

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
December 9, 2016  
Consent Items



## HOME RENTAL

### *Consent*

#### I. HOME RENTAL

##### A. Request Approval to Extend HOME Firm Commitment and Loan Closing for Centerra (2016-104H)

<b>Development Name: Centerra</b> <b>("Development")</b>	<b>Location: Miami-Dade County</b>
<b>Developer: Centerra Associates, Ltd.,</b> <b>Cornerstone Group Partners, LLC</b> <b>("Developers")</b>	<b>Set-Asides: 10% @ 50% AMI (HOME)</b> <b>41% @ 60% AMI (HOME)</b> <b>40% @ 60% AMI (MMRB)</b> <b>94% @ 60% AMI (HC)</b> <b>54 HOME Assisted Units</b>
<b>Type: New Construction/Townhomes</b>	<b>HOME: \$5,304,000</b>
<b>Total Number of Units: 104</b>	<b>Demographics: Family</b>

#### 1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications ("RFA") 2015-110, seeking an allocation of HOME Program funds for the Financing of Affordable Multifamily Housing Developments with HOME Funding to be used in Conjunction with Florida Housing-Issued Multifamily Mortgage Revenue Bonds Financing and Non-Competitive Housing Credits. On December 11, 2015, the Board approved the selection of six (6) Applications, including Centerra for funding and invitation to credit underwriting.
- b) On January 14, 2016, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Applicants were required to complete credit underwriting and execute a HOME written agreement by June 17, 2016. On May 6, 2016, the Board approved the Developers' request to extend the completion of the credit underwriting reports from the June 17, 2016 deadline, to no later than the June 24, 2016 Board Meeting.
- c) On June 24, 2016, the Board approved the final credit underwriting report and directed staff to proceed with a firm loan commitment and loan closing activities.
- d) On June 27, 2016, staff issued a firm commitment letter for a HOME loan in an amount up to \$5,304,000. Pursuant to the firm commitment, the loan must close by December 21, 2016.
- e) 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 or January 14, 2017. Applicants may request one (1) extension of the closing date, up to 12 months.
- f) Rule Chapter 67-48.0072(26) states the loan must close within 180 days of the issuance of the firm commitment. On November 18, 2016, staff received a letter ([Exhibit A](#)) from the Developers requesting Board extension of 90 days due to delays in permitting approval. Both extensions are available by Rule.

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2. **Recommendation**

- a) Approve the extension requests for an additional year of the preliminary commitment letter and an additional 90 days for the date in the firm commitment.

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#### B. Request Approval to Extend HOME Firm Commitment and Loan Closing for Sunset Pointe (2016-107H)

<b>Development Name: Sunset Pointe (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer: Sunset Pointe Associates, Ltd., Cornerstone Group Partners, LLC (“Developers”)</b>	<b>Set-Asides: 20% @ 50% AMI (HOME) 80% @ 60% AMI (HOME) 40% @ 60% AMI (MMRB) 100% @ 60% AMI (HC) 42 HOME Assisted Units</b>
<b>Type: New Construction/Garden Apartments</b>	<b>HOME: \$4,346,000</b>
<b>Total Number of Units: 82</b>	<b>Demographics: Family</b>

#### 1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2015-110, seeking an allocation of HOME Program funds for the Financing of Affordable Multifamily Housing Developments with HOME Funding to be used in Conjunction with Florida Housing-Issued Multifamily Mortgage Revenue Bonds Financing and Non-Competitive Housing Credits. On December 11, 2015, the Board approved the selection of six (6) Applications, including Sunset Pointe for funding and invitation to credit underwriting.
- b) On January 14, 2016, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Applicants were required to complete credit underwriting and execute a HOME written agreement by June 17, 2016. On May 6, 2016, the Board approved the Developers’ request to extend the completion of the credit underwriting reports from the June 17, 2016 deadline, to no later than the June 24, 2016 Board Meeting.
- c) On June 24, 2016, the Board approved the final credit underwriting report and directed staff to proceed with a firm loan commitment and loan closing activities.
- d) On June 27, 2016, staff issued a firm commitment letter for a HOME loan in an amount up to \$4,346,000. Pursuant to the firm commitment, the loan must close by December 21, 2016.
- e) 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 or January 14, 2017. Applicants may request one (1) extension of the closing date, up to 12 months.
- f) Rule Chapter 67-48.0072(26) states the loan must close within 180 days of the issuance of the firm commitment. On November 18, 2016, staff received a letter ([Exhibit B](#)) from the Developers requesting Board extension of 90 days due to delays in permitting approval. Both extensions are available by Rule.

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2. **Recommendation**

- a) Approve the extension requests for an additional year of the preliminary commitment letter and an additional 90 days for the date in the firm commitment.

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**II. LEGAL**

**A. In Re: Royal Palm Place, LTD - FHFC Case No. 2016-047VW**

<b>Development Name: (“Development”):</b>	<b>Royal Palm Place, LTD</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Landmark Development Corp. Baobab Development, Inc. Robert Saland &amp; Francisco Rojo</b>
<b>Number of Units: 125</b>	<b>Location: Palm Beach County</b>
<b>Type: New mid-rise</b>	<b>Set Asides: 30% at 33% AMI 70% at 60% AMI</b>
<b>Demographics: Family</b>	<b>SAIL: \$4,750,00 ELI Gap: \$495,900 4% HC: \$1,092,000</b>

**1. Background**

- a) Petitioner was selected to receive SAIL Financing of Affordable Multifamily Housing Developments under RFA 2014-111, in conjunction with local tax exempt bond financing and non-competitive housing credits, to assist in the construction of a Development serving low-income families in Miami, Florida. On October 31, 2016, Florida Housing received a Petition for Waiver of Rule 67-48.0072(4)(c), F.A.C., to extend the SAIL loan closing date. A copy of the Petition is attached as [Exhibit A](#).

**2. Present Situation**

- a) Rule 67-48.0072(4)(c), Fla. Admin. Code, provides:
  - (c) For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. . . . In the event the loan does not close by the end of the 12 month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.
- b) Petitioner was invited to credit underwriting on December 19, 2014, and received a 12-month extension to close the loan until December 21, 2016. Since then Petitioner has run into unexpected delays in relocating the occupants of the public housing project that currently operates on the site, demolishing the existing public housing project, and obtaining the necessary approvals from HUD. For these reasons Petitioner has been unable to close the SAIL loan and does not anticipate being able to close it by December 21. Petitioner therefore seeks an extension of the SAIL loan closing date and ELI Gap closing deadline until August 31, 2017.

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c) On November 2, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 214. 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) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### **3. Recommendation**

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code, so that the SAIL loan closing deadline may be extended from December 21, 2016 until August 31, 2017.

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### B. In Re: Cathedral Terrace 2, LTD. - FHFC Case No. 2016-053VW

<b>Development Name: (“Development”):</b>	<b>Cathedral Terrace 2, LTD.</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Cathedral Terrace Redevelopment Associates, LLC.</b>
<b>Number of Units: 240</b>	<b>Location: Duval County</b>
<b>Type: Rehabilitation high-rise</b>	<b>Set Asides: 5% at 33% AMI 95% at 60% AMI</b>
<b>Demographics: Elderly non-ALF</b>	<b>SAIL: \$3,200,000 ELI Gap: \$734,400 4% HC: \$889,441 Local Bonds: \$12,500,000</b>

#### 1. Background

- a) Petitioner was selected to receive SAIL Financing of Affordable Multifamily Housing Developments under RFA 2014-111 to assist in the rehabilitation of a Development serving low-income elderly tenants in Jacksonville, Florida. On November 15, 2016, Florida Housing received a Petition for Waiver of Rule 67-48.004 F.A.C., and the provisions and requirements of RFA 2014-111, to waive the requirement of entering into a Memorandum of Understanding (MOU) with a designated supportive services lead agency approved by Florida Housing. A copy of the Petition is attached as [Exhibit B](#).

#### 2. Present Situation

- a) At the time of the award, there was a requirement in the RFA for the creation of an MOU to be executed with a designated supportive services lead agency in order to, among other things, direct Persons with Disabling Conditions to the property. As provided in the RFA at page 18, Petitioner was required to comply with the following:
- b) The Applicant will be required to enter into a Memorandum of Understanding (MOU) with at least one (1) designated supportive services lead agency approval by the Corporation, for the purpose of coordinating services and housing for Persons with Disabling Conditions. The Corporation will establish and maintain a list of approved participating agencies in each county that the Development shall work with to execute the MOU. The FHFC-Designated Supportive Services Lead Agencies List is available on the Corporation’s Website <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2014-111/OtherInformation/> (also by clicking here). The purpose of the MOU is to establish the roles and responsibilities of the Development and lead agency/agencies in meeting the intent of this commitment. These include roles and responsibilities regarding the Applicant notifying the lead agency that a unit is available, the lead agency referring households to apply for the set-aside unit, and the lead agency addressing the needs of the residents in the set-aside unit. The roles and responsibilities of the lead agency may be in conjunction with the supportive services agency’s network of community-based service providers.

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- c) This requirement of the RFA has been incorporated into the loan documents executed by Petitioner. Rule 67-48.010(12), F.A.C. (2014) states that “Violation of any material term or condition of the documents evidencing or securing the SAIL loan shall constitute a default during the term of the SAIL loan.”
- d) Petitioner’s property is restricted to elderly or handicapped families and individuals under its HUD Regulatory Agreement, and a significant majority of the residents would qualify under Florida Housing’s definition of Persons with Disabling Conditions. The property also has HUD Section 8 rental assistance with an extensive waiting list, and the majority of those on the list would qualify as Persons with Disabling Conditions and would be at or below the Extremely Low Income limit. Petitioner has for over 21 years employed its own services coordinator to coordinate services and housing for Persons with Disabling Conditions in order to generate better occupancy through the faster lease-up of vacant units. Petitioner therefore seeks to waive the RFA provision requiring the execution of an MOU with supportive services lead agencies in order to continue to employ its own internal services coordinator.
- e) On November 17, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 224. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed in order to efficiently serve low-income seniors and Persons with Disabling Conditions, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the RFA requirement, with a condition requiring Petitioner to continue to comply with the HUD Regulatory Agreement and to continue to employ its own services coordinator, and providing that if Petitioner fails to meet these conditions it will be required to enter into an MOU with a local referral agency.

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**C. In Re: Civic Towers Senior, LLLP and Civic Towers, LLLP - FHFC Case No. 2016-049VW**

<b>Development Name: (“Development”):</b>	<b>T.M. Alexander Apts, t/b/n Civic Towers Senior</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Redwood Housing Partners Ryan Fuson</b>
<b>Number of Units: 151</b>	<b>Location: Miami-Dade County</b>
<b>Type: Acquisition and Rehabilitation High rise</b>	<b>Set Asides: 100% at 60% AMI</b>
<b>Demographics: Elderly</b>	<b>No current FHFC funding</b>

<b>Development Name: (“Development”):</b>	<b>Civic Towers</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Redwood Housing Partners Ryan Fuson</b>
<b>Number of Units: 196</b>	<b>Location: Miami-Dade County</b>
<b>Type: Acquisition and Rehabilitation High rise</b>	<b>Set Asides: 100% at 60% AMI</b>
<b>Demographics: Family</b>	<b>No current FHFC funding</b>

**1. Background**

- a) Petitioner submitted applications for local tax exempt bond financing to the Housing Finance Authority of Miami-Dade County to assist in the acquisition and rehabilitation of two Developments in Miami-Dade County. Civic Towers Senior is a 151-unit Development serving low-income elderly, and Civic Towers is a 196-unit Development serving low-income families. On November 17, 2016, Florida Housing received a Petition for Waiver of Rules 67-21.001(2) and (9), 67-21.002(85), 67-21.003(1)(b), (2), and (7)(b), and 67-21.028(2)(m), F.A.C., to allow it to submit an application for non-competitive housing tax credits without having to change its ownership structure to comply with recent amendments to these rules. A copy of the Petition is attached as [Exhibit C](#).

**2. Present Situation**

- a) Rule 67-21.002(9) provides, in relevant part:

"Unless otherwise stated in a competitive solicitation, as used herein, a 'legal entity' means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that consists exclusively of all natural persons by the third principal disclosure level... The terms 'first principal disclosure level' and 'third principal disclosure level' have the meanings attributed to them in the definition of "Principal"

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- b) Rule 67-21.002(85)(a)2.g., as part of the definition of the term "Principal," requires that with respect to an applicant that is a limited partnership, an applicant must disclose "by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person."
- c) Rule 67-21.003(1)(b) provides:
- (b) If the NC Award will not be in conjunction with any other Corporation funding made available through the competitive solicitation funding process outlined in Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the application. The Non-Competitive Application Package or NCA (Rev. 08-2016) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation's website... which shall be completed and submitted to the Corporation in accordance with this rule chapter.
- d) Rule 67-21.003(2) provides:
- For purposes of the Non-Competitive Application Package, failure to submit an Application completed in accordance with the Application instructions and these rules will result in the failure to meet threshold in accordance with the instructions in the Application in this rule chapter.
- e) Rule 67-21.003(7)(b) provides:
- For purposes of the Non-Competitive Application Package, the Corporation shall reject an Application if... the Applicant fails to achieve the threshold requirements as detailed in these rules, the applicable Application and Application instructions."
- f) Rule 67-21.028(2)(m) provides:
- If utilizing the Non-Competitive Application Package, it must be completed in accordance with the requirements outlined in the Non-Competitive Application Package instructions.
- g) Part A.2.b. of the Non-Competitive Application instructions provides, in relevant part:
- Provide a listing of the Principals for the Applicant, including the percentage of ownership interest to each Principal, as Exhibit "1" to the Application Form.
- h) Petitioner intends to submit applications for non-competitive housing tax credits to Florida Housing for each Development. At the time Petitioner submitted its applications for local bonds its ownership structure complied with the requirements of Florida Housing's rules, including the application form for tax credits. These rules, however, were amended in September of 2016, and Petitioner's ownership structure no longer complies. If Petitioner is required to

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restructure its ownership it could jeopardize the local bonds for which it has already applied and thus potentially jeopardize the proposed rehabilitation of the Developments.

i) On November 21, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 226. To date, Florida Housing has received no comments concerning the Petition.

j) Section 120.542(2), Florida Statutes provides in pertinent part:

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

k) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rules 67-21.001(2), 67-21.002(9) and (85), 67- 21.003(1)(b), (2) and (7)(b), and 67-21.028(2)(m), F.A.C., as well as Part A.2.b. of the Non-Competitive Application, so that Petitioner may submit applications for non-competitive housing tax credits without having to amend its ownership structure in order to be in compliance.

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### D. In Re: Quest Village, LTD. - FHFC Case No. 2016-056VW

<b>Development Name: Quest Village (“Development”):</b>	<b>Location: Orange County</b>
<b>Developer/Principal: TVC Development, Inc., &amp; Quest Village Developer, LLC (“Developer”):</b>	<b>Set Aside: @ 40% AMI and 60% AMI</b>
<b>Number of Units: 48</b>	<b>Requested Amounts: SAIL \$1,000,000 GRANT \$1,000,000, HC \$957,253</b>
<b>Type: New Construction/Quadrplex</b>	<b>Demographics: Development Disabilities</b>

#### 1. Background

- a) Petitioner applied for and was awarded SAIL financing, a grant from the corporation and housing credits for new construction of 48 low-income quadruplex units to serve special-needs individuals with developmental and intellectual disabilities in Orange County, Florida. A copy of the Petition is attached as [Exhibit D](#).

#### 2. Present Situation

- a) Petitioner requests a waiver from Rule 67-48.0072(4)(c), Florida Administrative Code (2013). Specifically, Petitioner is seeking to extend the required closing date for the SAIL loan proceeds allocated to the Petitioner pursuant to RFA 2014-113.
- b) Rule 67-48.0072(4)(c) provides, in relevant part, as follows:
  - (4) If the invitation to enter credit underwriting is accepted: ...
    - (a) (c) For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months .... In the event the loan does not close by the end of the 12 month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.
- c) Petitioner was previously granted a twelve-month extension of the SAIL loan closing deadline, extending it to December 23, 2016. Petitioner is requesting an extension of the SAIL loan closing date from December 23, 2016 to June 30, 2017, due to delays in the development process caused by Petitioner's continuing efforts to (a) rezone the land to meet the demographics of the Development and (b) reorient the Development improvements on a small area of the site due to due to unforeseen geotechnical conditions.
- d) Petitioner was originally advised that the property needed to be zoned to prohibit occupancy by any person under the age of 18 in the Development. Petitioner accordingly obtained such zoning. The Corporation then advised Petitioner that having done so constituted a violation of the Fair Housing Act, because the Development will not be restricted to elderly residents who qualify for Fair Housing Act Exemptions, but rather to special-needs tenants of any age. The current zoning permits the construction of the Development but is inconsistent

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with the demographic aspects of the population that will reside there. Therefore, Petitioner is required to rezone the property again to eliminate the age restriction. The rezoning efforts have caused delay in the overall development schedule.

- e) Petitioner has also been required to reorient its planned improvements on the property due to geotechnical issues that were difficult to discover and assess, as to dimensions and depth, prior to acquisition and clearing of the site. The property was formerly heavily wooded and impacting could not be performed until it was cleared. The resulting analysis indicated that a portion of the Development's improvements could not be supported in the contemplated areas and it was necessary to reorient the layout to accommodate the soil issues. This process took approximately six months, during which other pre-development activities had to be tolled, and are now being recommenced.
- f) Petitioner believes it may be able to close the SAIL funding by the December 23, 2016 deadline, but in an abundance of caution, is seeking a closing extension should the zoning process be further delayed. Currently, the zoning permits the Development to be built, so construction should commence promptly following closing, but the age restriction needs to be lifted from the zoning category. Petitioner expects that the Credit Underwriting Report for the Development will be presented to the Corporation's Board for approval at its December, 2016 meeting. As noted, closing of the SAIL loan is anticipated to occur prior to the current deadline; however an extension of the SAIL closing deadline to June 30, 2017, is being requested to ensure adequate time for closing in the event there are other unforeseen minor delays.
- g) On November 21, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 226. To date, Florida Housing has received no comments concerning the Petition.
- h) 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.
- i) The requested waiver will not adversely affect Petitioner, the Development, the Corporation or any other party that applied to receive SAIL funding in the RFA. A denial of the Petition, would result in substantial economic hardship to Petitioner, as it has acquired the property and incurred between \$1,500,000 and \$2,000,000 in costs to date toward ensuring that the Development proceeds to completion and, further, would deprive Orange County of essential affordable rental units set aside for persons with developmental and intellectual disabilities. Further, if this Petition is not granted, the equity investor which has committed to serve as the Petitioner's investment limited partner and to syndicate the housing tax credits will likely withdraw from the transaction and the Development will fail to be constructed. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage

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development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### **3. Recommendation**

- a) Staff recommends that the Board **GRANT** Petitioner’s requested waiver from Rule 7-48.0072(4)(c) F.A.C. (2013) allowing it to extend the required closing date for the SAIL loan proceeds allocated to the Petitioner pursuant to RFA 2014-113 from December 23, 2016 to June 30, 2017.

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### E. In Re: Trinity Towers East Preservation Associates, LLLP - FHFC Case No. 2016-055VW

<b>Development Name: (“Development”):</b>	<b>Trinity Towers East</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Preservation of Affordable Housing, LLC</b>
<b>Number of Units: 156</b>	<b>Location: Brevard County</b>
<b>Type: High-Rise (Rehab)</b>	<b>Set Asides: 90% @ 60% AMI</b>
<b>Demographics: Elderly Non-ALF</b>	<b>Funding: Bonds - \$10,500,000</b> <b>SAIL - \$4,018,404</b> <b>4% HC - \$425,180</b>

#### 1. Background

- a) Trinity Towers East Preservation Associates, LLLP (“Petitioner”) successfully applied for an allocation of SAIL funding, Tax-Exempt Bonds, and 4% credits under RFA 2015-112 to assist in the acquisition and rehabilitation of Trinity Towers East. In connection with this RFA Application, Petitioner committed to set aside 90% (141 units) for Low Income Tenants.
- b) On November 17, 2016, Florida Housing received a Petition for Waiver from Rules 67-21.003(8)(j) and 67-48.004(3)(j) from Petitioner. A copy of the Petition is attached as [Exhibit E](#)

#### 2. Present Situation

- a) Rules 67-21.003(8)(j) and 67-48.004(3)(j) provide that certain items must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Those items include the following:
  - (j)... 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...
- b) Petitioner requests a waiver of the above Rules to permit it to amend its Application to decrease the total set-aside percentage for the SAIL and Tax-Exempt Bonds from 90% to 80%. This would allow some 31 current tenants to remain in their units even though they have incomes greater than 60% of AMI.
- c) Had Petitioner selected an 80% total set-aside for the SAIL and Tax-Exempt Bonds in its original Application, it would not have affected its eligibility for the funding.
- d) On November 21, 2016, the Notice of Petition was published in the Florida Administrative Register in Volume 21, Number 226. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

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

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- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness, by unnecessarily subjecting these current tenants to the hardship of locating alternate housing. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted. Petitioner has not, however, demonstrated that a decrease to 80% is necessary or serves the underlying purpose of the Chapter 420, Part V.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rules to permit a reduction in the Development’s set-aside for SAIL from 80% @ 60% AMI to 75% @ 60% AMI, and the Tax-Exempts Bonds from 90% @ 60% AMI to 85% @ 60% AMI. The set aside for the SAIL Extremely Low Income category shall remain 10% @ 35% AMI. This waiver is not needed for, and will not impact, the current set-aside requirements regarding the 4% Non-Competitive Housing Credits.

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### F. In Re: Houston Street Manor Limited Partnership - FHFC Case No. 2016-057VW

<b>Development Name: (“Development”):</b>	<b>Houston Street Manor</b>
<b>Developer/Principal: (“Developer”):</b>	<b>WOB Beneficial Development LLC</b>
<b>Number of Units: 72</b>	<b>Location: Duval County</b>
<b>Type: High Rise</b>	<b>Set Asides: 10% @ 33% AMI 90% @ 60% AMI</b>
<b>Demographics: Elderly non-ALF</b>	<b>Funding: HC \$1,587,818</b>

#### 1. Background

- a) Houston Street Manor Limited Partnership (“Petitioner”) successfully applied for an award of competitive Housing Credits under Request for Applications 2014-115 (the “RFA”) to assist in the construction of Houston Street Manor.
- b) On November 18, 2016, Florida Housing received a Petition for Waiver from Rule 67-48.002(95), Fla. Admin. Code, and incorporated timing provisions of the 2015 Qualified Allocation Plan (QAP) from Petitioner. A copy of the Petition is attached as [Exhibit F](#).

#### 2. Present Situation

- a) Rule 67-48.002(95), Fla. Admin. Code defines and incorporates by reference the following provision of the 2015 QAP:

K. Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in Page 3 seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

- b) Petitioner requests a waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2017. Petitioner asserts that unforeseen events will cause the Development to not be placed in service by December 31, 2017. Petitioner was required to replace the general contractor (Siltek), resulting from

## LEGAL

### *Consent*

the contractor's involvement with Carlisle Development and its Principals and their conviction of federal offenses related to the tax credit program (and resulting disqualification from Corporation programs). The Development suffered further delays as a result of Hurricane Matthew affecting the permitting process. Given these circumstances Petitioner asserts that achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner therefore requests, at the behest of the tax credit syndicator/investor, that it be permitted to swap the allocated tax credits now instead of the last quarter of 2017.

c) On November 21, 2016, the Notice of Petition was published in the Florida Administrative Register in Volume 21, Number 226. 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) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness, by increasing the risk that the syndicator will withdraw equity financing from the Development. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of the above Rule and 2015 QAP provision to permit Petitioner to exchange its 2015 credits for a subsequent year's allocation now rather than in the last calendar quarter of 2017. The granting of this waiver is conditioned, however, on Petitioner's Developer entity resolving all outstanding compliance issues regarding its Gardenia Gardens Development (2011-129C/2012-020C), including, at a minimum, the installation of permanent dishwashers in all units.

## MULTIFAMILY BONDS

### *Consent*

### III. MULTIFAMILY BONDS

#### A. Request Approval of Credit Underwriting Report for Pelican Pointe Apartments (2016-181BS)

<b>Development Name: Pelican Pointe Apartments</b>	<b>Location: Bay County</b>
<b>Applicant/Borrower: Pelican Pointe of Bay, Ltd.</b>	<b>Set Aside(s): 10% @ 40% AMI (MMRB, SAIL, ELI &amp; Housing Credits) 90% @ 60% AMI (MMRB, SAIL &amp; Housing Credits)</b>
<b>Developer/Principal: Royal American Development, Inc.</b>	<b>Demographic/Number of units: Family / 78</b>
<b>Requested Amounts: \$5,500,000 Multifamily Mortgage Revenue Bond (MMRB) \$4,047,210 State Apartment Incentive Loan (SAIL) \$408,200 ELI Gap Funding (ELI) \$366,348 Housing Credits</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

#### 1. Background/Present Situation

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for the SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 18, 2016, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- c) On March 21, 2016, staff issued an invitation to enter credit underwriting to the Applicant.
- d) Staff reviewed the credit underwriting report, giving a positive recommendation for a SAIL loan in the amount of \$4,047,210, ELI Gap funding in the amount of \$408,200, and \$5,500,000 in Tax Exempt MMRB ([Exhibit A](#)). Staff finds that the development meets all of the requirements of RFA 2015-112.

#### 2. Recommendation

- a) Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report recommending and allocating \$5,500,000 in Tax Exempt MMRB, \$4,047,210 in SAIL funding, and \$408,200 in ELI Gap funding for the construction 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*

#### B. Request Approval of Credit Underwriting Report for Logan Heights Apartments (2015-109B)

<b>Development Name: Logan Heights Apartments</b>	<b>Location: Seminole County</b>
<b>Applicant/Borrower: Logan Heights Preservation, L.P.</b>	<b>Set Aside(s): 100% @ 60% AMI (MMRB &amp; Housing Credits)</b>
<b>Developer/Principal: Lincoln Avenue Capital LLC</b>	<b>Demographic/Number of units: Family / 360</b>
<b>Requested Amounts: \$23,500,000 Multifamily Mortgage Revenue Bond (MMRB) \$1,340,851 Housing Credits</b>	<b>Development Category/Type: Acquisition and Rehabilitation / Garden Apartments</b>

#### 1. Background/Present Situation

- a) The Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$23,500,000 and non-competitive Housing Credits in the amount of \$1,317,000.
- b) On August 29, 2016, the Applicant entered credit underwriting at-risk.
- c) Staff reviewed the credit underwriting report, giving a positive recommendation for a MMRB loan in the amount of \$23,500,000 and \$1,340,851 in Housing Credits ([Exhibit B](#)). Staff finds that the development meets the requirements of the Non-Competitive Application.

#### 2. Recommendation

- a) Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report, recommending and allocating \$23,500,000 in tax exempt MMRB 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 the Method of Bond Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of a Placement Agent**

#### 1. **Background**

- a) Pursuant to staff's request for approval to issue bonds to finance the construction/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 the transactions and approval of the recommended method of sales. 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 financing structures by the Independent Registered Municipal Advisor (IRMA) in order to make recommendations to the Board for the method of bond sales for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendations for the method of bond sales for the Developments. The recommendation letters are attached as Exhibit C and D.

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

- a) Florida Housing staff, the Credit Underwriter, and the IRMA have reviewed the financial structures for the proposed Developments.

#### 3. **Recommendation**

- a) 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.

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>	<b>Exhibit</b>
Pelican Pointe Apartments	Bay County	78	Private Placement	RBC Capital Markets, LLC	<a href="#">Exhibit C</a>
Logan Heights Apartments	Seminole County	360	Negotiated Public Offering	RBC Capital Markets, LLC	<a href="#">Exhibit D</a>

## MULTIFAMILY BONDS

### *Consent*

**D. Request Approval of Credit Underwriting Update Letter for Tuscany Cove I (2014-119B/2014-325S)**

<b>Development Name: Tuscany Cove I</b>	<b>Location: Miami-Dade</b>
<b>Applicant/Borrower: Tacolcy Tuscany Cove I, LLC</b>	<b>Set Aside(s): 100% @ 60% AMI (MMRN &amp; Housing Credits) 10% @ 33% AMI (SAIL &amp; ELI) 90% @ 60% AMI (SAIL)</b>
<b>Developer/Principal: Tacolcy Economic Development Corporation, Inc.</b>	<b>Demographic/Number of units: Elderly / 160</b>
<b>Requested Amounts: \$17,950,000 Multifamily Mortgage Revenue Note (MMRN) \$2,524,999 State Apartment Incentive Loan (SAIL) \$1,200,000 ELI Gap Funding (ELI) \$1,370,128 Housing Credits</b>	<b>Development Category/Type: New Construction / Mid-Rise with Elevator, 5 or 6 Stories</b>

**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 MMRN in the amount of \$12,545,000 and Non-Competitive Housing Credits in the amount of \$861,696. The Applicant subsequently increased the MMRN request amount to \$19,000,000. In conjunction with the MMRN increase, the credit underwriter increased the Housing Credits recommendation.
- c) On August 8, 2014, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On August 14, 2014, staff issued an invitation to enter credit underwriting to the Applicant.
- e) Staff received a credit underwriting update letter with a positive recommendation for a change to the terms of the Surtax Loan and a deeper set aside commitment ([Exhibit E](#)). Staff has reviewed this letter and finds that the development meets all the requirements of RFA 2014-103.

**2. Recommendation**

- a) Approve the credit underwriting update letter and direct staff to proceed with closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

# MULTIFAMILY PROGRAMS

## Consent

### IV. MULTIFAMILY PROGRAMS

#### A. Request Approval of Credit Underwriting Report for Quest Village (2015-004CSG)

<b>Development Name: Quest Village</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Quest Village, Ltd.</b>	<b>Set Aside(s): 25% @ 40% AMI &amp; 75% @ 60% (ELI, SAIL, Grant) 100% @ 60% AMI (Housing Credits)</b>
<b>Developers/Principals: TVC Development, Inc. Quest Village Developer, LLC</b>	<b>Demographic/Number of units: Family / 48</b>
<b>Requested Amounts: \$1,000,000 (SAIL) \$1,000,000 (Grant) \$957,253 (Housing Credits)</b>	<b>Development Category/Type: New Construction / Quadraplex</b>

#### 1. Background/Present Situation

- a) On October 17, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-113 for Financing to Build Larger Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-113, and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 23, 2014, staff issued an invitation to enter credit underwriting to Quest Village, Ltd.
- d) On December 11, 2015, the Board approved a loan closing deadline extension from December 23, 2015 to December 23, 2016.
- e) On October 28, 2016, the Board approved the Applicant's request to waive Rule 67-48.0072(17)(f), F.A.C., to minimally exceed subcontractor cost limit.
- f) On November 16, 2016, staff received a 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 2014-113.

#### 2. Recommendation

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

## MULTIFAMILY PROGRAMS

### *Consent*

**B. Request Approval of Credit Underwriting Report for Protected Harbor Home II (2015-271G)**

<b>Development Name: Protected Harbor Home II</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: Protected Harbor, Inc.</b>	<b>Set-Asides: 33% @ 40% AMI &amp; 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$392,000 Grant funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

**1. Background/Present Situation**

- a) On August 14, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 11, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 17, 2015, staff issued a Letter of Preliminary Award to Protected Harbor, Inc., and on May 11, 2016, staff issued an invitation to enter credit underwriting.
- d) On November 17, 2016, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$392,000 ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2015-105.

**2. Recommendation**

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

## MULTIFAMILY PROGRAMS

### *Consent*

#### C. Request Approval of Grant Closing Extension for Greenwood Court Group Home (2015-007G)

<b>Development Name: Greenwood Court Group Home</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.</b>	<b>Set-Aside: 33% @ 40% AMI and 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$101,000 Grant Funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

#### 1. Background/Present Situation

- a) On October 24, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-112 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On January 30, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities. On February 6, 2015, staff issued a Notice of Preliminary Award to Life Concepts, Inc. dba Quest, Inc., and on February 27, 2015, staff issued an invitation to enter credit underwriting.
- c) On October 9, 2015, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$101,000. Staff reviewed this report and found that the development meets all of the requirements of RFA 2014-112. The report was approved by the Board on October 30, 2015, and the Applicant executed their firm commitment of November 3, 2015.
- d) On March 18, 2016, the Board approved a grant closing extension to June 30, 2016; and on June 24, 2016 the Board approved a subsequent grant closing extension to October 28, 2016. The Applicant had challenges working with their general contractor, and had to hire a new general contractor. The new contract is currently under review, and the credit underwriting update process is moving forward. The Applicant is requesting an additional extension of the closing deadline to complete an update to the credit underwriting report (to be approved by the Board), including a review of the new general contractor.

#### 2. Recommendation

- a) Approve the additional closing extension until March 31, 2017.

## MULTIFAMILY PROGRAMS

### *Consent*

#### D. Request Approval of Grant Closing Extension for Overhill Group Home (2015-020G)

<b>Development Name: Overhill Group Home</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.</b>	<b>Set-Aside: 33% @ 40% AMI and 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$101,000 Grant Funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

#### 1. Background/Present Situation

- a) On October 24, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-112 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On January 30, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities. On February 6, 2015, staff issued a Notice of Preliminary Award to Life Concepts, Inc. dba Quest, Inc., and on February 27, 2015, staff issued an invitation to enter credit underwriting.
- c) On October 9, 2015, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$101,000. Staff reviewed this report and found that the development meets all of the requirements of RFA 2014-112. The report was approved by the Board on October 30, 2015, and the Applicant executed their firm commitment of November 3, 2015.
- d) On March 18, 2016, the Board approved a grant closing extension to June 30, 2016; and on June 24, 2016 the Board approved a subsequent grant closing extension to October 28, 2016. The Applicant had challenges working with their general contractor, and had to hire a new general contractor. The new contract is currently under review, and the credit underwriting update process is moving forward. The Applicant is requesting an additional extension of the closing deadline to complete an update to the credit underwriting report (to be approved by the Board), including a review of the new general contractor.

#### 2. Recommendation

- a) Approve the additional closing extension until March 31, 2017.

## MULTIFAMILY PROGRAMS

### *Consent*

#### E. Request Approval of Grant Closing Extension for Coulter Group Home (2015-021G)

<b>Development Name: Coulter Group Home</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.</b>	<b>Set-Aside: 33% @ 40% AMI and 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$101,000 Grant Funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

#### 1. Background/Present Situation

- a) On October 24, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-112 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On January 30, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities. On February 6, 2015, staff issued a Notice of Preliminary Award to Life Concepts, Inc. dba Quest, Inc., and on February 27, 2015, staff issued an invitation to enter credit underwriting.
- c) On October 9, 2015, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$101,000. Staff reviewed this report and found that the development meets all of the requirements of RFA 2014-112. The report was approved by the Board on October 30, 2015, and the Applicant executed their firm commitment of November 3, 2015.
- d) On March 18, 2016, the Board approved a grant closing extension to June 30, 2016; and on June 24, 2016 the Board approved a subsequent grant closing extension to October 28, 2016. The Applicant had challenges working with their general contractor, and had to hire a new general contractor. The new contract is currently under review, and the credit underwriting update process is moving forward. The Applicant is requesting an additional extension of the closing deadline to complete an update to the credit underwriting report (to be approved by the Board), including a review of the new general contractor.

#### 2. Recommendation

- a) Approve the additional closing extension until March 31, 2017.

# MULTIFAMILY PROGRAMS

## Consent

### F. Request Approval of Subcontractor Affiliate to General Contractor for Arbor View (RFA 2015-107/#2016-161C)

<b>Development Name: Arbor View</b>	<b>Location: Broward County</b>
<b>Applicant/Borrower: HTG Arbor View, LLC</b>	<b>Set-Asides: 90% at 60% AMI; 10% at 33%</b>
<b>Developer/Principal: HTC Arbor View Developer, LLC</b>	<b>Demographic/Number of Units: Elderly/100 units</b>
<b>Requested Amount: \$1,967,002</b>	<b>Development Category/Type: New Construction/ Mid-Rise, 5 to 6-stories</b>

#### 1. Background/Present Situation

- a) HTG Arbor View, LLC (“Applicant”) was selected for funding in RFA 2015-107, Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties.
- b) The Applicant is seeking Florida Housing Finance Corporation’s (“Florida Housing”) Board of Directors (“Board”) approval to allow the General Contractor, CB-HTG, LLC, to subcontract construction of the concrete building shell, including the wood frame roof trusses, to an affiliated subsidiary of the General Contractor, CB Structures, Inc. See [Exhibit C](#) for Applicant’s Request.
- c) Pursuant to Rule Chapter 67-48.0072(17)(g), Florida Administrative Code:
  - (1) [N]o construction cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board for a specific Development. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant’s request, inclusive of construction costs and ownership interests in the Development.
- d) At the request of Florida Housing staff, Seltzer Management Group, Inc. (“Seltzer”) reviewed the Applicant’s request including the construction costs and ownership interests in the development. After review and analysis, Seltzer concluded that the bid amounts proposed by the affiliated entity, CB Structures, Inc., are within the average cost per square foot for similar types of construction, the scope of work is similar to other proposals, and CB Structures, Inc.’s proposal was within industry standards and the lowest proposal received. Seltzer recommended approving the waiver request and allowing CB-HTG, LLC permission to subcontract the construct of the building shell and roof trusses to CB Structures, Inc., an affiliate. See [Exhibit D](#) for Seltzer’s recommendation.

#### 2. Recommendation

- a) Based on Seltzer’s review and analysis, approve the Applicant’s request to allow CB-HTG, LLC permission to subcontract the construct of the building shell and roof trusses to CB Structures, Inc., an affiliate.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

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

##### A. Request Approval of PLP Loan for N Vision Communities, Inc., a not-for-profit entity, for Turner Senior Apartments at Five Ash (2016-011P-09)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Turner Senior Apartments at Five Ash</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>N Vision Communities, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>26 Rental homes</b>
<b>LOCATION (“County”):</b>	<b>DeSoto County</b>
<b>TYPE:</b>	<b>Family (originally applied as Elderly)</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$609,095</b>
<b>ADDITIONAL COMMENTS: The applications for the PLP and the HOME loan for this development were submitted in the name of Turner Senior Apartments. The Applicant will be seeking a rule waiver to change the demographic to Family. The rule waiver is expected to be presented to the Board at the February 2017 meeting. If that waiver is approved, the name of the development will be changed to remove “Senior.”</b>	

#### 1. Background

- a) On October 17, 2016, the Developer submitted a PLP application for Turner Senior Apartments at Five Ash.
- b) On October 18, 2016, Florida Housing issued an Invitation to Participate in the PLP to the Developer.
- c) The development received an award of \$4,000,000 in HOME funds from RFA 2016-101. The award is subject to a positive recommendation from the credit underwriter.

#### 2. Present Situation

- a) On November 16, 2016, staff received a development plan and a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$609,095. Of this \$609,095 loan amount, \$250,000 is requested for the acquisition of the property.
- b) The applicant would like to move forward with closing on the non-site acquisition portion of the loan in order to pay the legal fees and HOME credit underwriting fees. The site acquisition portion of the loan will be subject to a positive recommendation from an assigned credit underwriter and the Applicant being granted an extension to the contract for sale purchase deadline.
- c) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

## **PREDEVELOPMENT LOAN PROGRAM (PLP)**

### *Consent*

#### **3. Recommendation**

- a) Approve the PLP Loan in the amount of \$609,095 to N Vision Communities, Inc. for Turner Senior Apartments at Five Ash and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$359,095 and assign the acquisition portion of the loan (\$250,000) to a credit underwriter for review.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

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

##### A. Single Source Procurement for Hardest Hit Fund (HHF) Homeowner Retention Data

###### 1. Background

- a) Each quarter, staff must gather data necessary to determine if HHF funded applicants are still in their homes. This data must then be reported to the U.S. Treasury on our Quarterly Performance Report (QPR). This process takes several weeks of research and requires staff to currently account for 21,300 individual HHF borrowers. A significant number of these must also be researched by reviewing records across each of the 67 counties' websites, and the number will keep increasing as the number of HHF funded applicants increases.
- b) In early 2015, staff researched alternative methods of efficiently and effectively pulling the retention data needed for the QPR, and determined that CoreLogic Solutions, LLC is the only provider in the market that can pull the specific types of data needed in the timeframe required. The Board approved moving forward with a single source procurement at the March 2015 meeting, and Florida Housing entered into the first one-year contract with CoreLogic Solutions, LLC on April 16, 2015.
- c) The Board approved the second one-year single source procurement for these services at the December 2015 meeting.

###### 2. Present Situation

- a) Staff continues to believe that CoreLogic Solutions, LLC is the only provider in the market that can provide the services needed within the timeframes required.

###### 3. Recommendation

- a) Authorize staff to enter into another one-year single source contract with CoreLogic Solutions, LLC for the HHF retention data necessary to complete the QPR.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Single Source Procurement for the Foreclosure Counseling Program's (FCP) Web Portal**

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

- a) On January 17, 2013, the Legislative Budget Commission approved a \$10 million allocation from National Mortgage Settlement funds to provide foreclosure counseling services to be administered by Florida Housing. The funding allows Florida Housing to carry out the following objectives:
  - (1) Help prevent homeowners from going into foreclosure; and
  - (2) Provide at-risk homeowners with good financial management education to help them better manage their money and assist them with credit problems to become financially stable.
- b) In April 2013, Florida Housing's Executive Director authorized<sup>1</sup> a single source contract with Homeowner Toolbox, Inc., d/b/a CounselorDirect, to assist with the collection of data, billing and reporting requirements from the participating housing counseling agencies related to the FCP. At that time, CounselorDirect was the only national vendor who could develop such a complex, customized system within the timeframes given by the legislature.
- c) Florida Housing entered into a contract with CounselorDirect in May 2013.

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

- a) The original contract for these services is set to expire on January 31, 2017. However, Florida Housing is still administering the FCP and expects to continue the program for 2-3 more years until the funding is fully expended. Knowing the contract was due to expire in January, this summer Florida Housing's Information Technology staff evaluated the resource cost and feasibility of bringing the service in house. The staff determined that the cost to staff time of programming and then ongoing management of the service would be greater than continuing to pay for external contracting.
- b) Due to the proprietary nature of the software and the cost and delay of changing providers, staff believe that retaining CounselorDirect as the provider of this service will allow the program to continue serving citizens in danger of foreclosure without interruption of services.

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

- a) Authorize staff to enter into a one-year single source contract with Homeowner Toolbox, Inc., d/b/a CounselorDirect, to continue to maintain the FCP web portal.

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<sup>1</sup> During this time, the Executive Director had this authority per Ch. 67-49, F.A.C. The Rule was amended in February 2014 to give the Board the authority to exempt commodities or contractual services from competitive solicitation requirements upon a determination by the Executive Director that such commodities or services are most readily available from a single source or that the best interests of the Corporation or the public are served by obtaining such commodities or services from a single source.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### C. **Contract Renewal - Training, Technical Assistance and Counseling Evaluation Services for the Foreclosure Counseling Program**

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

- a) On January 17, 2013, the Legislative Budget Commission approved a \$10 million allocation from National Mortgage Settlement funds to provide foreclosure counseling services to be administered by Florida Housing. The funding allows Florida Housing to carry out the following objectives:
  - (1) Help prevent homeowners from going into foreclosure; and
  - (2) Provide at-risk homeowners with good financial management education to help them better manage their money and assist them with credit issues in order to become financially stable.
- b) At the February 1, 2013 meeting, the Board of Directors of Florida Housing authorized staff to procure training and monitoring services to provide technical assistance and training on foreclosure counseling for the Foreclosure Counseling Program. Then at the April 26, 2013 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the Florida Housing Counseling Network (the Network).
- c) The Network provides services in the form of:
  - (1) On-site visits with Housing Counseling Agencies (HCAs) participating in the program to provide technical assistance to the staff;
  - (2) Evaluations of HCAs' abilities to carry out program functions;
  - (3) Webinars training HCAs on specific aspects of the program; and
  - (4) Support to Florida Housing staff on FCP program policies and procedures.
- d) The initial three (3) year term for this contract began June 12, 2013. Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, this contract may be renewed twice for an additional one-year period. There is one optional renewal term remaining.

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

- a) Florida Housing staff finds that the Network has satisfactorily performed its obligations and supports a renewal to extend the term of the contract for the second one-year renewal period.

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

- a) Staff recommends that the Board direct staff to proceed with the final one-year renewal option with the Florida Housing Counseling Network for the provision of training, technical assistance and counseling evaluation services for the Foreclosure Counseling Program.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

**A. Request Approval of RFA Waiver to Provide PTAC Units in all Units of the Development for Landings of St. Andrew (2015-245CS)**

<b>Development Name: Landings of St. Andrew</b>	<b>Location: Pasco County</b>
<b>Applicant/Borrower: Landings Port Richey Senior Housing Limited Partnership</b>	<b>Set-Aside(s): 15% @ 40% AMI &amp; 80% @ 60% AMI</b>
<b>Developer/Principal: National Church Residences</b>	<b>Demographic/Number of Units: Elderly Transformative Preservation/196</b>
<b>Requested Amounts: SAIL \$2,000,000, Annual HC \$ 1,510,000</b>	<b>Development Category/Type: Preservation/Mid-Rise</b>

**1. Background/Present Situation**

- a) On May 12, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-104 for Housing Credit and SAIL Financing for the Preservation of Existing Affordable Multifamily Housing Developments.
- b) On August 7, 2015, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On September 8, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Landings Port Richey Senior Housing Limited Partnership with a closing deadline of September 8, 2016.
- d) On August 5, 2016, the Board approved an extension of the loan closing deadline from September 8, 2016 to September 8, 2017.
- e) On October 28, 2016, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities.
- f) On November 10, 2016, staff received correspondence from the Applicant requesting a waiver of the RFA provision that allows packaged terminal air conditioning (PTAC) units with a minimum 11.7 EER in only studio/efficiency and one-bedroom units ([Exhibit A](#)). The RFA requires in-unit air conditioning units with a minimum 14 SEER to be provided in all units other than studio/efficiencies and one-bedrooms. The Applicant has committed to provide PTAC units in all units of the development (consisting of one bedroom and two bedroom units) and has confirmed that the EER rating for all PTAC units exceeds the minimum 11.7 EER requirement and the minimum 14 SEER requirement. Staff and the credit underwriter have reviewed this request in addition to correspondence from the construction consultant, On Solid Ground, LLC.
- g) On November 15, 2016, staff received a positive recommendation from the credit underwriter for this request ([Exhibit B](#)).

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

2. **Recommendation**

- a) Approve the waiver request to provide PTAC units in all units of the development and direct staff to proceed with closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Loan Closing Extension for Ozanam Village II (2016-274S)

<b>Development Name: Ozanam Village II</b>	<b>Location: Pasco County</b>
<b>Applicant/Borrower: St. Vincent de Paul South Pinellas, Inc.</b>	<b>Set-Aside(s): 25% @ 40% AMI &amp; 75% @ 60% AMI</b>
<b>Developer/Principal: St. Vincent de Paul South Pinellas, Inc., and GHD Construction Services, Inc.</b>	<b>Demographic/Number of Units: Persons with Special Needs/ 30</b>
<b>Requested Amounts: SAIL \$4,900,000, ELI \$100,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

1. Background/Present Situation

- a) On September 8, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-109 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Person with Special Needs.
- b) On January 29, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 8, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to St. Vincent de Paul South Pinellas, Inc., with a closing deadline of February 8, 2017.
- d) On November 10, 2016, staff received a request from the Applicant for an extension of the loan closing deadline to February 8, 2018, which would allow additional time to complete the architectural, civil, environmental, survey and long lead items without any known impediments, and to complete the credit underwriting approval process in order to proceed to loan closing ([Exhibit C](#)). Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months related to the loan closing. Staff has reviewed this request and finds that the development meets all the requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the loan closing deadline from February 8, 2017 to February 8, 2018, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Loan Closing Extension for Flagler Commons (2016-275S)

<b>Development Name: Flagler Commons</b>	<b>Location: Flagler County</b>
<b>Applicant/Borrower: Workforce Housing Ventures, Inc.</b>	<b>Set-Aside(s): 25% @ 40% AMI &amp; 75% @ 60% AMI</b>
<b>Developer/Principal: Workforce Housing Ventures, Inc., and GHD Construction Services, Inc.</b>	<b>Demographic/Number of Units: Persons with Special Needs/ 15</b>
<b>Requested Amounts: SAIL \$3,000,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

1. Background/Present Situation

- a) On September 8, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-109 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Person with Special Needs.
- b) On January 29, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 8, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Workforce Housing Ventures, Inc., with a closing deadline of February 8, 2017.
- d) On November 10, 2016, staff received a request from the Applicant for an extension of the loan closing deadline to February 8, 2018, which would allow additional time to complete the architectural, civil, environmental, survey and long lead items without any known impediments, and to complete the credit underwriting approval process in order to proceed to loan closing ([Exhibit D](#)). Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months related to the loan closing. Staff has reviewed this request and finds that the development meets all the requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the loan closing deadline from February 8, 2017 to February 8, 2018, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Loan Closing Extension for Flagler Commons II (2016-272S)

<b>Development Name: Flagler Commons II</b>	<b>Location: Flagler County</b>
<b>Applicant/Borrower: Workforce Housing Ventures, Inc.</b>	<b>Set-Aside(s): 25% @ 40% AMI &amp; 75% @ 60% AMI</b>
<b>Developer/Principal: Workforce Housing Ventures, Inc., and GHD Construction Services, Inc.</b>	<b>Demographic/Number of Units: Persons with Special Needs/ 15</b>
<b>Requested Amounts: SAIL \$3,000,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

1. Background/Present Situation

- a) On September 8, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-109 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Person with Special Needs.
- b) On January 29, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 8, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Workforce Housing Ventures, Inc., with a closing deadline of February 8, 2017.
- d) On November 10, 2016, staff received a request from the Applicant for an extension of the loan closing deadline to February 8, 2018, which would allow additional time to complete the architectural, civil, environmental, survey and long lead items without any known impediments, and to complete the credit underwriting approval process in order to proceed to loan closing ([Exhibit E](#)). Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months related to the loan closing. Staff has reviewed this request and finds that the development meets all the requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the loan closing deadline from February 8, 2017 to February 8, 2018, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**E. Request Approval of Loan Closing Extension for West Lake Apartments (2016-184BS)**

<b>Development Name: West Lake Apartments</b>	<b>Location: Polk County</b>
<b>Applicant/Borrower: West Lake I, Ltd.</b>	<b>Set-Aside(s): 10% @ 45% AMI &amp; 90% @ 60% AMI</b>
<b>Developer/Principal: HTG West Lake Developer, LLC and Polk County Housing Developers, Inc.</b>	<b>Demographic/Number of Units: Elderly/100</b>
<b>Requested Amounts: MMRB \$10,000,000 SAIL \$5,000,000 ELI \$298,200 Annual HC \$600,000</b>	<b>Development Category/Type: New Construction/Garden</b>

**1. Background/Present Situation**

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for the SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 18, 2016, the Board approved the Final Order(s) allowing staff to proceed with all necessary credit underwriting activities.
- c) On March 21, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to West Lake I, Ltd. with a closing deadline of March 21, 2017.
- d) On October 31, 2016, staff received a request from the Applicant for an extension of the loan closing deadline to March 21, 2018, which would allow additional time to obtain an AHAP contract with HUD and complete the credit underwriting approval process in order to proceed to loan closing ([Exhibit F](#)). Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months related to the loan closing. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.

**2. Recommendation**

- a) Approve the request to extend the loan closing deadline from March 21, 2017 to March 21, 2018, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

## SPECIAL ASSETS

### *Consent*

#### VIII. SPECIAL ASSETS

- A. **Request Approval to Restructure the First Mortgage, Renegotiate the SAIL Loan Terms, and Transfer the Membership Interests for Vestcor-WR Associates, Ltd., a Florida Limited Partnership, for Holly Cove Apartments (96S-021/95L-505)**

<b>Development Name: Holly Cove Apartments (“Development”)</b>	<b>Location: Clay County</b>
<b>Developer/Principal: Vestcor (“Developer”); Vestcor-WR Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC 80% @ 60% AMI LURA &amp; EUA: 50 years</b>
<b>Number of Units: 202</b>	<b>Allocated Amount: SAIL: \$2,417,000; HC: \$353,420</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

1. **Background**

- a) During the 1996 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$2,417,000 to Vestcor-WR Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 202-unit apartment complex in Clay County, Florida. The loan was closed on November 27, 1995, and matures on October 1, 2018. The Development also received a 1995 allocation of low-income housing tax credits (“HC”) of \$353,420.
- b) On September 1, 2011, the Board approved the refinancing of the first mortgage of Florida Housing issued tax-exempt bonds that terminated the mortgage guaranty issued by the Guarantee Program and its associated financial risk to Florida Housing.

2. **Present Situation**

- a) The Borrower requests consent from the Board to restructure the existing first mortgage and subordinate the SAIL loan documents, the SAIL Land Use Restriction Agreement (“LURA”), and the Low Income Housing Tax Credit Extended Use Agreement (“EUA”) to the new first mortgage. The Borrower also requests that the SAIL loan be extended to be coterminous with the new first mortgage. The SAIL LURA term will be extended by the length of time equal to the extension of the SAIL loan term.
- b) Prior to or simultaneously with the first mortgage restructure, the Borrower intends to buy out the limited partner interests currently held by AHG Tax Credit Fund VI LLC, a Wells Fargo entity.
- c) The SAIL loan terms will also be renegotiated to limit annual SAIL interest payments to 75% of annual surplus cash as a requirement of the new first mortgage lender. As part of the first mortgage restructure, the Borrower will pay approximately \$1.15 million of the SAIL loan principal.

## SPECIAL ASSETS

### *Consent*

- d) Staff received a credit underwriting report ([Exhibit A](#)) from First Housing Development Corporation with a positive recommendation for approval of the first mortgage restructure, subordination of the SAIL loan documents, SAIL LURA, and HC EUA to the new first mortgage, extension of the SAIL loan term and SAIL LURA, renegotiation of the SAIL loan terms, and transfer of the membership interests.

### **3. Recommendation**

- a) Approve the restructure of the first mortgage, subordination of the SAIL loan documents, SAIL LURA, and HC EUA to the new first mortgage, extension of the SAIL loan term and SAIL LURA, renegotiation of the SAIL loan terms, and transfer of the membership interests, 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, as needed.

## SPECIAL ASSETS

### *Consent*

- B. Request Approval to Restructure the First Mortgage, Renegotiate the SAIL Loan Terms, and Transfer the Membership Interests for VCP-SB Associates, Ltd., a Florida Limited Partnership, for Leigh Meadows Apartments (RFP 2010-16-09/97S-019/96L-508)**

<b>Development Name: Leigh Meadows Apartments (“Development”)</b>	<b>Location: Duval County</b>
<b>Developer/Principal: Vestcor (“Developer”); VCP-SB Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: 100% @ 60% AMI; SAIL ELI: 15% @ 30% LURA &amp; EUA: 50 years; ELI: 15 years</b>
<b>Number of Units: 304</b>	<b>Allocated Amount: SAIL \$3,157,000; SAIL ELI \$3,300,000; HC \$634,880.71</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) During the 1997 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$3,157,000 to VCP-SB Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 304-unit apartment complex in Duval County, Florida. The loan was closed on September 23, 1996, and matures on November 1, 2018. The Development received a 1996 allocation of low-income housing tax credits (“HC”) of \$634,880.71. In 2010, the Borrower also received a SAIL Extremely Low Income (“SAIL ELI”) Loan in the original amount of \$3,300,000. The loan closed on March 28, 2011, and matures on March 28, 2026.
- b) On September 1, 2011, the Board approved the refinancing of the first mortgage of Florida Housing issued tax-exempt bonds that terminated the mortgage guaranty issued by the Guarantee Program and its associated financial risk to Florida Housing.

**2. Present Situation**

- a) The Borrower requests consent from the Board to restructure the existing first mortgage and subordinate the SAIL and SAIL ELI loan documents, the SAIL Land Use Restriction Agreement (“LURA”), and the Low Income Housing Tax Credit Extended Use Agreement (“EUA”) to the new first mortgage. The Borrower also requests that the SAIL loan be extended to be coterminous with the new first mortgage. The SAIL LURA term will be extended by the length of time equal to the extension of the SAIL loan term.
- b) Prior to or simultaneously with the first mortgage restructure, the Borrower intends to buy out the limited partner interests currently held by AHG Tax Credit Fund XII, LLC, a Wells Fargo entity.
- c) The SAIL loan terms will also be renegotiated to limit annual SAIL interest payments to 75% of annual surplus cash as a requirement of the new first mortgage lender. As part of the first mortgage restructure, the Borrower will pay approximately \$2.5 million of the SAIL loan principal.

## SPECIAL ASSETS

### *Consent*

- d) Staff received a credit underwriting report ([Exhibit B](#)) from First Housing Development Corporation with a positive recommendation for approval of the first mortgage restructure, subordination of the SAIL and SAIL ELI loan documents, SAIL LURA, and HC EUA to the new first mortgage, extension of the SAIL loan term and SAIL LURA, renegotiation of the SAIL loan terms, and transfer of the membership interests.

### **3. Recommendation**

- a) Approve the restructure of the first mortgage, subordination of the SAIL and SAIL ELI loan documents, SAIL LURA, and HC EUA to the new first mortgage, extension of the SAIL loan term and SAIL LURA, renegotiation of the SAIL loan terms, and transfer of the membership interests, 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, as needed.

## SPECIAL ASSETS

### *Consent*

- C. **Request Approval to Refinance the First Mortgage and Renegotiate the Two SAIL Loans for The Brannon Group, L.C., a Florida Limited Liability Company for Keys I & II (93HRR-021/91L-066) and Keys III (93HRR-022/96L-019)**

<b>Development Name: The Keys (Phase I &amp; II) (“Development”)</b>	<b>Location: Miami-Dade</b>
<b>Developer/Principal: The Brannon Group, L.C. (“Developer”) (“Borrower”)</b>	<b>Set-Aside: SAIL 12.5% @ 40% 17.5% @ 50% &amp; 70% @ 60% AMI; HC 10@ 40% &amp; 90% @ 60% AMI LURA: 49 years; EUA: 50 years</b>
<b>Number of Units: 80</b>	<b>Allocated Amount: SAIL - \$1,481,200 HC: \$153,069</b>
<b>Demographics: Family</b>	<b>Servicer/Credit Underwriter: First Housing</b>
<b>Development Name: The Keys (Phase III) (“Development”)</b>	<b>Location: Miami-Dade</b>
<b>Developer/Principal: The Brannon Group, L.C. (“Developer”) (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC 10% @ 40%, 20% @ 50% &amp; 70% @ 60% AMI, LURA: 49 Years; EUA 45 Years</b>
<b>Number of Units: 48</b>	<b>Allocated Amount: SAIL - \$1,481,200 HC: \$397,384</b>
<b>Demographics: Family</b>	<b>Servicer/Credit Underwriter: First Housing</b>

**1. Background**

- a) During the 1993 SAIL/HRR (State Apartment Incentive Loan/Hurricane Andrew Recovery and Rebuilding Program) Cycle Florida Housing awarded two \$1,481,200 construction/permanent loans to The Brannon Group, L.C., a Florida Limited Liability Company (“Borrower”), for the acquisition/rehabilitation of a 128-unit Development in Miami-Dade County. The SAIL loans closed on February 19, 1996 and December 18, 1997 and originally matured on January 31, 2015. The Board previously approved an extension to January 31, 2016. The Development also received a 1991 and 1996 allocation of low-income housing tax credits (“HC”) of \$153,069 and \$397,384.

**2. Present Situation**

- a) The Borrower requests consent from the Board to refinance the first mortgage and renegotiate the existing SAIL loans. The Borrower has received a commitment for new first mortgage funding from First American Bank which will pay off the current matured first mortgage. The new first mortgage will fully amortize over ten years. The Borrower requests that the SAIL loan be extended and after the first mortgage is repaid the SAIL loans will modify to a hard pay structure, requiring monthly payments of principal with a 1% interest rate and a 20-year term and an approximate 21-year amortization schedule. The renegotiated SAIL terms will also include a provision for further reduction of the principal and interest based upon available cash flow. The Borrower has also agreed to make a payment of \$100,000 on the SAIL loans at closing of the first mortgage refinancing and SAIL loans restructuring. The Borrower has agreed to an extension of the SAIL Land Use Restriction Agreement (“LURA”) term equal to the loan term extensions. Florida Housing’s recommendation is

## SPECIAL ASSETS

### *Consent*

conditioned upon receipt of a positive recommendation from the credit underwriter to confirm the first mortgage underwriting and that the Development is financially able to comply with the renegotiated loan terms.

### 3. Recommendation

- a) Staff recommends that the Board approve the refinancing and renegotiation of the SAIL loans conditioned upon the receipt of a positive recommendation from the credit underwriter and the conditions provided therein and subject to review by FHFC staff, counsel and credit underwriter and direct staff to proceed with loan document modification activities as needed.

**SPECIAL ASSETS**

*Consent*

**D. Request Approval of the Extension of the HOME Loan for Indiantown Non-Profit Housing, Incorporated, a Florida not-for-profit Corporation, for New Hope Community II (95HR-011)**

<b>Development Name: New Hope Community II (“Development”)</b>	<b>Location: Martin County</b>
<b>Developer/Principal: Indiantown Non-Profit Housing, Incorporated (“Developer”)/ (“Borrower”)</b>	<b>Set-Aside: HOME 63.8% @ 50%, 22.7% @ 80% &amp; 8.5% @ 80% AMI LURA: 51 years</b>
<b>Number of Units: 57</b>	<b>Allocated Amount: HOME \$1,910,814</b>
<b>Demographics: Family/Farmworker</b>	<b>Servicer: AmeriNational Community Services. Inc.</b>

**1. Background**

- a) During the 1995 funding cycle, Florida Housing Finance Corporation awarded a \$1,910,814 Home Investment Partnership Program Loan (“HOME”) to Indiantown Non-Profit Housing, Incorporated, a Florida not-for-profit corporation (“Borrower”), for the construction of a 57-unit development in Martin County. The HOME loan closed on January 26, 1996, and originally matured on January 26, 2016. The Board previously approved an extension to January 26, 2017.

**2. Present Situation**

- a) The Borrower has requested a one-year extension of the HOME loan to allow time to refinance the Development and restructure the HOME loan in conjunction with funding awarded from FHFC RFA-2014-117. The Borrower is in credit underwriting and expects to close on the new funding in 2017. 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 51 years).

**3. Recommendation**

- a) Approve the extension of the HOME loan at its current terms, to January 26, 2018, extension of the LURA for an additional year, and direct staff to proceed with loan document modification activities, as needed.