

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
March 14, 2014
Consent Items



LEGAL

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I. LEGAL

A. In Re: Loveland Center, Inc. - FHFC Case No. 2014-059VW

Development Name: (“Development”):	Loveland Village
Developer/Principal: (“Developer”):	Loveland Center, Inc.
Number of Units: 40	Location: Sarasota County
Type: Townhomes	Set Asides: 60% @ 60% AMI
Demographics: Developmental Disabilities	PLP: \$500,000

1. Background

- a) On September 26, 2008, Florida Housing approved a Predevelopment Loan Program Loan (“PLP”) for the Applicant for Loveland Village. The Development is located in Sarasota County. On March 18, 2009, the Developer closed on the PLP loan in the amount of \$500,000. On January 27, 2012, the Board approved an extension to the loan maturity date from March 18, 2012, to March 18, 2013, as requested by the Developer.
- b) On February 26, 2014, Florida Housing received a “Petition for Waiver of Rule 67-38.007(7) Florida Administrative Code Predevelopment Loan Program” (“Petition”) from Petitioner. On February 27, 2014, Florida Housing received an “Amended Petition for Waiver of Rule 67-38.007(7) Florida Administrative Code Predevelopment Loan Program” (“Amended Petition”) from Petitioner. A copy of the Amended Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-38.007(7)(b) Fla. Admin. Code provides, in pertinent part:
 - (7) The Corporation shall extend the term of the PLP Loan for an additional period if circumstances exist and if such extension would not jeopardize the Corporation’s security interest. Submission and approval of a request for an extension of the term of a PLP Loan shall be subject to the following...
 - (b) An additional extension of up to one year requested at the conclusion of the initial approved one year extension shall require the recommendation of the Credit Underwriter or the Technical Assistance Provider as directed by the Corporation that an extension of the PLP Loan is likely to result in the successful completion of the Development.
- b) Petitioner requested a waiver of the above Rule to allow it to extend the closing date of the PLP loan beyond the additional extension period of up to one year at the conclusion of the initial approved one year extension.

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c) On February 27, 2014, the Notice of the Petition was published in the Florida Administrative Register in Volume 40, Number 40.¹ To date, Florida Housing has received no comments concerning the Petition or Amended Petition.

d) 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.

e) 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 it is in the process of raising additional funds by way of a capital campaign to address funding shortfalls. Without the waiver of the rule, Petitioner would be forced to use two months of its operating reserve funds to cover the deficit thereby jeopardizing the financial wellbeing of the organization. Granting the waiver also serve the underlying purpose of the statute by promoting much needed housing for those who suffer developmental disabilities in Sarasota County. A denial of the requested waiver would violate the principles of fairness due to the hardship to those individuals Petitioner serves if Petitioner had to reduce services or halt construction due to the economic shortfall.

3. **Recommendation**

Staff recommends the Board grant Petitioner's request for a waiver of Rule 67-38.007(7)(b), Fla. Admin. Code, to extend the closing date beyond the additional extension period of up to one year at the conclusion of the initial approved one year extension.

¹ As the Amended Petition requested relief from the same rule as the Petition, it was unnecessary to notice the Amended Petition.

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B. In Re: Brickell View Terrace Apartments, Ltd. - FHFC Case No. 2014-060VW

Development Name: (“Development”):	Brickell View Terrace Application No. 2011-067C
Developer/Principal: (“Developer”):	Pinnacle Housing Group, LLC and East Little Havana CDC
Number of Units: 154	Location: Miami-Dade
Type: High Rise	Set Asides: 65% @ 60% AMI
Demographics: Family	HC: \$2,561,000

1. Background

- a) During the 2011 Universal Cycle, Brickell View Terrace 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 Brickell View Terrace (the “Development”) located in the West Brickell area of downtown Miami, Florida.
- b) On February 27, 2014, Petitioner filed and Florida Housing received a “Petition for Waiver of Rule 67-48.004(14) (i) and (j) for a Change in Number of Units and in Total Set-Aside Percentage” (the “Petition”). A copy of the Petition is attached as [Exhibit B](#).

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; notwithstanding the foregoing, for the SAIL and HC Programs the total number of units may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation;

(j) With regard to the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application...”

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- b) In its application, Petitioner committed to set aside 100% of the Development's 100 units at 60% AMI or less. Petitioner previously requested and received a waiver from the Florida Housing, permitting the increase of the total number of units in the Development from 100 (as contained in its Universal Application) to up to 154, and to decrease the Total Set-Aside Percentage from 100% (as indicated in its Universal Application) to approximately 65%, with no fewer than 100 set aside units.
- c) Petitioner requests waiver of the above rule. Specifically, Petitioner is requesting an increase in the total number of units from 154 to 176 and a corresponding decrease in the Total Set-Aside Percentage from approximately 65% to approximately 56.82%. Petitioner's Universal Application was originally for 100 low-income units, and, as was the case with Petitioner's prior petition for waiver, Petitioner will maintain the total number of "low-income units" at 100, and is increasing the number of units which will be available for non-income restricted work-force housing by 22, from 54 units to 76 units.
- d) On February 28, 2014, Notice of the Petition was published in the Florida Administrative Register in Volume 40, Number 41. 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 provisions under these circumstances would constitute a substantial economic hardship for Petitioner as a consequence of lower rental revenues and lower economies of scale that would otherwise flow from the 22 additional units, and more significantly up to 22 families would be deprived of the opportunity to obtain work force housing. Granting the requested waiver would not only 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, but provide the additional benefit of meeting the need for mixed-income developments with work force housing, with no additional financial resources required of Florida Housing.

3. Recommendation

Staff recommends the Board grant Petitioner's request for waiver of Rule 67-48.004(14) (i) and (j), F.A.C. (2011) to permit Petitioner to increase the total number of units from 154 to up to 176 and to decrease the Total Set-Aside Percentage from approximately 65% to approximately 56.82%, subject to the condition that not less than 100 units remain Set-Aside Units.

MULTIFAMILY BONDS

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II. MULTIFAMILY BONDS

A. Request Approval of the Transfer of Ownership Interest for Raceway Pointe d/b/a Windy Pines

Development Name: Raceway Pointe d/b/a Windy Pines	Location: Volusia County
Development Owner: Raceway Pointe Partners, Ltd.	Set-Asides: 50% @ 60% AMI MMRB 100% @ 60% AMI HC
Funding Source: Multi-Family Housing Revenue Bonds (MMRB) and 4% Housing Credits	Amount: \$8,005,000 Tax Exempt Bonds \$688,479 Housing Credits
Number of Units: 208	Type: Rental/Family (MMRB)

1. Background

Florida Housing financed the construction of the above referenced Development in 1999 with \$7,275,000 in tax exempt bonds designated as 1999 Series J-1 and \$730,000 in taxable bonds designated as 1999 Series J-2. In addition, \$688,479 in tax credits was allocated to this Development. The bonds have been paid off as of June 12, 2012.

2. Present Situation

In a letter, Raceway Pointe Partners, Ltd. has requested Florida Housing's consent to transfer the ownership interest of its general partner and limited partner from CED Capital Holdings X, Ltd. to SAS Raceway Pointe Managers, LLC ([Exhibit A](#)). Upon acquisition, the Partnership will dissolve and fee simple title to the Property will vest in SAS. As successor in interest to the Partnership, no deed will be required. Seltzer Management Group, Inc. has reviewed this request and provided a recommendation ([Exhibit B](#)).

3. Recommendation

That the Board approve the transfer of ownership, the assumption of the LURA and EUA, subject to the conditions in the credit underwriting report with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

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B. Request Approval of the Transfer of Ownership Interest for Club at Vero Apartments d/b/a Lexington Club at Vero Beach

Development Name: Club at Vero Apartments d/b/a Lexington Club at Vero Beach	Location: Indian River County
Development Owner: Vero Club Partners, Ltd.	Set-Asides: 5% @ 55% AMI MMRB 50% @ 60% AMI MMRB 100% @ 60% AMI HC
Funding Source: Multi-Family Housing Revenue Bonds (MMRB) and 4% Housing Credits	Amount: \$6,900,000 Tax Exempt Bonds \$721,508 Housing Credits
Number of Units: 184	Type: Rental/Family (MMRB)

1. Background

Florida Housing financed the construction of the above referenced Development in 1998 with \$6,900,000 in tax exempt bonds designated as 1998 Series E. In addition, \$721,508 in tax credits was allocated to this Development. The bonds have been paid off as of November 1, 2004.

2. Present Situation

In a letter, Vero Club Partners, Ltd. has requested Florida Housing's consent to transfer the ownership interest of its general partner and limited partner from CED Capital Holdings IX, Ltd. and CED Construction Services, Inc. to SAS Vero Club Managers, LLC ([Exhibit C](#)). Upon acquisition, the Partnership will dissolve and fee simple title to the Property will vest in SAS. As successor in interest to the Partnership, no deed will be required. AmeriNational Community Services, Inc. has reviewed this request and provided a recommendation ([Exhibit D](#)).

3. Recommendation

That the Board approve the transfer of ownership, the assumption of the LURA and EUA, subject to the conditions in the credit underwriting report with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

III. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Florida Home Partnership, Inc., a Not-for-Profit Entity, for Grove Pointe Apartments (2014-001P-09)

DEVELOPMENT NAME (“Development”):	Grove Pointe Apartments
APPLICANT/DEVELOPER (“Developer”):	Florida Home Partnership, Inc.
NUMBER OF UNITS:	80
LOCATION (“County”):	Hillsborough County
TYPE:	Rental, Farmworkers
MINIMUM SET ASIDE:	20% @ or below 50% AMI
PLP LOAN AMOUNT:	\$238,500

1. Background

- a) On January 21, 2014, Florida Housing received a PLP Application from the Developer for the Grove Pointe Apartments, an existing development in Hillsborough County constructed in 1996 with 80 units of rental housing, 80 percent of which are set-aside for Farmworkers.
- b) On January 24, 2014, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) Grove Pointe Apartments is an existing SAIL development owned by a for-profit developer. The SAIL loan is due to mature on April 22, 2014. In a separate Board agenda item, an extension to the maturity period for one year is being recommended by staff in order to accommodate a possible transfer of the property from the current for-profit developer, Cornerstone Group, to the Florida Home Partnership, Inc.
- b) Currently, negotiations are ongoing between Florida Housing, Cornerstone and Florida Home Partnership to transfer ownership of this development to the not-for-profit for the purpose of rehabilitating the units and to extend the SAIL affordability and demographic commitments. If the renegotiation (refinance) of the SAIL loan is not successful and the property is not transferred, the PLP loan will not be closed.
- c) The Technical Assistance Provider (TAP) has submitted a Development Plan and recommended a loan amount of \$238,500 for PLP eligible activities ([Exhibit A](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

3. Recommendation

Approve the PLP Loan in the amount of \$238,500 to Florida Home Partnership, Inc., a not-for-profit entity, for Grove Pointe Apartments, pending an agreement to transfer of the SAIL loan and development to Florida Home Partnership, for eligible predevelopment expenses, as recommended by the TAP, and allow staff to issue a Commitment Letter and commence with loan closing.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Tacolcy Economic Development Corporation, Inc., a Not-for-Profit Entity, for Edison Terraces (2012-002P-09)

DEVELOPMENT NAME (“Development”):	Edison Terraces
APPLICANT/DEVELOPER (“Developer”):	Tacolcy Economic Development Corporation, Inc.
NUMBER OF UNITS:	120
LOCATION (“County”):	Miami-Dade County
TYPE:	Rental
MINIMUM SET ASIDE:	20% @ or below 50% AMI
PLP LOAN AMOUNT:	\$500,000

1. Background

- a) On June 18, 2012, Florida Housing received a PLP Application from the Developer for the Edison Terraces, an existing development in Miami-Dade County constructed in 1993 with 120 units of rental housing. The PLP loan is being requested in order to facilitate a refinancing of the current debt and rehabilitation of the units.
- b) On January 7, 2013, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

The Technical Assistance Provider (TAP) has submitted a Development Plan and recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit B](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

Approve the PLP Loan in the amount of \$500,000 to Tacolcy Economic Development Corporation, Inc. a not-for-profit entity, for eligible predevelopment expenses, as recommended by the TAP, and allow staff to issue a Commitment Letter and commence with loan closing.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of PLP Loan for Azalea Affiliates LLC, for Azalea Gardens Apartments (2013-003P-09)

DEVELOPMENT NAME (“Development”):	Azalea Gardens Apartments
APPLICANT/DEVELOPER (“Developer”):	Azalea Affiliates, LLC
CO-DEVELOPERS:	Education and Neighborhood Development, Inc./Toledo Development Group, LLC
NUMBER OF UNITS:	84
LOCATION (“County”):	Putnam County
TYPE:	Rental
MINIMUM SET ASIDE:	20% @ or below 50% AMI
PLP LOAN AMOUNT:	\$620,095

1. Background

- a) On July 10, 2013, Florida Housing received a PLP Application from the Developer for the Azalea Gardens, a proposed development with 84 rental units in Putnam County.
- b) On July 17, 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 \$620,095 for PLP eligible activities ([Exhibit C](#)). Of this \$620,095 loan amount, \$125,000 is being requested for acquisition of the development. This acquisition portion of the PLP loan is subject to a review and positive recommendation from a credit underwriter and subsequent approval from the Board.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

Approve the PLP Loan in the amount of \$620,095 to Azalea Affiliates, LLC, for eligible predevelopment expenses, as recommended by the TAP, and allow staff to issue a Commitment Letter and commence with loan closing on the non-site acquisition portion of the loan in the amount of \$495,095.

SPECIAL ASSETS

Consent

IV. SPECIAL ASSETS

- A. **Request Approval to Refinance the First Mortgage for Harbour Cove Associates, Ltd., a Florida Limited Partnership, for Harbour Cove Apartments (GUAR/HUD Risk/2003-040S/2003-526C)**

Development Name: Harbour Cove Apartments (“Development”)	Location: Broward County
Developer/Principal: Cornerstone; Harbour Cove Associates, Ltd. (“Borrower”)	Set-Aside: SAIL: 25% @ 50%, 75% @ 60%; HC: 100% @ 60% AMI LURA 50 years; EUA 50 years
Number of Units: 212	Allocated Amount: SAIL \$2,000,000; HC \$1,166,020
Demographics: Family	Servicer: AmeriNational Community Services, Inc.

1. Background

During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,000,000 to Harbour Cove Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 212-unit apartment complex in Broward County, Florida. The SAIL loan closed on May 6, 2005, and will mature on December 15, 2044. The Development also received a 2003 allocation of low-income housing tax credits of \$1,166,020.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The Borrower intends to obtain a HUD insured 223(f) program first mortgage loan originated by Oak Grove Capital, the proceeds of which will be used to satisfy the existing first mortgage from Housing Finance Authority of Miami-Dade County, 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.
- c) Staff has received a credit underwriting report ([Exhibit A](#)) providing a positive recommendation for approval for the new financing, subordination of the SAIL loan, SAIL LURA, and HC EUA to the new first mortgage, extension of the SAIL loan term and extension of the affordability period for the SAIL LURA by an equal amount of time.

SPECIAL ASSETS

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3. **Recommendation**

Approve the refinancing of the first mortgage loan, extension of the SAIL loan and SAIL LURA affordability period equal to the term of the loan extension, subordination of the SAIL loan, SAIL 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

B. Request Approval to Refinance the First Mortgage for Marbrisa Associates, Ltd., a Florida Limited Partnership for Marbrisa Apartments (GUAR/2000-045S/2000-536C)

Development Name: Marbrisa Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone; Marbrisa Associates, Ltd. (“Borrower”)	Set-Aside: SAIL & HC: 100% @ 60% AMI LURA 50 years; EUA 50 years
Number of Units: 368	Allocated Amount: SAIL \$2,500,000; HC \$1,211,393
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,500,000 to Marbrisa Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 368-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on September 10, 2001, and will mature on August 1, 2040. The Development also received a 2000 allocation of low-income housing tax credits of \$1,211,393.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The Borrower intends to obtain a HUD insured 223(f) program first mortgage loan originated by Oak Grove Capital, the proceeds of which will be used to satisfy the existing first mortgage from Housing Finance Authority of Miami-Dade County, 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.
- c) Staff has received a credit underwriting report ([Exhibit B](#)) providing a positive recommendation for approval for the new financing, subordination of the SAIL loan, SAIL LURA, and HC EUA to the new first mortgage, extension of the SAIL loan term and extension of the affordability period for the SAIL LURA by an equal amount of time.

SPECIAL ASSETS

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3. **Recommendation**

Approve the refinancing of the first mortgage loan, extension of the SAIL loan and SAIL LURA affordability period equal to the term of the loan extension, subordination of the SAIL loan, SAIL 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

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C. Request Approval to Refinance the First Mortgage for Hibiscus Pointe Associates, Ltd., a Florida Limited Partnership for Hibiscus Pointe Apartments (GUAR/HUD Risk/2002-108S/2003-521C)

Development Name: Hibiscus Pointe Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone/Hibiscus Pointe Associates, Ltd. (“Borrower”)	Set-Aside: SAIL 11% @50%; 74% @60%; HC 100% @60% AMI LURA: 50 years; EUA: 50 years
Number of Units: 212	Allocated Amount: SAIL \$2,000,000; HC \$604,703
Demographics: Large Family	Servicer: First Housing Development Corporation

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 Hibiscus Pointe Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 212-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on July 25, 2003, and will mature on November 1, 2044. The Development also received a 2003 allocation of low-income housing tax credits of \$604,703. 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 Fannie Mae first mortgage loan originated by Oak Grove Capital, the proceeds of which will be used to satisfy the existing first mortgage from Housing Finance Authority of Miami-Dade County, 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.
- c) Staff has received a credit underwriting report ([Exhibit C](#)) providing a positive recommendation for approval for the new financing, subordination of the SAIL loan, SAIL LURA, and HC EUA to the new first mortgage, and extension of the SAIL loan term and SAIL LURA.

SPECIAL ASSETS

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3. **Recommendation**

Approve the refinancing of the first mortgage loan, extension of the SAIL loan and SAIL LURA by an equal amount of time, subordination of the SAIL loan, SAIL 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

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D. Request Approval to Refinance the First Mortgage and SAIL Loan Modification for Garden Walk Associates, Ltd., a Florida Limited Partnership, for Garden Walk Apartments (93HRR-008/95L-004)

Development Name: Garden Walk (“Development”)	Location: Miami-Dade County
Developer/Principal: Tacolcy Economic Development Corporation (“Developer”); Garden Walk Associates, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 33% @ 40%, 52% @ 50%, & 15% @ 60% AMI; LURA: 52 years & EUA: 50 years
Number of Units: 228	Allocated Amount: SAIL - \$3,110,901; HC \$1,554,615
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

During the 1993 State Apartment Incentive Loan/Hurricane Recovery and Rebuilding Program Cycle (“SAIL”), Florida Housing awarded a \$3,110,901 construction/permanent loan to Garden Walk Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 228-unit development in Miami-Dade County. The SAIL loan closed on October 27, 1994, and originally matured on October 31, 2011. The Board previously approved loan extensions to December 31, 2014. The Development also received a 1995 allocation of low-income housing tax credits of \$1,554,615.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage loan and extend the SAIL loan term. The Borrower intends to obtain financing from a HUD Section 223(f) loan program through Richmac Funding, LLC. Proceeds will be used to rehabilitate the Development and \$1,600,000 will be used to pay the existing SAIL interest and a portion of the principal. The SAIL Land Use Restriction Agreement (“LURA”) will also be extended.
- b) The Borrower also requests that the SAIL loan, SAIL LURA, and Extended Low-Income Housing Agreement (“ELIHA”) be subordinated to the new first mortgage. HUD conditions require that annual payment of the SAIL loan interest be limited to 75% of available cash flow.
- c) Also, the Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and as stated in Rule 67-48. 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.

SPECIAL ASSETS

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- d) Staff received a credit underwriting report ([Exhibit D](#)) from First Housing Development Corporation recommending approval for the new financing, modification and extension of the SAIL loan and SAIL LURA and subordination of the SAIL loan, SAIL LURA, and HC ELIHA to the new first mortgage.

3. **Recommendation**

Approve the refinancing of the first mortgage, subordination of the SAIL loan, SAIL LURA, and HC ELIHA to the new first mortgage, extension of the SAIL loan and modification of the loan terms from a 9% interest rate to 3% rate and extension of the SAIL LURA, subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

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- E. **Affirm the Extension of the First Mortgage and Subordination of the HOME Loan for Madison Cove of Gainesville, Ltd., a Florida Limited Partnership, for Madison Cove Apartments (96HR-013/96L-053)**

Development Name: Madison Cove (“Development”)	Location: Alachua County
Developer/Principal: Davis Heritage, Ltd. (“Developer”);	Set-Aside: HOME 16% @ 35%, 5% @ 50% & 79% @ 60% AMI, HC 16% @ 35%, 5% @ 50% & 79% @ 60% AMI; LURA: 50 years; EUA: 50 years
Number of Units: 97	Allocated Amount: HOME \$1,242,400; HC \$483,924
Demographics: Family	Servicer: First Housing Development Corporation

1. **Background**

- a) During the 1996 HOME Cycle, Florida Housing awarded a \$1,242,000 construction/permanent loan to Madison Cove of Gainesville, Ltd., a Florida limited partnership (“Borrower”), for the development of a 97-unit development in Alachua County. The HOME loan closed on June 16, 1997, and will mature on June 16, 2017. The Development also received a 1996 allocation of low-income housing tax credits of \$483,924.
- b) At the September 20, 2013 Florida Housing Finance Corporation Board meeting, the Board approved the extension of the first mortgage, at its current terms, to January 1, 2014 and to subordinate the HOME loan to the extended first, to allow time to complete refinancing of the first mortgage.

2. **Present Situation**

The refinancing has taken longer than expected and the Borrower has requested approval to extend the first mortgage, at its current terms, for an additional amount of time to April 1, 2014 and to subordinate the HOME loan to the extended first, to allow time to complete refinancing of the first mortgage.

3. **Recommendation**

Affirm the extension of the first mortgage, at its current terms, to April 1, 2014 and subordination of the HOME loan, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

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F. Request Approval of SAIL Loan Modification for Gifford Elderly Housing, Ltd., a Florida Limited Partnership, for Sunset Apartments (96-040S/97L-019)

Development Name: Sunset Apartments (“Development”)	Location: Indian River County
Developer/Principal: Flynn Development Company (“Developer”); Gifford Elderly Housing, Ltd. (“Borrower”)	Set-Aside: SAIL 20% @ 50% & 50% @ 60% AMI; HC 17% @ 35% & 83% @ 60% AMI; SAIL LURA: 45 years & HC EUA: 50 years
Number of Units: 36	Allocated Amount: SAIL - \$315,000; HC - \$86,962
Demographics: Elderly	Servicer: AmeriNational Community Services

1. Background

During the 1995/1996 State Apartment Incentive Loan (“SAIL”) Cycle VIII, Florida Housing awarded a \$315,000 construction/permanent loan to Gifford Elderly Housing, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 36-unit development in Indian River County. The SAIL loan closed on April 10, 1997, and will mature on April 9, 2018. The Development also received a 1997 allocation of low-income housing tax credits of \$86,962.

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 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

G. Request Approval of the Extension and Modification of the SAIL Loan for Congress Associates, Ltd. for Congress Building (98-016S/97L-074)

Development Name: Congress Building (“Development”)	Location: Miami-Dade County
Developer/Principal: Related Company of New York/Congress Associates, Ltd. (“Borrower”)	Set-Aside: SAIL 50.39% @ 50%, 40.31@60 AMI; HC 16.28% @ 35%, 34.11@50 and 48.84 @ 60% LURA: 50 years; EUA 50 years
Number of Units: 129	Allocated Amount: SAIL \$1,746,000, HC \$937,176
Demographics: Family	Servicer: AmeriNational

1. Background

During 1997 State Apartment Incentive Loan Program (“SAIL”) Application Cycle, Florida Housing awarded a \$1,746,000 SAIL construction/permanent loan to Congress Associates, Ltd., a Florida limited partnership (“Borrower”), for the acquisition and rehabilitation of a 129-unit development in Miami-Dade County. The SAIL loan closed on December 11, 1997 with a maturity date of May 1, 2014. The Development also received a 1997 allocation of low-income housing tax credits of \$937,176.

2. Present Situation

- a) The Borrower has requested a one-year extension of the SAIL loan to allow time to close on bond refinancing to rehabilitate the Development. 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 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

SPECIAL ASSETS

Consent

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, extension of 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

H. Request Approval of the Extension of the SAIL Loan for Grove Pointe L.P., a Florida Limited Partnership, for Grove Pointe Apartments (95S-049/96S-042/96L-016)

Development Name: Grove Pointe Apartments (“Development”)	Location: Hillsborough County
Developer/Principal: Cornerstone (“Developer”); Grove Pointe, L.P. (“Borrower”)	Set-Aside: SAIL 20% @ 40% & 80% @ 40%; HC 100% @ 40% AMI; LURA: 52 years; EUA: 50 years
Number of Units: 80	Allocated Amount: SAIL \$1,438,936; HC \$529,102
Demographics: Farmworker	Servicer: First Housing

1. Background

- a) During the 1995 and 1996 State Apartment Incentive Loan Program (“SAIL”) Cycles VII and VIII, Florida Housing awarded a \$1,438,936 construction/permanent loan to Grove Pointe, L.P., a Florida limited partnership (“Borrower”), for the development of an 80-unit development in Hillsborough County. The SAIL loan closed on May 17, 1996, and will mature on April 22, 2014. The Development also received a 1996 allocation of low-income housing tax credits of \$529,102.
- b) Borrower previously requested and was approved for two extensions for the SAIL loan, at current terms, from the original maturity date of April 22, 2011 to April 22, 2014 to allow time for the sale and transfer of the Development.

2. Present Situation

The Borrower has requested approval to extend the SAIL loan, at its current terms, to April 22, 2015, to allow additional time for the sale and transfer 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 52 years).

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to April 22, 2015, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

I. Request Approval of the Extension of the SAIL Loan for Homestead Housing Partnership II, Ltd., a Florida limited partnership for San Sherri Villas (93HRR-001/96L-005)

Development Name: San Sherri Villas (“Development”)	Location: Miami-Dade County
Developer/Principal: Richman Group (“Developer”); Homestead Housing Partnership II, Ltd. (“Borrower”)	Set-Aside: SAIL and HC 10% @ 40%, 15% @ 45%, 20% @ 50% & 55% @ 60% AMI; LURA: 52 years; EUA: 50 years
Number of Units: 80	Allocated Amount: SAIL \$2,373,200; HC \$670,096
Demographics: Family	Servicer: First Housing

1. Background

During the 1993 State Apartment Incentive Loan/Hurricane Andrew Recovery and Rebuilding Program (“SAIL”) Cycle, Florida Housing awarded a \$2,373,200 construction/permanent loan to Homestead Housing Partnership II, Ltd., a Florida limited partnership (“Borrower”), for the development of an 80-unit development in Miami-Dade County. The SAIL loan closed on February 19, 1996, and originally matured on February 19, 2012. The Board previously approved extensions to February 19, 2014. The Development also received a 1996 allocation of low-income housing tax credits of \$670,096.

2. Present Situation

The Borrower has requested approval to extend the SAIL loan, at its current terms, to February 19, 2015, to allow additional 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 52 years).

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to February 19, 2015, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

J. Request Approval of the Extension of the SAIL Loan for Richmond Pine Limited Partnership, a Florida Limited Partnership, for Richmond Pine (93HRR-003/93L-100)

Development Name: Richmond Pine (“Development”)	Location: Miami-Dade County
Developer/Principal: Enterprise Community Investment, Inc. (“Developer”); Richmond Pine Limited Partnership (“Borrower”)	Set-Aside: SAIL & HC 20% @ 40% AMI, 80% @ 60% AMI LURA: 52 years; EUA: 50 years
Number of Units: 80	Allocated Amount: SAIL - \$2,800,000
Demographics: Family	Housing Credits: \$461,452

1. Background

- a) During the 1993 State Apartment Incentive Loan/Hurricane Andrew Recovery and Rebuilding Program (“SAIL”) Cycle, Florida Housing awarded a \$2,800,000 construction/permanent loan to Richmond Pine Limited Partnership, a Florida limited partnership, (“Borrower”) for the development of an 80-unit development in Miami-Dade County. The SAIL loan closed on October 6, 1994, and matured on October 31, 2013. The Development also received a 1993 allocation of low-income housing tax credits of \$461,452. The Development was placed in service in December 1995.
- b) The Borrower previously requested and was approved for two extensions for the SAIL loan, at current terms, from the original maturity date of October 31, 2011 to October 31, 2013 to allow time for the sale and transfer of the Development.

2. Present Situation

The Borrower has requested an additional one year extension of the SAIL loan, at current terms, to allow time for the sale and transfer to be completed. The Borrower is still in the process of locating a potential buyer and needs the additional time to secure a purchase contract. The Borrower intends to pay off the SAIL loan with proceeds from the sale. The Borrower has agreed to an additional one year extension of the SAIL Land Use Restriction Agreement (“LURA”) term.

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to October 31, 2014, extend the LURA for an additional year, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

K. Request Approval of loan workout for M & M Maison II, Ltd., a Florida Corporation, for M & M Maison II's SAIL loan (93HRR-004/94L-063)

Development Name: M & M Maison II ("Development")	Location: Miami-Dade County
Developer/Principal: Urban League of Greater Miami ("Developer") M & M Maison II, Ltd., ("Borrower")	Set-Aside: SAIL 20% @ 40% & 80% @ 50% AMI; HC 40% @ 60% LURA & EUA: 50 years
Number of Units: 21	Allocated Amount: SAIL - \$160,000; HC - \$165,439
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

During the 1993 State Apartment Incentive Loan/Hurricane Andrew Recovery and Rebuilding Program ("SAIL") Cycle, Florida Housing awarded a \$160,000 construction/permanent loan to M & M Maison II, Ltd., a Florida limited partnership ("Borrower"), for the development of a 21-unit development in Miami-Dade County. The SAIL loan closed on February 21, 1996 and matured on February 21, 2012.

2. Present Situation

- a) In a letter dated February 14, 2014 the Borrower has requested that the SAIL loan be restructured as an amortizing loan with monthly payments at 1% interest rate until the balance is repaid over a term of 10 years. The Borrower has also agreed to extend the LURA's affordability term for an additional 10 years beyond the current 50 years.
- b) Florida Housing Staff has reviewed the Development operating and financial information and have provided a positive recommendation for the restructured terms of the loan.
- c) Also, the Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and as stated in Rule 67-48. 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.

3. Recommendation

Staff recommends that the Board approve the workout proposal to modify and extend the principal at 1% interest for ten years, with monthly amortization of principal and interest and extension of the LURA for an additional 10 years and direct staff to proceed with loan closing activities.

SPECIAL PROGRAMS

Consent

V. SPECIAL PROGRAMS

A. Request Approval of Loan Closing Extension for Arbor Place Apartments, Ltd., a Development Owned by Volunteers of America of Florida

DEVELOPMENT NAME (“Development”):	Arbor Place Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Volunteers of America of Florida
NUMBER OF UNITS:	32
LOCATION (County):	Hillsborough
TYPE:	Rental
SET ASIDE:	Residents with Disabilities
LOAN AMOUNT:	\$674,556

1. Background

On October 23, 2013, the Board approved the credit underwriting report for Arbor Place Apartments for a demonstration loan awarded under RFP 2008-04 in the amount of \$674,556 contingent upon the conditions detailed in the report. The loan closing deadline was established as 120 days from the electronic transmission of the commitment letter making the closing deadline March 4, 2014.

2. Present Situation

- a) The Developer has continued to progress towards closing and has met several of the conditions contained in the credit underwriting report. However, there are items that are required prior to closing which are still outstanding and being collected by the Developer. These items include the final sources and uses, information from the county related to required permits, and a second inspection to determine how to abate asbestos containing materials in the development.
- b) The credit underwriter has provided a list of outstanding items to the Developer and Florida Housing and staff believes that the outstanding items can be completed by the Developer with an extension.

3. Recommendation

Approve an extension to the loan closing deadline from March 4, 2014 to June 2, 2014.