

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
May 8, 2015
Consent Items



HOME RENTAL

Consent

I. HOME RENTAL

A. Request Approval of HOME Credit Underwriting Report for Cornell Colony (2014-404H)

Development Name: Cornell Colony (“Development”)	Location: Highlands County
Developer: Cornell Colony Developer LLC, (“Developer”)	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 44 HOME Units
Type: New Construction/Single Family Homes	HOME: \$5,103,486
Total Number of Units: 44	Demographics: Rural

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2014-109, seeking an allocation of HOME Program funds for rental developments in rural areas. On August 8, 2014, the Board approved the selection of six (6) Applications, including Cornell Colony, for funding and invitation to credit underwriting.
- b) On August 18, 2014, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Developer had a March 31, 2015 deadline to complete the credit underwriting report.
- c) On March 20, 2015, the Board approved the Developer’s request to extend the completion of the credit underwriting reports from the March 31, 2015 deadline, to no later than the June 19, 2015 Board Meeting.
- d) Rule Chapter 67-48.0072(4)(c), F.A.C. states the loan must close within 12 months of the date of the letter of invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months.
- e) On April 24, 2015, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$5,103,486 ([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.

2. Recommendation

Approve the final credit underwriting report and direct staff to proceed with issuance of a firm loan commitment and loan closing activities.

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II. LEGAL

A. In Re: SP HC Apartments, LLC - FHFC Case No. 2015-017VW

Development Name: (“Development”):	Harbour Court
Developer/Principal: (“Developer”):	Southport Development, Inc.
Number of Units: 64	Location: Polk County
Type: Garden (Rehabilitation)	Set Asides: 30% @ 40% AMI 70% @ 60% AMI
Demographics: Family	MMRB: \$ 4,100,000.00 4% HC: \$ 2,743,726.00 SAIL: \$ 1,750,000.00 ELI Gap: \$ 25,000.00

1. Background

Petitioner was selected to receive State Apartment Incentive Loan (SAIL) funding in Application #2014-317S under RFA 2014-103 (the “RFA”), and was also provided funding under its non-competitive Housing Tax Credits/Multifamily Mortgage Revenue Bond (4% HC/MMRB) Application in the amounts shown above. On April 15, 2015, Florida Housing received a “Petition for Waiver of Rule 67-21.003(8)(f) for a Change in Development Category” (the “Petition”). A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

a) Rule 67-21.003, Fla. Admin. Code (Rev. 7-16-13), provides, in pertinent part:

(8) 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 is deemed complete. Those items are as follows:

(f) Development Category;

b) Petitioner now seeks a waiver of the above prohibition against changing the Development Category, in order to change its designation in its non-competitive 4% HC/MMRB Application from “Acquisition/Preservation” to match the category selected in its competitive SAIL Application, “Acquisition/Rehabilitation.”

c) Given that the requested change would apply to the non-competitive Application, it would neither affect the scoring of Petitioner’s application nor allow Petitioner to gain an unfair advantage over other applicants. Unit and bedroom counts will remain the same. Petitioner asserts that to deny this request for a change in Development Type would cause substantial hardship and violate the principles of fairness.

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- d) On April 14, 2015, Notice of the Petition was published in the Florida Administrative Register in Volume 41, Number 74. 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 Instructions under these circumstances would constitute a substantial hardship and violate the principles of fairness for Petitioner.

3. **Recommendation**

Resolution of the discrepancy between the two Applications regarding Development Category is appropriate under the circumstances, and staff recommends the Board **GRANT** Petitioner's request for a waiver of the above Rule to permit a change in Development Category in their 4% HC/MMRB Application from 'Acquisition/Preservation" to "Acquisition/Rehabilitation."

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B. In Re: SP BV Apartments, LLC - FHFC Case No. 2015-016VW

Development Name: (“Development”):	Brookside Village
Developer/Principal: (“Developer”):	Southport Development, Inc.
Number of Units: 50	Location: Lee County
Type: Garden (Rehabilitation)	Set Asides: 30% @ 40% AMI 70% @ 60% AMI
Demographics: Family	MMRB: \$ 3,500,000.00 4% HC: \$ 1,876,671.00 SAIL: \$ 1,989,000.00 ELI Gap: \$ 145,300.00

1. Background

Petitioner was selected to receive State Apartment Incentive Loan (SAIL) funding in Application #2014-419S under RFA 2014-111 (the “RFA”), and was also provided funding under its non-competitive Housing Tax Credits/Multifamily Mortgage Revenue Bond (4% HC/MMRB) Application in the amounts shown above. On April 15, 2015, Florida Housing received a “Petition for Waiver of Rule 67-21.003(8)(f) for a Change in Development Category” (the “Petition”). A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

a) Rule 67-21.003, Fla. Admin. Code (Rev. 7-16-13), provides, in pertinent part:

(8) 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 is deemed complete. Those items are as follows:

(f) Development Category;

b) Petitioner now seeks a waiver of the above prohibition against changing the Development Category, in order to change its designation in its non-competitive 4% HC/MMRB Application from “Acquisition/Preservation” to match the category selected in its competitive SAIL Application, “Acquisition/Rehabilitation.”

c) Given that the requested change would apply to the non-competitive Application, it would neither affect the scoring of Petitioner’s application nor allow Petitioner to gain an unfair advantage over other applicants. Unit and bedroom counts will remain the same. Petitioner asserts that to deny this request for a change in Development Type would cause substantial hardship and violate the principles of fairness.

d) On April 14, 2015, Notice of the Petition was published in the Florida Administrative Register in Volume 41, Number 74. To date, Florida Housing has received no comments concerning the Petition.

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- 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 Instructions under these circumstances would constitute a substantial hardship and violate the principles of fairness for Petitioner.

3. **Recommendation**

Resolution of the discrepancy between the two Applications regarding Development Category is appropriate under the circumstances, and staff recommends the Board **GRANT** Petitioner's request for a waiver of the above Rule to permit a change in Development Category in their 4% HC/MMRB Application from 'Acquisition/Preservation" to "Acquisition/Rehabilitation."

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C. In Re: Renaissance Preserve IV, LLLP - FHFC Case No. 2015-014VW; Application No. 2014-400C

Development Name: (“Development”):	The Homes of Renaissance Preserve III
Developer/Principal: (“Developer”):	Norstar Development USA, LP Renaissance Preserve Developers, LLC
Number of Units: 88	Location: Lee County
Type: Townhouses	Set Asides: 30% @ 40% AMI 51% @ 60% AMI
Demographics: Family	HC: \$1,020,975

1. Background

Renaissance Preserve IV, LLLP (“Petitioner”) successfully applied for an allocation of Low Income Housing Tax Credits (HC) under RFA 2014-106 to assist in the revitalization of the Development. On April 8, 2015, Florida Housing received a “Petition for Waiver of Rule 67-48.004(3)(i) and (j) for a Change in Number of Units and in Total Set-Aside Percentage” (the “Petitioner”). A copy of the Amended Petition is attached as [Exhibit C](#).

2. Present Situation

a) Rule 67-48.004, Fla. Admin. Code, provides in pertinent part:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(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. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant’s request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development;

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(j) For 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.

Notwithstanding the foregoing, the Total Set-Aside Percentage 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. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant's request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development;

- b) Petitioner requests a waiver of the above Rules to decrease the total number of units in the Development from 88 to 72, and to increase the Total Set-Aside Percentage from 81% to 100%. The existing count of 88 units combined with a set-aside of 81% yields a total number of set-aside units of 72, the same result that will be yielded if the relief sought in the Petition is granted.
- c) On April 14, 2015, the Notice of Petition was published in the Florida Administrative Register in Volume 41, Number 74. To date, Florida Housing has received no comments concerning the 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) The Development is the fourth and final phase of a HOPE VI project, the grant for which carried a Congressionally-mandated expenditure deadline of September 20, 2011. To meet this deadline Petitioner commenced construction of 16 units in May 2011, drawing \$1.9 million in HOPE VI funds over the subsequent four months. Although substantially completed in 2011, the 16 initial units were not placed in service until 2013 to allow Petitioner to seek a Housing Credit allocation for all 88 units in the Development. Unfortunately, these Housing Credits were not timely obtained and the 16 initial units had to be placed in service at that time to satisfy the federal HOPE VI deadlines. As a result, these 16 initial units became ineligible to receive Housing Credits from RFA 2014-106.
- f) Petitioner desires to maintain the overall number of Housing Credit eligible units to which it originally committed in its Application – 72 units. The exclusion of the 16 ineligible units does not change the allocated amount of Housing Credits. Moreover, the scoring of Petitioner's Application would not be affected by this change, nor would the change adversely impact any other Applicant in RFA 2014-106.

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- g) Petitioner has demonstrated that strict application of the above Rule under these circumstances would constitute a substantial hardship and violate the principles of fairness, in that if the requested relief is not granted, Petitioner may lose funding commitments and be unable to complete the Development. The granting of this waiver will also serve the underlying purposes of Section 420.5099, Fla. Stat.

3. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for a waiver of the above Rules to increase the Total Set-Aside Percentage from 81% to 100%, and to decrease the total number of units in the Development from 88 to 72.

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Consent

D. In Re: Peterborough 2, LTD - FHFC Case No. 2015-018VW

Development Name: (“Development”):	Peterborough
Developer/Principal: (“Developer”):	Peterborough Redevelopment Associates, LLC
Number of Units: 150	Location: Pinellas
Type: High -Rise	Set Asides: 30% @ 40% AMI 70% @ 60% AMI
Demographics: Elderly (non-ALF)	MMRB: \$ 10,000,000.00 4% HC: \$ 630,917.00 SAIL: \$ 3,939,840.00 ELI Gap: \$ 1,125,000.00

1. Background

Petitioner was selected to receive State Apartment Incentive Loan (SAIL) funding in Application #2014-321S under RFA 2014-103 (the “RFA”), and was also provided funding under its non-competitive Housing Tax Credits/Multifamily Mortgage Revenue Bond (4% HC/MMRB) Application in the amounts shown above. On April 20, 2015, Florida Housing received a “Petition for Waiver of Rule 67-21.003(8)(f) for a Change in Development Category” (the “Petition”). A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

a) Rule 67-21.003, Fla. Admin. Code (Rev. 7-16-13), provides, in pertinent part:

(8) 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 is deemed complete. Those items are as follows:

(f) Development Category;

b) Petitioner now seeks a waiver of the above prohibition against changing the Development Category, in order to change its designation in its non-competitive 4% HC/MMRB Application from “Acquisition/Preservation” to match the category selected in its competitive SAIL Application, “Acquisition/Rehabilitation.”

c) Given that the requested change would apply to the non-competitive Application, it would neither affect the scoring of Petitioner’s application nor allow Petitioner to gain an unfair advantage over other applicants. Unit and bedroom counts will remain the same. Petitioner asserts that to deny this request for a change in Development Type would cause substantial hardship and violate the principles of fairness.

d) On April 20, 2015, Notice of the Petition was published in the Florida Administrative Register in Volume 41, Number 78. To date, Florida Housing has received no comments concerning the Petition.

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Consent

- 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 Instructions under these circumstances would constitute a substantial hardship and violate the principles of fairness for Petitioner.

3. **Recommendation**

Resolution of the discrepancy between the two Applications regarding Development Category is appropriate under the circumstances, and staff recommends the Board **GRANT** Petitioner's request for a waiver of the above Rule to permit a change in Development Category in their 4% HC/MMRB Application from 'Acquisition/Preservation' to "Acquisition/Rehabilitation."

LEGAL

Consent

E. In Re: Gateway Townhomes of St. Joe, LLC - FHFC Case No. 2015-019VW

Development Name: (“Development”):	Gateway Townhomes of St. Joe
Developer/Principal: (“Developer”):	The Paces Foundation, Inc.
Number of Units: 50	Location: Gulf County
Type: Townhouses	Set Asides: 20% @ 50% AMI 80% @ 60% AMI
Demographics: Family	HOME: \$5,482,633

1. Background

- a) Pursuant to RFA 2014-109 (the “RFA”), Gateway Townhomes of St. Joe, LLC. (“Petitioner”) applied for and was awarded an allocation of HOME funding to finance the construction of a development in Gulf County, Florida.
- b) On April 21, 2014, Florida Housing received a “Petition for Waiver of Rule 67-48.004(3)(g) for a Change in Development Type” (“Petition”). A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-48.004(3)(g), Fla. Admin. Code, provides in pertinent part:
 - (3) Notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

...

(g) Development Type;

- b) At the time Petitioner submitted its Application for funding, it chose “Townhomes” as its Development Type. Petitioner now seeks a waiver from the above Rule to permit it to change this Development Type from “Townhouses” to “Garden Apartments”. Petitioner requests this change to accommodate the difficulties and impediments caused by the presence of wetlands on the Development site, which could increase the total cost of constructing “Townhouses” by more than fifty- five percent (55%) of the total cost planned at the time of filing of the Application.
- c) The requested change would neither affect the scoring of Petitioner’s application nor allow Petitioner to gain an unfair advantage over other applicants. Petitioner further asserts that not granting this waiver would result in substantial economic hardship for the Petitioner, and could deprive Gulf County, Florida of essential affordable low-income housing units in a timely manner, and a violation of the principles of fairness.
- d) On April 21, 2014, Notice of the Petition was published in the Florida Administrative Register in Volume 41, Number 78. To date, Florida Housing has received no comments concerning the Petition.

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Consent

- 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 constitute a substantial hardship and violate the principles of fairness.

3. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.004(3)(g), Fla. Admin. Code, to permit the requested change in Development Type from Townhouses to Garden Apartments. Petitioner will be subject to and must complete the Development within the Total Development Cost limits of the new Garden Apartments Development Type.

MULTIFAMILY BONDS

Consent

III. MULTIFAMILY BONDS

A. Request Approval of the Sale of Land to FDOT from Garden Vista Apartments (2014 Series C / 2013-527C)

Development Name: Garden Vista Apartments	Location: Miami-Dade County
Developer/Principal (“Applicant”): Related Affordable / Garden Vista Preservation LP	Set-Asides: 40% @ 60% AMI MMRB 100% @ 60% AMI Housing Credits
Funding Source: Multifamily Mortgage Revenue Bonds (MMRB) and 4% Housing Tax Credits (Housing Credits)	Amount: \$10,500,000 MMRB \$698,202 Housing Credits
Number of Units: 150	Type: Family

1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development using the 2013 Non-Competitive Application package. Applicant applied for tax-exempt Bonds in the amount of \$10,500,000 and non-competitive Housing Credits in the amount of \$645,000 in order to acquire and rehabilitate the Development. The final credit underwriting report was approved by the Board on June 13, 2014. On August 15, 2014, Florida Housing financed the rehabilitation of the Development with \$10,500,000 in tax exempt MMRB designated as 2014 Series C.

2. Present Situation

The Borrower has requested Florida Housing’s consent to sell two small parcels of land adjacent to an existing right of way bordering the Development. The purchase by the Florida Department of Transportation would occur in lieu of a taking by the eminent domain process ([Exhibit A](#)). The sales price is \$232,500 and after expenses from relocating a playground, fencing, water meters, landscaping and other related costs associated with the land disposition, the remaining \$164,500 balance of the sales proceeds would be used to help fund the ongoing rehabilitation of the Development. First Housing Development Corporation has reviewed this request and provided a positive recommendation ([Exhibit B](#)).

3. Recommendation

Approve the sale of land to FDOT and direct Florida Housing staff to proceed with loan document modification activities as needed.

MULTIFAMILY BONDS

Consent

B. Request Approval of Credit Underwriting Report for Brookside Village (2014-138B / 2014-419S)

Development Name: Brookside Village	Location: Lee County
Developer/Principal (“Applicant”): Southport Development, Inc. / SP BV Apartments LLC	Set-Asides for MMRB, Housing Credits, SAIL and ELI: 30% @ 40% AMI 70% @ 60% AMI
Funding Source: Multifamily Mortgage Revenue Bonds (MMRB), State Apartment Incentive Loan (SAIL), ELI Gap Funding (ELI) and 4% Housing Tax Credits (Housing Credits)	Amount: \$3,500,000 MMRB \$1,989,000 SAIL \$145,300 ELI \$240,379 Housing Credits
Number of Units: 50	Type: Family

1. Background/Present Situation

- a) On August 22, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) As required in RFA 2014-111, the Applicant submitted a Non-Competitive Application package requesting MMRB in the amount of \$3,500,000 and non-competitive Housing Credits in the amount of \$220,000.
- c) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-111 and directed staff to proceed with all necessary credit underwriting activities.
- d) On December 19, 2014, staff issued an invitation to enter credit underwriting to the Applicant.
- e) Staff reviewed the credit underwriting report giving a positive recommendation for a SAIL loan in the amount of \$1,989,000, ELI Gap funding in the amount of \$145,300, \$3,500,000 in Tax Exempt MMRB, and \$240,379 in Housing Credits ([Exhibit C](#)). Staff finds that the development meets all of the requirements of RFA 2014-111 and the Non-Competitive Application.

2. Recommendation

Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report recommending and allocating \$240,379 in 4% Housing Credits, \$3,500,000 in Tax Exempt MMRB, \$1,989,000 in SAIL, and \$145,300 in ELI Gap Funding for the rehabilitation of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval of Credit Underwriting Report for Harbour Court (2014-127B / 2014-317S)

Development Name: Harbour Court	Location: Polk County
Developer/Principal (“Applicant”): Southport Development, Inc. / SP HC Apartments LLC	Set-Asides: 100% @ 60% AMI (MMRB & Housing Credits) 10% @ 45% (SAIL and ELI) 90% @ 60% (SAIL)
Funding Source: Multifamily Mortgage Revenue Bonds (MMRB), State Apartment Incentive Loan (SAIL), ELI Gap Funding (ELI) and 4% Housing Tax Credits (Housing Credits)	Amount: \$4,100,000 MMRB \$1,750,000 SAIL \$525,000 ELI \$289,724 Housing Credits
Number of Units: 64	Type: Family

1. Background/Present Situation

- a) On January 10, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-103 for the Financing of Affordable Multifamily Housing Developments with SAIL Funding to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) As required in RFA 2014-103, the Applicant submitted a Non-Competitive Application package requesting MMRB in the amount of \$4,100,000 and Non-Competitive Housing Credits in the amount of \$280,000.
- c) On August 8, 2014, the Board approved the final scores and recommendations for RFA 2014-103 and directed staff to proceed with all necessary credit underwriting activities.
- d) On August 14, 2014, staff issued an invitation to enter credit underwriting for the SAIL and ELI Gap Funding to the Applicant. Upon acceptance of the invitation, the Applicant also entered credit underwriting for MMRB and Housing Credits at risk due to the fact that the Limited Development Area information in the Non-Competitive Application form used for this Application had not yet been updated.
- e) Staff reviewed the credit underwriting report giving a positive recommendation for a SAIL loan in the amount of \$1,750,000, ELI Gap Funding in the amount of \$525,000, \$4,100,000 in Tax Exempt MMRB, and \$289,724 in Housing Credits ([Exhibit D](#)). Staff finds that the development meets all of the requirements of RFA 2014-103 and the Non-Competitive Application.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report recommending and allocating \$289,724 in 4% Housing Credits, \$4,100,000 in Tax Exempt MMRB, \$1,750,000 in SAIL, and \$525,000 in ELI Gap Funding for the rehabilitation of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

D. Request Approval of Credit Underwriting Report for Peterborough (2014-106B / 2014-321S)

Development Name: Peterborough	Location: Pinellas County
Developer/Principal (“Applicant”): Blue Sky Communities / Peterborough 2, Ltd.	Set-Asides for MMRB, Housing Credits, SAIL and ELI: 30% @ 40% AMI 70% @ 60% AMI
Funding Source: Multifamily Mortgage Revenue Bonds (MMRB), State Apartment Incentive Loan (SAIL), ELI Gap Funding (ELI) and 4% Housing Tax Credits (Housing Credits)	Amount: \$10,000,000 MMRB \$3,939,840 SAIL \$1,125,000 ELI \$689,489 Housing Credits
Number of Units: 150	Type: Elderly

1. Background/Present Situation

- a) On January 10, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-103 for the Financing of Affordable Multifamily Housing Developments with SAIL Funding to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) As required in RFA 2014-103, the Applicant submitted a Non-Competitive Application package requesting MMRB in the amount of \$10,000,000 and Non-Competitive Housing Credits in the amount of \$630,917.
- c) On August 8, 2014, the Board approved the final scores and recommendations for RFA 2014-103 and directed staff to proceed with all necessary credit underwriting activities.
- d) On August 14, 2014, staff issued an invitation to enter credit underwriting to the Applicant.
- e) Staff reviewed the credit underwriting report giving a positive recommendation for a SAIL loan in the amount of \$3,939,840, ELI Gap Funding in the amount of \$1,125,000, \$10,000,000 in Tax Exempt MMRB, and \$689,489 in Housing Credits ([Exhibit E](#)). Staff finds that the development meets all of the requirements of RFA 2014-103 and the Non-Competitive Application.

2. Recommendation

Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report recommending and allocating \$689,489 in 4% Housing Credits, \$10,000,000 in Tax Exempt MMRB, \$3,939,840 in SAIL, and \$1,125,000 in ELI Gap Funding for the rehabilitation of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

E. Request Approval of Amendment to Credit Underwriting Report for Spring Manor (2014-136B / 2014-412S)

Development Name: Spring Manor	Location: Marion County
Developer/Principal (“Applicant”): Southport Development, Inc. / SP SM Apartments LLC	Set-Asides for MMRB, Housing Credits, SAIL and ELI: 30% @ 45% AMI 70% @ 60% AMI
Funding Source: Multifamily Mortgage Revenue Bonds (MMRB), State Apartment Incentive Loan (SAIL), ELI Gap Funding (ELI) and 4% Housing Tax Credits (Housing Credits)	Amount: \$9,250,000 MMRB \$4,398,240 SAIL \$233,600 ELI \$667,468 Housing Credits
Number of Units: 160	Type: Family

1. Background

- a) On August 22, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) As required in RFA 2014-111, the Applicant submitted a Non-Competitive Application package requesting MMRB in the amount of \$8,750,000 and non-competitive Housing Credits in the amount of \$600,000.
- c) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-111 and directed Staff to proceed with all necessary credit underwriting activities.
- d) On December 19, 2014, Staff issued an invitation to enter credit underwriting for the SAIL and ELI Gap Funding to the Applicant. Upon acceptance of the invitation, the Applicant also entered credit underwriting for MMRB and Housing Credits at risk due to the fact that the Limited Development Area information in the Non-Competitive Application form used for this Application had not yet been updated.
- e) Staff reviewed the credit underwriting report dated March 6, 2015 giving a positive recommendation for a SAIL loan in the amount of \$4,398,240, ELI Gap funding in the amount of \$233,600, \$8,750,000 in tax exempt MMRB, and \$669,258 in Housing Credits. The final credit underwriting report was approved by the Board on March 20, 2014.

MULTIFAMILY BONDS

Consent

2. **Present Situation**

- a) The Applicant has requested Florida Housing's approval for a \$500,000 increase in the amount of the MMRB to \$9,250,000. The Applicant has experienced an unexpected increase in costs associated with the project. The increase has resulted in the projected total depreciable development costs coming unacceptably close to the level at which proceeds from the previously approved \$8,750,000 bond amount would not equate to at least 50% of costs.
- b) Failure to meet the 50% test as required under Code section 42(h)(4) results in loss of credits. The credit underwriter (Seltzer Management Group) has reviewed the request and analyzed the associated potential implications resulting in a favorable recommendation to increase the amount of the MMRB to \$9,250,000 as described in their final amended credit underwriting report dated April 23, 2015 ([Exhibit F](#)) which amends certain provisions of the March 6, 2015 credit underwriting report in conjunction with the increase in the bond amount. The authorizing Resolution, 2015-06, allows such increase, provided that such increase does not reduce the Debt Service Coverage ratio below 1.00.

3. **Recommendation**

Staff recommends that the Board approve an increase of \$500,000 in the MMRB funding, for a total MMRB amount of \$9,250,000.

MULTIFAMILY BONDS

Consent

F. Assignment of Bond Underwriter and Recommended Method of Sale

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition and rehabilitation of the proposed Developments referenced below, the Final Credit Underwriting Reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals for each transaction and approval of the recommended method of sale. A brief description of the Developments are detailed below along with staff's recommendations.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed bond structures by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond sale. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond sale for the Developments. The recommendation letters are attached as Exhibit G through I.

2. Present Situation

Florida Housing staff, the Credit Underwriter, and the IRMA have reviewed the financial structure for the proposed Developments.

3. Recommendation

Approve the assignment of the recommended professionals and the Independent Registered Municipal Advisor's recommendations for the method of bond sales, as shown in the chart below, for the proposed Developments.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Brookside Village	Lee County	50	Negotiated Public Offering	RBC Capital Markets, LLC	<u>Exhibit G</u>
Harbour Court	Polk County	64	Negotiated Public Offering	RBC Capital Markets, LLC	<u>Exhibit H</u>
Peterborough	Pinellas County	150	Limited Public Offering	RBC Capital Markets, LLC	<u>Exhibit I</u>

MULTIFAMILY PROGRAMS

Consent

IV. MULTIFAMILY PROGRAMS

A. Request Approval of Grant Closing Extension for Kaylee Bay Village f/k/a Tampa Veterans Village (RFA 2013-006/2014-165G)

Development Name:	Kaylee Bay Village f/k/a Tampa Veterans Village
Applicant/Principal:	Volunteers of America of Florida, Inc.
Location :	Hillsborough County
Demographic:	Homeless
Number of Units/Type:	15 Duplexes
Set-Aside:	50% @ 40% AMI & 50% @ 60% AMI
Allocated Amount:	\$2,100,000.00

1. Background/Present Situation

- a) On October 11, 2013, Florida Housing Finance Corporation issued a request for applications (RFA) 2013-006 for financing to build permanent supportive housing for homeless persons and families. The funding must be used to construct or purchase and renovate small specialty housing of 15 units or less.
- b) On December 13, 2013, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 19, 2013, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Volunteers of America of Florida, Inc. Per the RFA, the funding must close by September 30, 2014.
- d) On July 11, 2014, staff approved a request to extend the loan closing deadline from September 30, 2014 to December 30, 2014, pursuant to the requirements of the RFA.
- e) On December 12, 2014, the Board approved a request to extend the grant closing deadline from December 30, 2014 to February 27, 2015.
- f) On January 30, 2015, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities.
- g) On February 24, 2015, the Board approved a request to extend the grant closing deadline from February 27, 2015 to April 15, 2015.
- h) The Borrower has requested an additional extension of the grant closing deadline. This additional extension will allow sufficient time to obtain the appropriate approvals for the subordination of the City of Tampa HOME loan.

2. Recommendation

Approve a waiver of the April 15, 2015 closing deadline and grant an additional closing extension to June 19, 2015.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Grant Closing Extension for Home Place at Balkin (RFA 2014-101/2014-337G)

Development Name:	Home Place at Balkin
Applicant/Principal:	Big Bend Homeless Coalition, Inc.
Location :	Leon County
Demographic:	Homeless
Number of Units/Type:	9 Garden Apartments
Set-Aside:	50% @ 33% AMI & 50% @ 60% AMI
Allocated Amount:	\$418,450.00 Grant & \$175,000.00 ELI

1. Background/Present Situation

- a) On January 8, 2014, Florida Housing Finance Corporation issued a request for applications (RFA) 2014-101 for financing to build permanent supportive housing for homeless persons and families. The funding must be used to construct or purchase and renovate existing small specialty housing of 15 units or less.
- b) On March 14, 2014, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On April 7, 2014, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Big Bend Homeless Coalition, Inc. Per the RFA, the funding must close by October 31, 2014.
- d) On August 25, 2014, Staff approved a request to extend the loan closing deadline from October 31, 2014 to January 30, 2015, pursuant to the requirements of the RFA.
- e) On January 30, 2015, the Board approved a request to extend the credit underwriting report deadline to the March 20, 2015 Board meeting and a request to extend the closing deadline from January 30, 2015 to April 30, 2015.
- f) On March 20, 2015, the Board approved the final underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities.
- g) Staff received correspondence from the Applicant requesting an additional extension of the grant closing deadline.
- h) Staff is requesting a waiver of the April 30, 2015 closing deadline and an additional extension of the closing deadline to June 19, 2015. This additional extension will allow sufficient time to complete closing activities.

2. Recommendation

Approve a waiver of the April 30, 2015 closing deadline and grant an additional closing extension to June 19, 2015.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

V. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan Amount for The Arc Nature Coast, Inc., a not-for-profit entity, for Neff Lake Estate II (2014-010P-09)

DEVELOPMENT NAME (“Development”):	Neff Lake Estate II
APPLICANT/DEVELOPER (“Developer”):	The Arc Nature Coast, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	1 unit for up to 6 residents
LOCATION (“County”):	Hernando County
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$38,982

1. Background

- a) On December 3, 2014, the Developer submitted a PLP application for Neff Lake Estates II in the amount of \$38,982.
- b) On December 5, 2014, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 8, 2015, staff received a development plan and a letter ([Exhibit A](#)) from the technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$38,982.
- b) This Community Residential Home will consist of one six-bedroom home for six individual residents. The development has received a preliminary commitment for construction financing under RFA 2014-112 and is in credit underwriting with a closing deadline of November 20, 2015.
- c) 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 \$38,982 to Arc Nature Coast, Inc. for Neff Lake Estate II allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan Amount for The Arc Nature Coast, Inc., a not-for-profit entity, for Neff Lake Estate III (2014-011P-09)

DEVELOPMENT NAME (“Development”):	Neff Lake Estate III
APPLICANT/DEVELOPER (“Developer”):	The Arc Nature Coast, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	1 unit for up to 6 residents
LOCATION (“County”):	Hernando County
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$41,282

1. Background

- a) On December 3, 2014, the Developer submitted a PLP application for Neff Lake Estates III in the amount of \$41,282.
- b) On December 5, 2014, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 8, 2015, staff received a development plan and a letter ([Exhibit B](#)) from the technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$41,282.
- b) This Community Residential Home will consist of one six-bedroom home for six individual residents. Along with Neff Lake Estate II, the development has received a preliminary commitment for construction financing under RFA 2014-112 and is in credit underwriting with a closing deadline of November 20, 2015.
- c) 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 \$41,282 to Arc Nature Coast, Inc. for Neff Lake Estate III allow staff to commence with the loan closing process.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VI. PROFESSIONAL SERVICES SELECTION (PSS)

A. Renewal for Bond Counsel Contracts

1. Background

a) At the July 2012 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the following firms for Bond Counsel services:

- (1) Bryant Miller Olive P.A. jointly with Steve E. Bullock, P.A.
- (2) Greenberg Traurig, P.A. jointly with Edwards & Associates, P.A.
- (3) Hawkins Delafield & Wood LLP jointly with Murai Wald Biondo Moreno & Brochin, P.A.
- (4) Kutak Rock LLP

b) The initial three (3) year term of this contract began for each of these firms in August 2012. Contingent upon these firms satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice. Each renewal shall be for an additional one year period. There are two (2) optional renewal terms remaining.

2. Present Situation

Florida Housing staff supports a renewal to extend the term of the contracts for the first one (1) year period.

3. Recommendation

Staff believes that it is in the best interest of Florida Housing to continue to retain all four Bond Counsel firms pursuant to the existing contract and recommends the Board direct staff to proceed with the first one (1) year renewal option.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

B. Renewal for Financial Advisor Contract

1. Background

- a) At the July 2012 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Tibor Partners, Inc. for Financial Advisor services.
- b) The initial three (3) year term of this contract began on August 24, 2012. Contingent upon the vendor satisfactorily performing its obligations under the contract as determined by Florida Housing, this contract may be renewed twice. Each renewal shall be for an additional one year period. There are two (2) optional renewal terms remaining.

2. Present Situation

Florida Housing staff supports a renewal to extend the term of the contract for the first one (1) year period.

3. Recommendation

Staff believes that it is in the best interest of Florida Housing to continue to retain Tibor Partners, Inc. pursuant to the existing contract and recommends the Board direct staff to proceed with the first one (1) year renewal option.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

C. **Renewal for Compliance Administration for the Single Family Homebuyer Program Contract**

1. **Background**

- a) At the August 2013 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Housing and Development Services, Inc. for Compliance Administration services in conjunction with the Single Family Homebuyer Program.
- b) The initial two (2) year term of this contract began on October 1, 2013. Contingent upon the vendor satisfactorily performing its obligations under the contract as determined by Florida Housing, this contract may be renewed for a period of up to three (3) years.

2. **Present Situation**

Florida Housing staff supports a renewal to extend the term of the contract for a three (3) year period.

3. **Recommendation**

Staff believes that it is in the best interest of Florida Housing to continue to retain Housing and Development Services, Inc., d/b/a eHousingPlus pursuant to the existing contract and recommends the Board direct staff to proceed with a three (3) year renewal option.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

D. Renewal for Soldiers to Scholars Subsidy Agreements for Phases II and III

1. Background

- a) At the October 2014 meeting, the Board of Directors of Florida Housing authorized staff to enter into new contracts with the University of Central Florida (UCF) and the Metro Place development to expend \$11,335 in rental assistance or subsidies to U.S. military veterans or defense industry personnel currently attending a college or post-secondary school within the Central Florida area.
- b) The initial term of this contract retroactively began on July 1, 2014 and is set to expire June 30, 2015. Contingent upon these firms satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice. Each renewal shall be for an additional one year period. There are two (2) optional renewal terms remaining.

2. Present Situation

Florida Housing staff supports a renewal to extend the term of the contracts for the first one (1) year period.

3. Recommendation

Authorize staff to proceed with the first one (1) year renewal option for the Phase II and III contracts in order to expend remaining funds.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Residences at Crystal Lake (2014-425S)

Development Name: Residences at Crystal Lake (“Development”)	Location: Broward County
Developer/Principal: NuRock Development Partners, Inc. (“Developer”)	Set-Aside: 5% @ 30% AMI and 95% @ 60% AMI
Number of Units: 92	SAIL: 5,000,000, ELI Gap loan: \$457,600, 4% HC \$828, 808
Development Category/Type: New Construction/Townhomes	Demographic: Family

1. Background/Present Situation

- a) On August 25, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On October 30, 2014, the Board approved the final scores and recommendations for RFA 2014-111, and directed staff to proceed with all necessary credit underwriting activities.
- c) On November 25, 2014, staff issued an at-risk credit underwriting opportunity to the NuRock Development Partners, Inc. per their request.
- d) On April 22, 2015, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2014-111.

2. Recommendation

Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Loan Closing Extension for Carolina Club (RFA 2014-108-02)

Development Name:	Carolina Club
Developer/Principal:	Cornerstone Group Development, LLC
Number of Units:	224
Location :	Volusia County
Type/Demographic:	Rental/Family (Guarantee, SAIL and HC)
Set-Aside:	90.18% @ 60% AMI & 9.82% @ 33% (HC & SAIL)
Allocated Funding Amount:	\$2,325,000 SAIL \$525,342 Housing Credit
SAIL ELI Funding under RFA 2014-108:	\$2,475,000

1. Background/Present Situation

- a) On August 18, 2014, Florida Housing staff issued a request for applications (RFA) 2014-108 to award SAIL ELI funding to existing Florida Housing Guarantee Program developments, with closing on the SAIL ELI funding to occur simultaneously with their refinancing out of the Guarantee Program portfolio.
- b) On September 19, 2014, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On September 25, 2014, staff issued a preliminary commitment and invitation to enter credit underwriting to Carolina Club with a closing deadline of June 25, 2015.
- d) On March 31, 2015, staff received a letter from the Developer requesting a loan closing extension ([Exhibit B](#)). Per the RFA, one (1) extension of up to three (3) months may be requested and a non-refundable extension fee of 1 percent of the loan amount is applicable.

2. Recommendation

Approve a loan closing extension from June 25, 2015 to September 25, 2015, subject to payment of the required non-refundable extension fee (one percent of the loan amount), pursuant to RFA 2014-108.

SPECIAL ASSETS

Consent

VIII. SPECIAL ASSETS

- A. Request Approval of Changes to SAIL Loan Modification for Waterside Apartments, Ltd., a Florida Limited Partnership, for Calusa Cove (2002-017S/2001-039C/2004-002C)

Development Name: Calusa Cove Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Enterprise (“Developer”)/Waterside Apartments, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 15% @ 30% & 85% @ 60% AMI; LURA: 50 years; EUA: 50 years
Number of Units: 144	Allocated Amount: SAIL \$1,449,387; HC \$861,120
Demographics: Family	Servicer: Seltzer Management Group

1. **Background**

- a) During the 2002-2003 State Apartment Incentive Loan (“SAIL”) Cycle XIV, Florida Housing Finance Corporation (“Florida Housing”) awarded a \$1,449,387 construction/permanent loan to Waterside Apartments, Ltd. (“Borrower”), a Florida limited partnership, for the development of a 144-unit property in Miami-Dade County. The SAIL loan closed on October 6, 2003, and will mature on June 30, 2019. The Development also received a 2004 allocation of low-income housing tax credits of \$861,120.
- b) At the December 12, 2014 Florida Housing Board meeting, the borrower’s request for transfer of General Partner interest, the refinancing of the existing first mortgage, assumption, subordination and renegotiation of the SAIL loan documents and the Extended Low-Income Housing Agreement as applicable and extension of the SAIL loan to be co-terminus with the new first mortgage was approved.

2. **Present Situation**

- a) The Borrower subsequently requested the SAIL loan be further modified from the current interest only payments based on 3% interest, subject to cash flow, to a hard pay structure requiring annual payments of interest and principal with a 1% interest and a 25 year amortization schedule. The proposed payment structure will result in at least \$22,067 more in annual payments to Florida Housing than the current interest only payments.
- b) Staff has received a credit underwriting report ([Exhibit A](#)) providing a positive recommendation.

3. **Recommendation**

Approve the modified terms with the conditions provided in the credit underwriting 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 as needed.

SPECIAL ASSETS

Consent

B. Request Approval to Refinance the First Mortgage and Restructure the SAIL Loan for TWC Eighty-Eight, Ltd., a Florida Limited Partnership, for Woodhill Apartments (95S-061/96L-001)

Development Name: Woodhill Apartments (“Development”)	Location: Orange County
Developer/Principal: The Wilson Company (“Developer”)/ TWC Eighty-Eight, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 20% @ 40% & 80% @ 60% AMI; LURA: 54 years; EUA: 50 years
Number of Units: 450	Allocated Amount: SAIL \$3,000,000; HC \$2,454,166
Demographics: Family	Servicer: Seltzer Management Group

1. Background

During the 1995 State Apartment Incentive Loan (“SAIL”) Cycle VII, Florida Housing awarded a \$3,000,000 construction/permanent loan to TWC Eighty-Eight, Ltd. (“Borrower”), a Florida limited partnership, for the development of a 450-unit development in Orange County. The SAIL loan closed on September 19, 1995, and had an original maturity date of February 8, 2012. The Board previously approved loan extensions to February 8, 2016. The Development also received a 1996 annual allocation of low-income housing tax credits of \$2,454,166.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage and pay down of the SAIL loan of approximately \$2,000,000. The Borrower also requests that the SAIL loan be modified to change the SAIL interest rate from 9% to 3% and to meet the requirements of the new first mortgage including subordination of the SAIL loan and loan documents and the Housing Credit Extended Use Agreement (“HC EUA”), modification of the interest payment to 75% of available cash flow and extension of the SAIL loan to be co-terminus with the new first mortgage. The Borrower has agreed to an extension of the SAIL Land Use Restriction Agreement (“LURA”) term equal to the loan extension.
- b) Staff has received a credit underwriting report ([Exhibit B](#)) providing a positive recommendation.

3. Recommendation

Approve the refinancing of the first mortgage, modification with a pay down of the SAIL loan and extension of the SAIL loan and SAIL LURA by an equal amount of time, and subordination of the SAIL loan documents, SAIL LURA and HC EUA, and modification to any other loan documents deemed necessary by FHFC counsel, 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 as needed.

SPECIAL ASSETS

Consent

C. **Request Approval of the Extension of the HOME Loan for River Oaks Holdings, Ltd. for River Oaks Plantation (94DRHR-031/95L-018)**

Development Name: River Oaks Plantation (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone (“Developer”)/ River Oaks Holdings, Ltd. (“Borrower”)	Set-Aside: HOME & HC 20%@40% & 80%@60% AMI; LURA: 30 years; EUA 50 years
Number of Units: 160	Allocated Amount: HOME \$700,000; HC \$1,053,234
Demographics: Family	Servicer: First Housing Development Corporation

1. **Background**

During the 1994 Disaster Relief Application Cycle, Florida Housing Finance Corporation (“FHFC”) awarded a Home Investment Partnership Program Loan (“HOME”) in the original amount of \$700,000 to River Oaks Holdings, Ltd., a Florida limited partnership (“Borrower”), for the acquisition and rehabilitation of a 160-unit development in Miami-Dade County. The HOME loan closed on March 31, 1995, and will mature on April 30, 2015. The Development also received a 1994 annual allocation of low-income housing tax credits (“HC”) of \$1,053,234.

2. **Present Situation**

- a) The Borrower has requested a one-year extension of the HOME loan to allow time to sell or refinance the Development. The Borrower intends to refinance and pay off the HOME loan if unable to close on a sale of the Development.
- b) The Borrower has agreed to pay the loan extension fee, and to an extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding one year to the current 30 years).

3. **Recommendation**

Approve the extension of the HOME loan at its current terms, to April 30, 2016, extension of the LURA for an additional year, and direct staff to proceed with loan document modification activities as needed.