

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**January 29, 2016**  
**Consent Items**



## HOUSING CREDITS

### *Consent*

#### I. HOUSING CREDITS

##### A. Request Approval of Affiliate Contractor for Spinnaker Cove Apartments (#2013-529C)

|                                    |                                       |
|------------------------------------|---------------------------------------|
| <b>Development Name:</b>           | <b>Spinnaker Cove Apartments</b>      |
| <b>Developer/Principal:</b>        | <b>Spinnaker Cove Developers, LLC</b> |
| <b>Number of Units</b>             | <b>220</b>                            |
| <b>Location :</b>                  | <b>Miami-Dade County</b>              |
| <b>Type/Demographic:</b>           | <b>Family</b>                         |
| <b>Set-Aside:</b>                  | <b>9% @ 50% AMI and 91% @ 60% AMI</b> |
| <b>Application Request Amount:</b> | <b>\$1,070,019.00</b>                 |

##### 1. Background/Present Situation

- a) Spinnaker Cove Apartments (#2013-529C) is a Non-Competitive Housing Credit Acquisition and Rehabilitation Development providing 220 set-aside units in Miami-Dade County, Florida. Spinnaker Cove Apartments was invited to enter credit underwriting on May 22, 2015.
- b) The Developer has requested Board approval, required by Rule 67-21.026(13)(f), to allow a General Contract that sub-contracts to an affiliate contractor ([Exhibit A](#)).

##### 2. Recommendation

Approve the request to allow a General Contract that sub-contracts to an affiliate contractor as referenced above.

## HOME RENTAL

### *Consent*

## II. HOME RENTAL

### A. Request Approval to Extend HOME Loan Closing Deadline for Moore Haven (2014-406H)

#### 1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2014-109, seeking an allocation of HOME Program funds for rental developments in rural areas. On August 8, 2014, the Board approved the selection of six (6) Applications, including Moore Haven Apartments, for funding and invitation to credit underwriting.
- b) On August 18, 2014, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Developer had a March 31, 2015 deadline to complete the credit underwriting report.
- c) On March 20, 2015, the Board approved the Developers’ request to extend the completion of the credit underwriting reports from the March 31, 2015 deadline, to no later than the June 19, 2015 Board Meeting.
- d) On June 22, 2015, staff issued a firm commitment letter for a HOME loan in an amount up to \$4,783,500.
- e) Rule Chapter 67-48.0072(4)(c), F.A.C. states the loan must also close within 12 months of the date of the letter of invitation to enter credit underwriting, which was August 18, 2015. Applicants may request one (1) extension of up to 12 months beyond the August 16, 2015 deadline.
- f) On December 11, 2015, staff received a letter from the Developer requesting a loan closing extension until August 18, 2016. The request was made in order to request a Rule Waiver to change the Applicant ownership by more than 33.33%. The Rule Waiver has been filed and is in this Board package. An extension fee of (1%) or \$47,835 is required by Rule Chapter 67-48.0072(4)(c) F.A.C. and will be paid by the Developer prior to loan closing.

#### 2. Recommendation

Approve the Developer’s request to extend the closing deadline until August 18, 2016.

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**III. LEGAL**

**A. In Re: City Vista Associates, LLC - FHFC Case No. 2016-001VW**

|  |  |
|--|--|
| <b>Development Name: (“Development”):</b>  | <b>City Vista Apartments</b>                         |
| <b>Developer/Principal: (“Developer”):</b> | <b>City Vista Associates, LLC</b>                    |
| <b>Number of Units: 107</b>                | <b>Location: Broward County</b>                      |
| <b>Type: High-rise</b>                     | <b>Set Asides: 90% at 60% AMI<br/>10% at 30% ELI</b> |
| <b>Demographics: Family</b>                | <b>9% HC: \$2,561,000</b>                            |

**1. Background**

Petitioner City Vista Associates, LLC, was selected to receive financing from the Housing Tax Credit Program under RFA 2014-115 to assist in the construction of high-rise apartments serving low-income tenants in Pompano Beach, Florida. On January 6, 2016, Florida Housing received a “Petition for Waiver of Rule 67-48.004(3)(i) and (j) for a Change in Number of Units and in Total Set-Aside Percentage” (the “Petition”). A copy of the Petition is attached as [Exhibit A](#).

**2. Present Situation**

a) Rule 67-48.004(3), Fla. Admin. Code, prohibits an Applicant from changing certain items identified in the Application. It provides, in relevant part:

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

\*\*\*

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

(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application. Notwithstanding the foregoing, the Total Set-Aside Percentage may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation.

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- b) On December 3, 2015, Florida Housing granted City Vista's request to increase the total number of units in the development from 107 to 111. Petitioner now seeks a waiver that will allow it to reduce the Total Set-Aside Percentage from 100% to 93.3964%. This would have the effect of allowing these four additional units to be rented at market rate.
- c) Petitioner is seeking this waiver because the City of Pompano Beach and its Community Redevelopment Agency (CRA) have a policy of promoting mixed-income developments. The CRA, which is the current land owner for this development, asked Petitioner to provide as many market-rate units as possible. Petitioner determined that four additional units could be added without disrupting the overall project design. Without this waiver, these four additional units would also have to be limited to low-income tenants.
- d) On January 8, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 5. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waivers would not have any impact on other participants in the Housing Tax Credit programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waivers are needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waivers are 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 waivers are granted.

### 3. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.004(3)(j), Fla. Admin. Code, so that Petitioner will be able to add four additional units at market rate. This waiver will not impact Petitioner's obligation to meet its current Set-Aside requirements, and in fact will result in an increase from 11 to 12 in the number of units set aside for very low income tenants.

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**B. In Re: MLF 2, LTD - FHFC Case No. 2015-041VW**

|  |   |
|--|---|
| <b>Development Name: (“Development”):</b>  | <b>MLF Towers</b>   |
| <b>Developer/Principal: (“Developer”):</b> | <b>MLF 2, LTD</b>   |
| <b>Number of Units: 146</b>                | <b>Location: Pinellas County</b>  |
| <b>Type: High-rise</b>                     | <b>Set Asides: 90% at 60% AMI<br/>10% at 33% ELI<br/>50% of ELI for Special Needs</b> |
| <b>Demographics: Elderly</b>               | <b>9% HC: \$1,350,000</b>   |

**1. Background**

Petitioner MLF 2, LTD was selected to receive financing from the Housing Tax Credit Program in the 2011 Universal Application Cycle to assist in the rehabilitation of high-rise apartments serving low-income elderly tenants in St. Petersburg, Florida. On November 20, 2015, Florida Housing received a “Petition for Waiver” (the “Petition”). A copy of the Petition is attached as [Exhibit B](#).

**2. Present Situation**

- a) Rule 67-48.004(1)(a), Fla. Admin. Code (2011), adopted and incorporated by reference the Universal Application and Instructions. Paragraph III.E.1.b.(2)(b) of the Application Instructions provided that applicants for Multifamily Mortgage Revenue Bonds and Housing Tax Credits were required to meet certain set-aside commitments, and received points for committing to the following:
  - (i) Set aside at least 50 percent of its ELI units for Special Needs Households; and
  - (ii) Develop and execute a Memorandum of Understanding (MOU) with at least one designated Special Needs Household Referral Agency for the county where the proposed Development will be located. The deadline for the MOU will be established in the Carryover Allocation Agreement.
- b) Petitioner now seeks a waiver of the provision in the Application that requires it to continue to operate in accordance with the provisions of the MOU and to use the local Referral Agency to direct special needs applicants to the development. Petitioner does not seek to change its obligation to continue to set aside at least 50 percent of its ELI units for Special Needs Households.
- c) Petitioner operates in accordance with a Use Agreement with the federal Department of Housing and Urban Development (HUD) under its Section 202 Program, which primarily serves frail low-income elders and adults with disabilities. Under Florida Housing’s current RFA process, developments that are financed with HUD Section 202 funds are exempt from the requirement to develop and execute a MOU with the local Referral Agency. Florida Housing has determined that HUD 202 owners can demonstrate that the characteristics and needs of a majority of their residents will meet Florida Housing’s “Special

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Needs Households” definition, and may thus be able to meet the intent of the set-aside requirement without the need to use the local Referral Agency.

d) On September 25, 2015, Notice of the Petition was published in the Florida Administrative Register in Volume 41, Number 229. To date, Florida Housing has received no comments concerning the Petition.

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

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

f) Granting the requested waivers would not have any impact on other participants in the Housing Tax Credit programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waivers are needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waivers are 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 waivers are granted.

### 3. **Recommendation**

Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Paragraph III.E.1.b.(2)(b) of the Universal Application Instructions, as adopted by reference in Rule 67-48.004(1)(a), Fla. Admin. Code (2011), so that Petitioner will no longer be required to operate in accordance with the MOU with the local Referral Agency. This waiver would not relieve Petitioner of any of its set-aside requirements, including the requirement to set aside at least 50% of its ELI units for Special Needs Households.

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**C. In Re: Southwest Florida GWI Housing XVII, Inc. - FHFC Case No. 2015-046VW**

|  |   |
|--|---|
| <b>Development Name: (“Development”):</b>  | <b>Moore Haven Apartments</b>   |
| <b>Developer/Principal: (“Developer”):</b> | <b>Southwest Florida GWI Housing XVII, Inc., and General Home Development Corporation of Pinellas, Inc.</b> |
| <b>Number of Units: 50</b>                 | <b>Location: Glades County</b>  |
| <b>Type: Quadruplex (new)</b>              | <b>Set Asides: 80% High HOME rent<br/>20% Low HOME rent</b>   |
| <b>Demographics: Family</b>                | <b>HOME: \$4,783,500</b>  |

**1. Background**

Petitioner Southwest Florida GWI Housing XVII, Inc., was selected to receive financing from the HOME Investment Partnership Program under RFA 2014-009 to assist in the construction of a 50-unit rural development serving low-income tenants in Moore Haven, Glades County, Florida. On December 29, 2015, Florida Housing received a “Petition for Waiver of Rule 67-48.004” (the “Petition”). A copy of the Petition is attached as [Exhibit C](#). On December 31, 2015, Notice of the Petition was published in the Florida Administrative Register in Volume 41, Number 251. An amended Petition was filed on January 12, 2016. To date, Florida Housing has received no comments concerning the Petition.

**2. Present Situation**

a) Rule 67-48.004(4), Fla. Admin. Code, prohibits an Applicant from changing the Applicant Development team identified in the Application. It provides, in relevant part:

(4) For all funding programs outlined in this rule chapter, a Development will be withdrawn from funding and any outstanding commitments for funds or HC will be rescinded if, at any time, the Board determines that the Applicant’s Development or Development team is no longer the Development or Development team described in the Application or to the Credit Underwriter, and the changes made are prejudicial to the Development or to the market to be served by the Development.

b) Exhibit B of the RFA 2015-109 Application clarifies what changes will be considered prejudicial to the Development:

(2) The HOME Applicant entity shall be the borrowing entity and cannot be changed until after loan closing. Replacement of the Applicant or a material change (33.3 percent or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.



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### *Consent*

- c) Petitioner's Application (No. 2014-406H) identifies Southwest Florida GWI Housing XVII, Inc. as both the Applicant and the Developer. Petitioner is seeking this waiver because it desires to replace most or all of its Board members prior to loan closing. This would constitute a material change of the Applicant. A complete list of Board members to be replaced, along with proposed replacements, was provided in the Amended Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- e) Granting the requested waiver would not have any impact on other participants in the HOME program 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 waivers are granted. Florida Housing has examined the list of proposed new Board members and has no objection to any person on this list.

### 3. Recommendation

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.004(4), Fla. Admin. Code, so that Petitioner will be able to replace some or all of the Board members of the Applicant and Developer.

## MULTIFAMILY BONDS

### *Consent*

#### IV. MULTIFAMILY BONDS

##### A. Request Approval of the Transfer of Ownership for Grande Court at Boggy Creek

|   |   |
|---|---|
| <b>Development Name: Grande Court at Boggy Creek</b>  | <b>Location: Osceola County</b>   |
| <b>Development Owner: Grande Court Kissimmee Associates Ltd.</b>  | <b>Set-Asides: 40% @ 60% AMI MMRB<br/>100% @ 60% AMI Housing Credits</b>  |
| <b>Funding Source: Multifamily Mortgage Revenue Bonds (MMRB) and 4% Housing Credits (Housing Credits)</b> | <b>Amount: \$13,535,000 Tax Exempt MMRB<br/>\$823,714 Housing Credits</b> |
| <b>Number of Units: 394</b>   | <b>Type: Family</b>   |

##### 1. Background

Florida Housing financed the construction of the above referenced Development in 2002 with \$13,535,000 in tax exempt MMRB designated as 2002 Series G. In addition, the Development received \$823,714 in Housing Credits.

##### 2. Present Situation

Grande Court Kissimmee Associates Ltd. has requested Florida Housing's consent to the sale of Grande Court at Boggy Creek Apartments from Grande Court Kissimmee Associates Ltd. to Autumn Lakes Associates, L.P. and Weaver Drive Associates, L.P. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer and the assignment and assumption of the Land Use Restriction Agreement "LURA" and Extended Low-Income Housing Agreement "ELIHA" ([Exhibit A](#)).

##### 3. Recommendation

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

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

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

**A. Request Approval of PLP Loan Amount for The Arc Nature Coast, Inc., a not-for-profit entity, for Neff Lake Estate IV (2015-002P-09)**

|   |  |
|---|--|
| <b>DEVELOPMENT NAME (“Development”):</b>  | <b>Neff Lake Estate IV</b>                     |
| <b>APPLICANT/DEVELOPER (“Developer”):</b> | <b>The Arc Nature Coast, Inc.</b>              |
| <b>CO-DEVELOPER:</b>                      | <b>N/A</b>                                     |
| <b>NUMBER OF UNITS:</b>                   | <b>1 unit for up to 6 residents</b>            |
| <b>LOCATION (“County”):</b>               | <b>Hernando County</b>                         |
| <b>TYPE:</b>                              | <b>Persons with Developmental Disabilities</b> |
| <b>MINIMUM SET ASIDE:</b>                 | <b>20% @ 50% AMI</b>                           |
| <b>PLP LOAN AMOUNT:</b>                   | <b>\$36,000</b>                                |
| <b>ADDITIONAL COMMENTS:</b>               |  |

**1. Background**

- a) On November 9, 2015, the Developer submitted a PLP application for Neff Lake Estates IV.
- b) On November 9, 2015, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

**2. Present Situation**

- a) On January 7, 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 \$36,000.
- b) This Community Residential Home will consist of one six-bedroom home for six individual residents. The development has received a preliminary commitment for construction financing under RFA 2015-105 and is assigned to a credit underwriter.
- c) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

**3. Recommendation**

Approve the PLP Loan in the amount of \$36,000 to Arc Nature Coast, Inc. for Neff Lake Estate IV and allow staff to commence with the loan closing process.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

**B. Request Approval of PLP Loan Amount for The Arc Nature Coast, Inc., a not-for-profit entity, for Little Ranch Estate (2015-003P-09)**

|   |  |
|---|--|
| <b>DEVELOPMENT NAME (“Development”):</b>  | <b>Little Ranch Estate</b>                     |
| <b>APPLICANT/DEVELOPER (“Developer”):</b> | <b>The Arc Nature Coast, Inc.</b>              |
| <b>CO-DEVELOPER:</b>                      | <b>N/A</b>                                     |
| <b>NUMBER OF UNITS:</b>                   | <b>1 unit for up to 6 residents</b>            |
| <b>LOCATION (“County”):</b>               | <b>Pasco County</b>                            |
| <b>TYPE:</b>                              | <b>Persons with Developmental Disabilities</b> |
| <b>MINIMUM SET ASIDE:</b>                 | <b>20% @ 50% AMI</b>                           |
| <b>PLP LOAN AMOUNT:</b>                   | <b>\$44,800</b>                                |
| <b>ADDITIONAL COMMENTS:</b>               |  |

**1. Background**

- a) On November 9, 2015, the Developer submitted a PLP application for Little Ranch Estate.
- b) On November 9, 2015, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

**2. Preswent Situation**

- a) On January 7, 2016, staff received a development plan and a letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$44,800.
- b) This Community Residential Home will consist of one six-bedroom home for six individual residents. The development has received a preliminary commitment for construction financing under RFA 2015-105 and is assigned to a credit underwriter.
- c) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

**3. Recommendation**

Approve the PLP Loan in the amount of \$44,800 to Arc Nature Coast, Inc. for Little Ranch Estate and allow staff to commence with the loan closing process.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**C. Request Approval of Maturity Extension of PLP Loan for Promise in Brevard, Inc., a not-for-profit entity, for Promise in Brevard (2012-003P-09)**

|   |   |
|---|---|
| <b>DEVELOPMENT NAME (“Development”):</b>  | <b>Promise in Brevard</b>                 |
| <b>APPLICANT/DEVELOPER (“Developer”):</b> | <b>Promise in Brevard, Inc.</b>           |
| <b>CO-DEVELOPER (“Co-Developer”)</b>      | <b>N/A</b>                                |
| <b>NUMBER OF UNITS:</b>                   | <b>50</b>                                 |
| <b>LOCATION (“County”):</b>               | <b>Brevard County</b>                     |
| <b>TYPE:</b>                              | <b>Rental, Developmental Disabilities</b> |
| <b>SET ASIDE:</b>                         | <b>60% @ 60% AMI</b>                      |
| <b>PLP LOAN AMOUNT:</b>                   | <b>\$750,000</b>                          |
| <b>ADDITIONAL COMMENTS:</b>               |   |

**1. Background**

- a) On November 2, 2012, Florida Housing approved a PLP Loan for the Applicant for Promise in Brevard.
- b) On February 26, 2013, the Developer closed on the PLP loan. The loan matures February 26, 2016.

**2. Present Situation**

- a) The Developer has been awarded funding under RFA 2015-002. The credit underwriting report for the construction financing is submitted for approval as part of the January Board package.
- b) Closing on the construction financing will likely occur after the PLP loan matures on February 26, 2016. For that reason, we are seeking approval on an extension which will only be executed if the construction loan is not closed prior to the PLP maturity date.
- c) The Developer has submitted the request ([Exhibit C](#)) to extend the maturity date. The TAP has reviewed the Developer’s request and has submitted a letter recommending approval ([Exhibit D](#)).

**3. Recommendation**

Approve the one year extension to the PLP loan for Promise in Brevard from February 26, 2016, to February 26, 2017.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

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

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

###### 1. Background

- a) At the October 2014 meeting, the Board of Directors of Florida Housing authorized staff to enter into new contracts with the University of Central Florida (UCF) and the Metro Place development to expend \$11,335 in rental assistance or subsidies to U.S. military veterans or defense industry personnel currently attending a college or post-secondary school within the Central Florida area.
- b) The initial term of this contract retroactively began on July 1, 2014 and has been renewed once through June 30, 2016. Contingent upon these firms satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice. Each renewal shall be for an additional one year period, and there is one optional renewal term remaining.

###### 2. Present Situation

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

###### 3. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Timber Ridge at Sanders Pines Reserve (2015-107S)

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|--|---|
| <b>Development Name: Timber Ridge at Sanders Pines Reserve (“Development”)</b>     | <b>Location: Collier County</b>   |
| <b>Applicant/Borrower: Oak Marsh, LLC</b>  | <b>Set-Asides: 2% @ 33%, 78% @ 50%, 20% @ 60% AMI</b>   |
| <b>Demographic/Number of Units: Farmworker/74</b>                                  | <b>Requested SAIL Amount: \$2,215,000<br/>Existing SAIL to be restructured: \$500,000 plus accrued interest</b> |
| <b>Development Category/Type: Acquisition and Rehabilitation/Garden Apartments</b> | <b>MMRB: None</b>   |

1. Background/Present Situation

- a) On December 19, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-117 for SAIL Funding to Preserve Farmworker and Commercial Fishing Worker Housing.
- b) On March 20, 2015, the Board approved the final scores and recommendations for RFA 2014-117, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 26, 2015, staff issued an invitation to enter credit underwriting to Oak Marsh, LLC.
- d) On January 15, 2016, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2014-117.

2. Recommendation

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

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

*Consent*

**B. Request Approval of Credit Underwriting Report for Promise in Brevard (2015-002CSG)**

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|--|--|
| <b>Development Name: Promise in Brevard (“Development”)</b>          | <b>Location: Brevard County</b>  |
| <b>Applicant/Borrower: Promise in Brevard, LLC</b>                   | <b>Set-Asides: 25% @ 35% AMI and 75% @ 60% AMI</b>                                       |
| <b>Demographic/Number of Units: Family/52</b>                        | <b>Requested Amounts:<br/>SAIL \$2,000,000, Grant \$2,000,000, 9%<br/>HC \$1,300,000</b> |
| <b>Development Category/Type: New Construction/Garden Apartments</b> | <b>MMRB: None</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 Promise in Brevard, LLC.
- d) On January 21, 2016, staff received a revised final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2014-113.

**2. Recommendation**

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



## SPECIAL ASSETS

### *Consent*

#### VIII. SPECIAL ASSETS

- A. **Request Approval of Refinancing of First Mortgage and Renegotiation of SAIL Loan for Landings at Sea Forest, Ltd., a Florida Limited Partnership, for Landings at Sea Forest (MR1996T/GUAR/HUD Risk/97S-011/1999-506C)**

|   |   |
|---|---|
| <b>Development Name: Landings at Sea Forest (“Development”)</b>   | <b>Location: Pasco County</b>   |
| <b>Developer/Principal: Affordable Housing Institute (“Developer”)/ Landings at Sea Forest, Ltd. (“Borrower”)</b> | <b>Set-Aside: MMRB 40% @ 60%; SAIL 20% @ no income cap, 60% @ 60%; HC 60% @ 60% AMI; LURA &amp; EUA: 50 years</b> |
| <b>Number of Units: 200</b>   | <b>Allocated Amount: MMRB \$7,595,000; SAIL \$3,240,000; HC \$279,606</b>   |
| <b>Demographics: Family</b>   | <b>Servicer: Seltzer Management Group</b>   |

#### 1. **Background**

- a) During the 1997 funding cycle, Florida Housing Finance Corporation awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$3,240,000 to Landings at Sea Forest, Ltd., a Florida limited partnership (“Borrower”), for the development of a 200-unit apartment complex in Pasco County, Florida. The loan closed on December 12, 1996, and matures on December 1, 2036. The Development also received tax-exempt bonds in the original amount of \$7,595,000 and a 1999 allocation of low-income housing tax credits (“HC”) of \$279,606. The Multifamily Mortgage Revenue Bonds (“MMRB”) loan closed on January 1, 1999, and matures on October 1, 2036.
- b) The Development is HUD risk sharing with Florida Housing’s Guarantee Program.
- c) At the December 11, 2015 meeting, the Board approved the Borrower’s request to modify the SAIL loan interest rate from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and as stated in Rule 67-48.

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

- a) The Borrower requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC.
- b) The Borrower also requests that the SAIL loan, the MMRB and SAIL Land Use Restriction Agreements (“LURAs”), and Housing Credit Extended Use Agreement (“HC EUA”) be subordinated to the new first mortgage. As necessary to facilitate the refinance, MMRB loan documents may need to be modified and extended.

## SPECIAL ASSETS

### *Consent*

- c) The Borrower further requests that the SAIL loan be renegotiated from the current interest only payments based on 3% interest, subject to cash flow, to a hard pay structure requiring annual payments of interest and principal with a 1% interest and a 35 year amortization and a 35 year term. The SAIL LURA term will be extended by an equal amount of time as the SAIL loan term extension.
- d) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group providing a positive recommendation for the new financing and subordination of the SAIL loan, MMRB and SAIL LURAs, and HC EUA to the new first mortgage, and renegotiation and extension of the SAIL loan terms.

### 3. **Recommendation**

Approve the refinancing of the first mortgage, subordination of the SAIL loan, the MMRB and SAIL LURAs, and the HC EUA to the new first mortgage, renegotiation and extension of the SAIL loan terms, and modifications to any other loan documents deemed necessary by FHFC counsel, subject to the conditions outlined in the credit underwriter's report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

**B. Request Approval to Refinance the First Mortgage for Sabal Chase Associates, Ltd., a Florida Limited Partnership, for Sabal Chase Apartments (2000-532C/RFP 2010-16-07)**

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|---|---|
| <b>Development Name: Sabal Chase Apartments (“Development”)</b>   | <b>Location: St. Lucie County</b>   |
| <b>Developer/Principal: Cornerstone (“Developer”); Sabal Chase Associates, Ltd. (“Original Borrower”); Sabal Chase Harmony Housing LLC (“Current Borrower”)</b> | <b>Set-Aside: SAIL ELI 19% @33%; HC 100% @60%AMI<br/>SAIL ELI: 15 years; EUA 30 years</b> |
| <b>Number of Units: 340</b>   | <b>Allocated Amount: SAIL ELI \$4,725,000;<br/>HC \$6,319,679</b>                         |
| <b>Demographics: Family</b>   | <b>Servicer: Seltzer Management Group</b>   |

**1. Background**

- a) During the 2010 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan in the amount of \$4,725,000 to Sabal Chase Associates, Ltd., a Florida limited partnership (“Original Borrower”), for the development of a 340-unit property in St. Lucie County, Florida. The Development also received an allocation of low-income housing tax credits (“HC”) of \$6,319,679.
- b) On June 13, 2014, the Board approved the sale of the development from the Original Borrower to the Current Borrower. The development was also refinanced to pay off the Florida Housing issued bonds and eliminate the mortgage guarantee from Florida Housing’s Guarantee Program.

**2. Present Situation**

- a) The Current Borrower requests consent from the Board to refinance the existing first mortgage with a loan from the HUD 223(f) program. The refinancing will require that the SAIL ELI loan documents, the Bond Land Use Restriction Agreement (“LURA”), and the Low Income Housing Tax Credit Extended Use Agreement (“EUA”) be subordinated to the new first mortgage.
- b) Staff has received a credit underwriting report from Seltzer Management Group ([Exhibit B](#)) providing a positive recommendation for approval of the new financing, and subordination of the SAIL ELI loan documents, Bond LURA, and HC EUA to the new first mortgage.

**3. Recommendation**

Approve the refinancing of the first mortgage loan, and subordination of the SAIL ELI loan documents, Bond LURA, and HC EUA subject to the conditions outlined in the credit underwriter’s report, and subject to further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

C. **Request Approval of Transfer of the General Partner and Release of Guarantors in Groves Elderly Limited Partnership, a Florida Limited Partnership, for Groves at Victoria Park (2003-015CS)**

|   |   |
|---|---|
| <b>Development Name: Groves at Victoria Park (“Development”)</b>  | <b>Location: Highlands County</b>   |
| <b>Developer/Principal: Osprey Property Company (“Developer”)/Groves Elderly Limited Partnership (“Borrower”)</b> | <b>Set-Aside: SAIL &amp; HC 11% @30% &amp; 89%% @60% AMI<br/>LURA &amp; EUA: 50 years</b> |
| <b>Number of Units: 122</b>   | <b>Allocated Amount: SAIL \$970,000; HC \$847,803</b>                                     |
| <b>Demographics: Elderly</b>  | <b>Servicer: Seltzer Management Company</b>   |

1. **Background**

During the 2003 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$970,00 to Groves Elderly Limited Partnership, a Florida limited partnership (“Borrower”), for the development of a 122-unit property in Highlands County, Florida. The loan closed on July 16, 2004, and will mature on July 16, 2021. The Development also received a 2003 allocation of low-income housing tax credits (“HC”) of \$847,803.

2. **Present Situation**

- a) The Borrower requests approval for transfer of the general partner (“GP”) in Groves Elderly Limited Partnership from Osprey Ventures Sebring, LLC a Maryland limited liability company, to a yet to be formed affiliated entity of the limited partner of the partnership, Centerline Housing Partnership I LP – Series 3, as the replacement GP.
- b) The Borrower also requests the release of the Osprey Ventures Sebring, LLC, its affiliates and principals, as current guarantors, and the substitution of the replacement GP entity and its affiliates, as the remaining guarantors.

3. **Recommendation**

Staff recommends that the Board approve the transfer of the general partner, and the replacement of guarantors, subject to further approvals and verifications by FHFC counsel and appropriate Florida Housing staff 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 Hands for Homes, Inc., a Florida Not-For-Profit Corporation, for Tracey Manor (95HR-002)**

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|--|---|
| <b>Development Name: Tracey Manor<br/>("Development")</b>                      | <b>Location: Osceola County</b>                           |
| <b>Developer/Principal: Hands for Homes, Inc.<br/>("Developer"/"Borrower")</b> | <b>Set-Aside: HOME 100% @ 50% AMI;<br/>LURA: 20 years</b> |
| <b>Number of Units: 14</b>   | <b>Allocated Amount: HOME - \$503,861</b>                 |
| <b>Demographics: Family</b>  | <b>Servicer: First Housing Development Corporation</b>    |

**1. Background**

During the 1995 funding cycle Florida Housing awarded a \$503,861 HOME construction/permanent loan to Hands for Homes, Inc., a Florida not-for-profit corporation ("Borrower"), for the development of a 14-unit development (operating as an elderly development) in Osceola County. The HOME loan closed on February 28, 1996, and matured on February 28, 2011.

**2. Present Situation**

The Borrower requests an extension of the HOME loan, at current terms to February 28, 2026. The current terms of the note require that 85% of the Development's net operating income to be paid for principal reduction of the HOME loan and the current loan balance is \$478,869. The Borrower has been unable to refinance the Development and needs the additional time to allow for refinancing while continuing to pay down the HOME loan. The extension will also provide time for staff to workout financing terms to keep the Development affordable. The Borrower has agreed to extend the HOME Land Use Restriction Agreement ("LURA") term for an additional amount of time equal to the loan extension.

**3. Recommendation**

Approve the loan extension of the HOME loan, at its current terms, to February 28, 2026, extend the LURA for an equal amount of time, and direct staff to proceed with loan document modification activities as needed.

**SPECIAL ASSETS**

*Consent*

**E. Request Approval of the Extension of the HOME Loan for Marathon Housing Associates, Ltd., a Florida Limited Partnership, for Eastwind (95HR-009)**

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|--|--|
| <b>Development Name: Eastwind (“Development”)</b>  | <b>Location: Monroe County</b>   |
| <b>Developer/Principal: Monroe County Housing Authority (“Developer”)/Marathon Housing Associates, Ltd. (“Borrower”)</b> | <b>Set-Aside: HOME 20% @ 50% &amp; 80% @ 80% AMI;<br/>LURA: 50 years</b> |
| <b>Number of Units: 130</b>  | <b>Allocated Amount: HOME - \$4,214,629</b>                              |
| <b>Demographics: Family</b>  | <b>Servicer: First Housing Development Corporation</b>                   |

**1. Background**

During the 1995 funding cycle Florida Housing awarded a \$4,214,629 HOME construction/permanent loan to Marathon Housing Associates, Ltd., a Florida limited partnership, (“Borrower”), for the development of a 130-unit development in Monroe County. The HOME loan closed on March 21, 1996, and matured on March 21, 2011.

**2. Present Situation**

Monroe County Housing Authority requests an extension of the HOME loan at current terms to a term which is co-terminus with the HOME Land Use Restriction Agreement (“LURA”). The Borrower has been unable to refinance the Development and needs the additional time to allow for refinancing. The extension will also provide time for staff to workout financing terms to keep the Development affordable.

**3. Recommendation**

Approve the loan extension of the HOME loan, at its current terms, and direct staff to proceed with loan document modification activities as needed.

**SPECIAL ASSETS**

*Consent*

- F. Request Approval of the Extension of the HOME Loan for The Housing Finance Authority of Monroe County, a Florida Public Body Corporate and Politic Organized Under Florida Statute 159.60, Monroe County Ordinance 10-1979 and Resolution 059-1995, for Tropical Isle (95HR-008)**

|   |  |
|---|--|
| <b>Development Name: Tropical Isle (“Development”)</b>  | <b>Location: Monroe County</b>   |
| <b>Developer/Principal: The Housing Finance Authority of Monroe County (“Developer”/“Borrower”)</b> | <b>Set-Aside: HOME 20% @ 50% &amp; 80% @ 80% AMI;<br/>LURA: 50 years</b> |
| <b>Number of Units: 23</b>  | <b>Allocated Amount: HOME - \$1,119,107</b>                              |
| <b>Demographics: Family</b>   | <b>Servicer: First Housing Development Corporation</b>                   |

**1. Background**

During the 1995 funding cycle Florida Housing awarded a \$1,119,107 HOME construction/permanent loan to The Housing Finance Authority of Monroe County, (“Borrower”), for the development of a 23-unit development in Monroe County. The HOME loan closed on March 21, 1996, and matured on March 21, 2011.

**2. Present Situation**

The Housing Finance Authority of Monroe County (now known as Monroe County Housing Authority) requests an extension of the HOME loan at current terms to a term which is co-terminus with the HOME Land Use Restriction Agreement (“LURA”). The Borrower has been unable to refinance the Development and needs the additional time to allow for refinancing. The extension will also provide time for staff to workout financing terms to keep the Development affordable.

**3. Recommendation**

Approve the loan extension of the HOME loan, at its current terms, and direct staff to proceed with loan document modification activities as needed.