY BONDS

#### A. Request Approval of the Final Credit Underwriting Report and Assignment of Existing Extended Use Agreement for Reef Club (2013-100B)

<b>Development Name: Reef Club Apartments</b>	<b>Location: Osceola County</b>
<b>Developer/Principal (“Applicant”): Dalcor Affordable Housing I, LLC / Dalcor Holdings, LLC/M. Dale Dodson/JKL Realty, Ltd.</b>	<b>Set-Asides: 85% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)</b>
<b>Funding Source: Multi-Family Housing Revenue Bonds (MMRB) Housing Tax Credits (HC)</b>	<b>Amount: \$28,000,000 Tax Exempt Bonds \$1,758,308 Housing Tax Credits</b>
<b>Number of Units: 560</b>	<b>Type: Rental/Family</b>

#### 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 \$32,200,000 and non-competitive HC in the amount of \$1,608,398 in order to acquire and rehabilitate the Development.
- b) This development previously received a housing credit allocation for Reef Club I in 1991 and Reef Club II in 1992. An Extended Use Agreement (EUA) exists for each property.

#### 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) The Applicant originally applied for tax exempt bonds in the amount of \$32,200,000 and subsequently reduced their request to \$28,000,000. The application did not include the use of net operating income (“NOI”) from the existing property or the deferral of the operating deficit reserve, which is currently shown as a source of funds during the rehabilitation period. In addition, a bridge loan in the amount of \$5,000,000 was not contemplated in the Application. Development costs are \$54,732,944, which is an increase of \$1,014,779 or 1.9% primarily due to increases in financial cost, the addition of an operating deficit reserve, and an increase in developer fees.
- c) The Applicant requests approval of the assignment of the existing EUA’s from Reef Club Apartments I Associates, LP and Reef Club II Apartments Associates, LP to Dalcor Affordable Housing I, LLC.
- d) A Final Credit Underwriting Report dated October 17, 2013, is attached as [Exhibit A](#).

## MULTIFAMILY BONDS

### *Consent*

3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report recommending and allocating \$28,000,000 in tax exempt bonds for the acquisition and rehabilitation of the Development and the assignment of the existing EUA's, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

# MULTIFAMILY BONDS

## *Consent*

### **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 for the proposed Development.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional
Reef Club Apartments	Osceola County	560	Negotiated	RBC Capital Markets, LLC



# MULTIFAMILY BONDS

## *Consent*

### 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
Reef Club Apartments	Osceola County	560	Negotiated

#### 2. **Recommendation**

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

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**V. PREDEVELOPMENT LOAN PROGRAM (PLP)**

**A. Request Approval of PLP Loan for Noah’s Ark of Central Florida, Inc., a Not-for-Profit Entity, for The Villages at Noah’s Landing (2013-004P-09)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>The Villages at Noah’s Landing</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Noah’s Ark of Central Florida, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>Royal American Development</b>
<b>NUMBER OF UNITS:</b>	<b>50</b>
<b>LOCATION (“County”):</b>	<b>Polk County</b>
<b>TYPE:</b>	<b>Rental, Developmentally Disabled</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ or below 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$500,000</b>

**1. Background**

- a) On August 12, 2013, Florida Housing received a PLP Application from the Developer for the Villages at Noah’s Landing, a mixed use property that is proposed for development in Polk County and will include 50 units of rental housing.
- b) On August 14, 2013, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

**2. Present Situation**

- a) The Technical Assistance Provider (TAP) has submitted a Development Plan and recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit A](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.
- b) The Developer intends to pursue construction financing through Florida Housing’s Requests for Applications (RFA) to develop rental housing for persons with developmental disabilities. As a part of pursuing this funding, the Developer is in the process of forming a limited liability company, The Villages at Noah’s Landing, LLC. The PLP loan may close in the Developer name or the LLC. However, in order for the LLC to serve as the borrowing entity, the Developer must own or hold majority ownership and control of the entity, and provide evidence that the ownership structure is satisfactory to Florida Housing staff.

**3. Recommendation**

Approve the PLP Loan in the amount of \$500,000 to Noah’s Ark of Central Florida, Inc., a not-for-profit entity for the Villages of Noah’s Landing for eligible predevelopment expenses as recommended by the TAP, and allow staff to issue the Commitment Letter and commence with loan closing in the Developer name or the LLC, subject to staff approval as described above.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### VI. PROFESSIONAL SERVICES SELECTION (PSS)

##### A. Request to Authorize Staff to Enter into Contract Renewal with the Florida Housing Coalition for Technical Assistance Provider for Predevelopment Loan Program

###### 1. Background

- a) The Predevelopment Loan Program (PLP) provides low-interest loans and technical assistance to non-profits and community based organizations to for predevelopment “soft” costs and land acquisition for the purpose of producing affordable housing units. While some of the organizations using the PLP are experienced, a number of organizations use PLP to get started in the development arena, often going on to partner with more experienced developers during the construction process.
- b) The technical assistance provider (TAP) works with the non-profit developer throughout the development planning process advising them on all aspects of developing housing including accessing the financing sources available for development. The TAP also makes recommendations to Florida Housing staff as to the viability of proposed developments.

###### 2. Present Situation

- a) The term of the PLP Program technical assistance contract between Florida Housing and the current service provider, the Florida Housing Coalition, expires January 11, 2014. The contract allows for two one-year renewals.
- b) The technical assistance provided to participants in the PLP program is critical to the success of these Developers’ ability to progress through the predevelopment process and to successfully pursue construction funding. From time to time, technical assistance under this contract is also used to advise non-profit developers that receive demonstration funding from Florida Housing.
- c) Staff is requesting permission to renew the technical assistance contract for the initial one-year period, which is to expire on January 11, 2015.

###### 3. Recommendation

Staff recommends that the Board authorize staff to enter into a contract renewal for the initial one-year period with the Florida Housing Coalition for the provision of technical assistance services through the Predevelopment Loan Program.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Request to Authorize Staff to Enter into Contract Renewals for Real Estate Investment Brokerage Companies**

##### **1. Background**

- a) At its January 2009, meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Marcus & Millichap Real Estate Investment Brokerage Company of Florida, CB Richard Ellis and Colliers Arnold to provide real estate brokerage services.
- b) The initial three-year term of contract 2009-05-01-001 (Marcus & Millichap Real Estate Investment Brokerage Company of Florida) began February 23, 2010, and expired February 23, 2013. The contract was renewed for the initial one-year term and will expire on February 22, 2014.
- c) The initial three-year term of contract 2009-05-01-002 (Colliers Arnold) began February 9, 2010, and expired February 9, 2013. The contract was renewed for the initial one-year term and will expire February 8, 2014.
- d) The initial three-year term of contract 2009-05-01-003 (CB Richard Ellis) began February 3, 2010, and expired February 3, 2013. The contract was renewed for the initial one-year term and will expire February 2, 2014.
- e) Each contract may be renewed for up to two additional one-year periods. These renewals will be for the second one-year renewal terms.

##### **2. Present Situation**

- a) Florida Housing utilizes the services of Marcus & Millichap Real Estate Investment Brokerage Company of Florida, CB Richard Ellis and Colliers Arnold to provide real estate brokerage services.
- b) Florida Housing staff supports a renewal to extend the term of each contract for the second one-year period.

##### **3. Recommendation**

Staff believes that it is in the best interests of Florida Housing to continue to retain its current real estate brokerage companies and recommends that the Board direct staff to proceed with the contract renewals.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### C. Request to Authorize Staff to Enter into Contract Renewals for Special Counsel Services

##### 1. Background

- a) At its June 18, 2010, meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Nabors, Giblin & Nickerson; Latham, Shuker, Eden & Beaudine, LLP; Weiss Serota Helfman Pastoriza Cola & Boniske, P.L., (successor to Yoss, LLP); and Bryant Miller Olive to provide Special Counsel Services.
- b) The initial three-year term of contract 2010-10-02-001 (Nabors, Giblin & Nickerson) began February 21, 2011, and expires February 21, 2014.
- c) The initial three-year term of contract 2010-10-02-002 (Latham, Shuker, Eden & Beaudine, LLP) began January 27, 2011, and expires January 27, 2014.
- d) The initial three-year term of contract 2010-10-02-003 (Weiss Serota Helfman Pastoriza Cola & Boniske, P.L., (successor to Yoss, LLP) began January 31, 2011, and expires January 31, 2014.
- e) The initial three-year term of contract 2010-10-02-004 (Bryant Miller Olive) began February 11, 2011, and expires February 11, 2014.
- f) Each contract may be renewed twice for up to two additional one-year periods.

##### 2. Present Situation

Florida Housing utilizes the services of Nabors, Giblin & Nickerson; Latham, Shuker, Eden & Beaudine, LLP; Weiss Serota Helfman Pastoriza Cola & Boniske, P.L.; and Bryant Miller Olive to provide special counsel services.

##### 3. Recommendation

Staff believes that it is in the best interests of Florida Housing to continue to retain:

Nabors, Giblin & Nickerson; Latham, Shuker, Eden & Beaudine, LLP; Weiss Serota Helfman Pastoriza Cola & Boniske, P.L.; and Bryant Miller Olive pursuant to the existing special counsel contracts, and recommends the Board direct staff to proceed with the initial contract renewals.

## SPECIAL ASSETS

### *Consent*

#### VII. SPECIAL ASSETS

##### A. Request Approval of the Extension and Modification of the SAIL Loan for Creative Choice Homes VII, Ltd. for Coral Gardens (93HRR-010/94L-160)

<b>Development Name: Coral Gardens (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Creative Choice/Creative Choice Homes VII, Ltd (“Borrower”)</b>	<b>Set-Aside: SAIL 100 % @ 50% AMI; HC 20% @ 40% and 80% @ 60% LURA: 33 years; EUA 30 years</b>
<b>Number of Units: 91</b>	<b>Allocated Amount: SAIL \$1,330,000, HC \$413,820</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

##### 1. Background

- a) During the 1993 State Apartment Incentive Loan/Hurricane Recovery and Rebuilding Program (“SAIL/HRR”) Application Cycle, Florida Housing awarded a \$1,330,000 SAIL/HRR construction/permanent loan to Creative Choice Homes VII, Ltd., a Florida limited partnership (“Developer”), for the acquisition and rehabilitation of a 91-unit development in Miami-Dade County. The SAIL loan closed on September 7, 1994 and the original maturity date was December 1, 2011. The Board previously approved two one year extensions of the loan to December 1, 2013.

##### 2. Present Situation

- a) The Borrower was unable to close on the refinancing and has requested an additional one-year extension of the SAIL loan to close on a Freddie Mac loan which proceeds will be used to pay off the SAIL loan. The borrower expects to close on the loan by early 2014. The borrower has agreed to an additional one year extension of the affordability period.
- b) The Borrower also 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 as 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 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

## SPECIAL ASSETS

### *Consent*

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.

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

### 3. **Recommendation**

Approve the extension of the SAIL loan, for one year and extend the term of the LURA for an additional year and the modification of the loan terms from a 9% cash flow note to a 3% cash flow note for the remaining term of the loan after payment of all accrued 3% base interest and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

**B. Request Approval of SAIL Loan Modification for Stirling Apartment Associates, Ltd., a Florida Limited Partnership, for Stirling I Apartments (1998-083S/1998-507C)**

<b>Development Name: Stirling I Apartments (“Development”)</b>	<b>Location: Broward County</b>
<b>Developer/Principal: Cascade Affordable Housing, LLC (“Developer”); Stirling Apartment Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 90% @ 60%; HC 100% @ 60% AMI LURA: 50 years; EUA: 30 years</b>
<b>Number of Units: 147</b>	<b>Allocated Amount: SAIL - \$1,330,000; HC \$489,377</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) During the 1998 State Apartment Incentive Loan Program (“SAIL”) Cycle, Florida Housing awarded a \$1,330,000 construction/permanent loan to Stirling Apartment Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 147-unit apartment complex in Broward County. The SAIL loan closed on March 5, 1999, and will mature on April 1, 2038. The Development also received a 1998 allocation of low-income housing tax credits of \$489,377.

**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 as 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 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.



## SPECIAL ASSETS

### *Consent*

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

### 3. **Recommendation**

Approve the modification of the loan terms from a 9% cash flow note to a 3% cash flow note for the remaining term of the loan after payment of all accrued 3% base interest and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**C. Request Approval of SAIL Loan Modification for Park Green, Ltd., a Florida Limited Partnership, for Park Green (98-014S/97L-066)**

<b>Development Name: Park Green (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: L.T. Clayton and Brothers Enterprises (“Developer”); Park Green, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 60% @ 50% &amp; 40% @ 60% AMI; HC 15% @ 35% &amp; 85% @ 60% AMI; LURA &amp; EUA: 50 years</b>
<b>Number of Units: 8</b>	<b>Allocated Amount: SAIL - \$109,148; HC - \$57,611</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing</b>

**1. Background**

During the 1996/1997 State Apartment Incentive Loan (“SAIL”) Cycle X(a), Florida Housing awarded a \$109,148 construction/permanent loan to Park Green, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 8-unit development in Miami-Dade County. The SAIL loan closed on April 1, 1998, and matured on October 1, 2013. The Development also received a 1997 allocation of low-income housing tax credits of \$57,611.

**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 as 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 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.

## SPECIAL ASSETS

### *Consent*

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

### 3. **Recommendation**

Approve the modification of the loan terms from a 9% cash flow note to a 3% cash flow note for the remaining term of the loan after payment of all accrued 3% base interest and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**D. Request Approval of Transfer of General Partner Interest in Village at Delray, Ltd. for Village at Delray Apartments (2009-037CT/2010-003CT)**

<b>Development Name: Village at Delray (“Development”)</b>	<b>Location: Palm Beach County</b>
<b>Developer/Principal: Auburn Group (“Developer”) Village at Delray, Ltd. (“Borrower”)</b>	<b>Set-Aside: HOME 20% @ 50%, 80% @ 60%; TCAP &amp; HC 11% @ 28%, 89% @ 60% AMI LURA 50 years; EUA 50 years</b>
<b>Number of Units: 144</b>	<b>Allocated Amount: TCAP \$7,384,100; HOME \$115,900; HC \$2,110,000</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

- a) During the 2009 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a Tax Credit Assistance Program (“TCAP”) loan in the amount of \$7,384,100 and a HOME loan of \$115,900 to Village at Delray, Ltd., a Florida limited partnership (“Borrower”), for the development of a 144-unit property in Palm Beach County, Florida. The TCAP and HOME loans closed on May 5, 2010. The Development also received a 2010 allocation of low-income housing tax credits of \$2,110,000.
- b) In November 2012, correspondence was received from PNC Bank on behalf of the current Interim General Partner and Special Limited Partner, Columbia, advising that the Original General Partner, Village at Delray GP, L.L.C. (“VADGP”) was replaced by Columbia because of failure to comply with its duties and obligations under the Partnership Agreement causing an automatic withdrawal. The construction loan has not converted to permanent financing yet.

**2. Present Situation**

- a) On October 1, 2013, FHFC received a request for approval to change the General Partner from Columbia because Freddie Mac is unwilling to convert to permanent financing without an independent third party General Partner in place. The current General Partner, Columbia, is the Special Limited Partner and is affiliated with PNC as is the Limited Partner, PNCLP. PNC proposes that the new independent third party General Partner will be a to-be-formed single-purpose entity wholly-owned by LEDIC. The Borrower currently has a deadline to convert to permanent financing with Freddie Mac by November 5, 2013.
- 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 partner interest in the borrower entity 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*

- E. **Request Approval of Transfer of General Partner and Limited Partner Interest for Park City, Ltd., a Florida Limited Partnership for Park City Apartments (93HD-015/94DRHR-021/93L-099/96L-018)**

<b>Development Name: Park City (“Development”)</b>	<b>Location: Palm Beach County</b>
<b>Developer/Principal: Enterprise (“Developer”) Park City, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 100% @ 80% AMI; HC 20% @ 40%, 20% @ 50%, 60% @ 60% AMI SAIL: 50 years; EUA 50 years</b>
<b>Number of Units: 180</b>	<b>Allocated Amount: HOME \$4,336,085; HC \$788,333</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

1. **Background**

During the 1993 HOME Cycle, Florida Housing awarded a \$4,366,085 construction/permanent loan to Park City, Ltd., a Florida limited partnership, (“Borrower”), for the development of a 180-unit development in Palm Beach County. The HOME loan closed on January 11, 1995, and will mature on January 11, 2025. The Development also received a 1993 allocation of low-income housing tax credits of \$788,333.

2. **Present Situation**

- a) The Borrower requests approval to transfer and assign the general partner interest and the limited partnership interest to Hallkeen Management Inc., (“Hallkeen”).
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit B](#)).

3. **Recommendation**

Staff recommends that the Board approve the transfer of the general and limited partnership interests in the Borrower, 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*

**F. Request Approval to Refinance the First Mortgage for Hampton Point, LP, a Florida Limited Partnership for Hampton Point Apartments (MR2003Q1&2/GUAR/HUD Risk Sharing/SMI#01/2003-515C/SAIL ELI 2010-16-20/SAIL ELI 2012-04-11)**

<b>Development Name: Hampton Point Apartments (“Development”)</b>	<b>Location: Charlotte County</b>
<b>Developer/Principal: Picerne (“Developer”)/Hampton Point, LP (“Borrower”)</b>	<b>Set-Aside: MMRB 40% @ 60%; SAIL ELIs 5% @ 40%; 12% @ 35%; HC 100% @ 60% AMI LURA: 50 years; SAIL ELIs: 15/15 years; EUA: 30 years</b>
<b>Number of Units: 284</b>	<b>Allocated Amount: MMRB \$13,200,000; SMI \$600,682.40; SAIL ELIs \$1,125,000 &amp; \$2,500,000; HC \$947,753</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$11,020,000, and FHFC issued taxable bonds in the original amount of \$2,180,000 to fund a first mortgage loan to Hampton Point, LP, a Florida limited partnership (“Borrower”), for the development of a 284-unit apartment complex in Charlotte County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on September 25, 2003, and is scheduled to mature on September 15, 2043. The first mortgage loan is guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”). The Development also received a 2003 allocation of low-income housing tax credits of \$947,753.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$600,682.40 and two State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loans of \$1,125,000 and \$2,500,000. The SMI loan closed on June 11, 2009, and matures on June 15, 2019. The first SAIL ELI loan closed on April 29, 2011, and will mature on April 29, 2026. The second SAIL ELI loan closed on April 23, 2013, and will mature on April 23, 2028.

**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 Greystone Funding 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 will also be repaid.
- b) The Borrower also requests that the term of the SAIL ELI loans be extended and that the SAIL ELI loans, the SAIL ELI loan documents, the Low Income Housing Tax Credit Extended Use Agreement (“EUA”), and the MMRB Land Use Restriction Agreement (“LURA”) be subordinated to the new first mortgage. As necessary to facilitate the refinance, MMRB loan documents may need to be modified and extended.

## SPECIAL ASSETS

### *Consent*

- c) Staff received a credit underwriting report ([Exhibit C](#)) from First Housing Development Corporation recommending approval for the new financing, subordination of the SAIL ELI loans, the SAIL ELI loan documents, the EUA, and the MMRB LURA to the new first mortgage, extension of the SAIL ELI loan terms, and modification and extension of MMRB loan documents as necessary.

### 3. **Recommendation**

Approve the refinancing of the first mortgage loan, extension of the SAIL ELI loans, and subordination of the SAIL ELI loans, the EUA, the SAIL ELI loan documents, and the MMRB LURA to the new first mortgage, and modification and extension of MMRB loan documents as necessary, 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 to Refinance the First Mortgage for Eagle Pointe Associates, Ltd., a Florida Limited Partnership for Eagle Pointe Apartments (MR2003F/GUAR/HUD Risk Sharing/2004-061S/2002-545C)**

<b>Development Name: Eagle Pointe Apartments (“Development”)</b>	<b>Location: Broward County</b>
<b>Developer/Principal: Cornerstone (“Developer”)/Eagle Pointe Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: MMRB 40% @ 60%; SAIL &amp; HC 100% @ 60% AMI LURA: 50 years; EUA: 50 years</b>
<b>Number of Units: 192</b>	<b>Allocated Amount: MMRB \$12,270,000; SAIL \$1,295,000; HC \$760,529</b>
<b>Demographics: Family</b>	<b>Servicer: AmeriNational Community Services</b>

#### 1. **Background**

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued bonds in the original amount of \$12,270,000 to fund a first mortgage loan to Eagle Pointe Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 192-unit apartment complex in Broward County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on March 13, 2003, and is scheduled to mature on June 15, 2044. The first mortgage loan is guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”). The Development also received a 2002 allocation of low-income housing tax credits of \$760,529.
- b) The Borrower received a State Apartment Incentive Loan (“SAIL”) loan in the amount of \$1,295,000. The SAIL closed on June 28, 2005, and will mature on July 1, 2044.

#### 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 Greystone Funding Corporation, the proceeds of which will be utilized 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.
- b) The Borrower also requests that the term of the SAIL loan be extended, and that the SAIL loan, the Low Income Housing Tax Credit Extended Use Agreement (“EUA”), the SAIL Land Use Restriction Agreement (“LURA”) and MMRB LURA be subordinated to the new first mortgage. As necessary to facilitate the refinance, MMRB loan documents may need to be modified and extended.
- c) Staff received a credit underwriting report ([Exhibit D](#)) from AmeriNational Community Services recommending approval for the new financing, subordination of the SAIL loan, the EUA, the SAIL LURA, and the MMRB LURA to the new first mortgage, extension of the SAIL loan term, and modification and extension of MMRB loan documents as necessary.



## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

Approve the refinancing of the first mortgage loan, extension of the SAIL loan, and subordination of the SAIL loan, the EUA, the SAIL LURA, and the MMRB LURA to the new first mortgage, and modification and extension of MMRB loan documents as necessary, 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*

**H. Request Approval to Transfer of Member Interest, Refinance the First Mortgage and Extension and Subordination of the HOME Match Loan for Church Street Housing Partners I, LLC., for City View Apartments (2003-001HM/2004-509C)**

<b>Development Name: City View (“Development”)</b>	<b>Location: Orange County</b>
<b>Developer/Principal: Orlando Neighborhood Improvement Corporation and Bank of America CDC (“Developer”)</b>	<b>Set-Aside: HOME 25% @ 50%, 75% @ 60% AMI, HC 40% @ 60% AMI; LURA: 30 years; EUA: 30 years</b>
<b>Number of Units: 266</b>	<b>Allocated Amount: HOME \$473,499; HC \$428,230</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

During the 2003 HOME Cycle, Florida Housing awarded a \$473,499 construction/permanent loan to Church Street Housing Partners I, LLC, a Florida limited liability corporation, (“Borrower”), for the development of a 266-unit development in Orange County. The HOME Match loan closed on November 1, 2004, and will mature on January 1, 2035. The Development also received a 2004 allocation of low-income housing tax credits of \$428,230.

**2. Present Situation**

- a) The Borrower has requested approval to transfer a portion of the membership interest, refinance the first mortgage and modify and subordinate the HOME Match loan to comply with HUD requirements and subordinate the HOME Land Use Restriction Agreement (“LURA”) and Housing Credit Extended Use Agreement (“EUA”) to the new first mortgage.
- b) Staff received a credit underwriting report ([Exhibit E](#)) from First Housing Development Corporation providing a positive recommendation.

**3. Recommendation**

Approve the transfer of membership interest, refinancing of the first mortgage and extend and subordinate the HOME Match loan and LURA and 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.