

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
March 18, 2016
Consent Items



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I. LEGAL

A. In Re: MARCIA GARDENS, LLC. - FHFC Case No. 2015-005VW

Development Name: (“Development”):	Marcia Gardens
Developer/Principal: (“Developer”):	RUDG-Vanguardian Developer, LLC
Number of Units: 70	Location: Miami-Dade
Type: New Construction – Garden Apartments	Set Asides: 55 HOME Units
Demographics: Elderly, Non-ALF	

1. Background

a) Petitioner Marcia Gardens was selected to receive \$4,500,000 in HOME funds from Florida Housing under RFA 2015-110 to assist in the construction of a 70 unit low-income housing development named “Marcia Gardens” (the “Development”), with a commitment to provide 55 HOME-Assisted units. Petitioner also obtained \$8,500,000 in Multifamily Mortgage Revenue Bonds (MMRB) for this 70-unit development. After being invited to credit underwriting, Petitioner obtained approval from Florida Housing to increase the MMRB amount to \$15,500,000 in order to increase the total number of units in the development to 134. On February 11, 2016, Florida Housing received a “Petition for Waiver of Rule 67-48.004(3)(i), for a Change in Number of Units” from Petitioner. A copy of the Petition is attached as [Exhibit A](#). On February 12, 2016, the Notice of Petition was published in the Florida Administrative Register in Volume 42, Number 29. To date, Florida Housing has received no comments concerning the Petition.

2. Present Situation

a) Rule 67-48.004(3)(i), Fla. Admin. Code, provides:

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

(i) Total number of units; notwithstanding the foregoing, for the SAIL and HC Programs that 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

b) Petitioner requests a waiver of the above rule in order to change the total number of units in the Development from 70 units to 134 units for purposes of its HOME application. This would allow Petitioner to build out the Development in a single phase, instead of in two separate phases as it originally contemplated. While the total number of units set aside for low-income tenants would increase, the total number of HOME-assisted units would not. Petitioner asserts that granting the waiver would be beneficial to the overall success of the Development in that the Developer would avoid duplicate due diligence, closing and construction costs, as well as inefficient project management costs. The

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requested change in number of units would not have affected the scoring of the Petitioner's application nor would it have allowed Petitioner to gain an unfair advantage over other applicants.

- c) 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.

- d) Petitioner has demonstrated that strict application of the above Rule under these circumstances would create a substantial hardship. 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 67-48.004(3)(i), Fla. Admin. Code, to allow it to increase the total number of units in the Development from 70 to 134.

MULTIFAMILY BONDS

Consent

II. MULTIFAMILY BONDS

A. Request Approval of Additional Subordinate Debt for Captiva Cove II Apartments

Development Name: Captiva Cove II Apartments	Location: Broward County
Applicant/Borrower: Captiva Cove II Associates, Ltd.	Set-Asides: 85% @ 60% AMI MMRB 100% @ 60% AMI Housing Credits 20% @ 50% AMI HOME 80% @ 60% AMI HOME
Funding Source: Multifamily Mortgage Revenue Bonds (MMRB), 4% Housing Tax Credits (Housing Credits), and HOME Investment Partnerships Program (HOME)	Amount: \$8,500,000 MMRB \$2,800,000 HOME \$535,900 Housing Credits
Number of Units: 88	Demographic: Family

1. Background

- a) On November 22, 2013, Florida Housing issued RFA 2013-010 Financing of Affordable Multifamily Housing Developments with HOME Funding to be used in Conjunction with Florida Housing-Issued Multifamily Mortgage Revenue Bond Financing and Non-Competitive Housing Credits. The Review Committee met on January 22, 2014 to give their scores and submit a recommendation to the Board. Captiva Cove II was among the Developments recommended for this funding. The Board approved the recommendation on January 31, 2014.
- b) The Applicant also submitted an Application on behalf of the proposed Development using the Non-Competitive Application package, requesting Multifamily Mortgage Revenue Bonds in the amount of \$7,700,000 and non-competitive Housing Credits in the amount of \$478,877, in order to construct the Development. The Applicant subsequently increased the MMRB request amount to \$8,500,000.
- c) The final Credit Underwriting Report dated June 3, 2014 and prepared by Seltzer Management Group, Inc., was approved June 13, 2014 by the Board. The MMRB and HOME Loans closed on December 16, 2014.

2. Present Situation

- a) On September 19, 2014, the Board approved the addition of a subordinate HOME loan from The City of Pompano Beach, in the amount of \$186,886, to the overall funding for this Development. On February 2, 2016, Captiva Cove II Associates, Ltd. requested Florida Housing's consent to increase the amount of the subordinate loan by \$100,327. Seltzer Management Group, Inc. has reviewed this request and provided a recommendation ([Exhibit A](#)).

MULTIFAMILY BONDS

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3. **Recommendation**

- a) Approve the additional subordinate debt, subject to the conditions in the update letter to the credit underwriting report, with further approval 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 Phoenix Apartments (2015-100B)

Development Name: Phoenix Apartments	Location: Miami-Dade County
Applicant/Borrower: Phoenix Apartments Venture LP	Set-Asides: 40% @ 50% AMI (MMRB & Housing Credits) 60% @ 60% AMI (MMRB & Housing Credits)
Funding Source: Multifamily Mortgage Revenue Bond (MMRB) and 4% Housing Tax Credits (Housing Credits)	Amount: \$10,500,000 MMRB \$687,441 Housing Credits
Number of Units: 164	Demographic: Family

1. Background/Present Situation

- a) The Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$11,600,000 and non-competitive Housing Credits in the amount of \$744,020. The Applicant subsequently reduced the MMRB request amount to \$10,500,000.
- b) On October 20, 2015, staff issued an invitation to enter credit underwriting to the Applicant.
- c) Staff reviewed the credit underwriting report dated March 2, 2016, giving a positive recommendation for a MMRB loan in the amount of \$10,500,000 and \$687,441 in Housing Credits ([Exhibit B](#)). Staff finds that the development meets all of 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 \$10,500,000 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

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C. Assignment of Bond Underwriter and Recommended Method of Sale

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition and rehabilitation of the proposed Development referenced below, the final credit underwriting report is being presented to the Board for approval simultaneously with this request to assign the appropriate professional for the transaction and approval of the recommended method of sale. A brief description of the Development is detailed below, along with staff's recommendation.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make recommendation to the Board for the method of bond sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as [Exhibit C](#).

2. Present Situation

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

3. Recommendation

- a) Approve the assignment of the recommended professional and the Independent Registered Municipal Advisor's recommendation for the method of bond sale, as shown in the chart below, for the proposed Development.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Phoenix Apartments	Miami-Dade County	164	Negotiated Public Offering	RBC Capital Markets, LLC	Exhibit C

MULTIFAMILY BONDS

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D. Request Approval of Co-Developer Change for Brookestone I (2014-120B/2014-310S)

Development Name: Brookestone I	Location: Leon County
Applicant/Borrower: Brookestone I, LP	Set-Asides: 100% @ 60% AMI (MMRB and Housing Credits) 10% @ 33% AMI (SAIL & ELI) 90% @ 60% AMI (SAIL and ELI)
Funding Source: Multifamily Mortgage Revenue Bond (MMRB), State Apartment Incentive Loan (SAIL), ELI Gap Funding (ELI) and 4% Housing Tax Credits (Housing Credits)	Amount: \$6,000,000 MMRB \$3,050,000 SAIL \$750,000 ELI \$475,000 Housing Credits
Number of Units: 108	Demographic: Elderly

1. Background/Present Situation

- a) On January 10, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-103 for Financing of Affordable Multifamily Housing Developments with SAIL Funding to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) As required in RFA 2014-103, the Applicant submitted a Non-Competitive Application package requesting MMRB in the amount of \$6,000,000 and non-competitive Housing Credits in the amount of \$475,000.
- c) On August 8, 2014, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- d) On August 14, 2014, staff issued an invitation to enter credit underwriting to Brookestone I, LP.
- e) On February 23, 2016, staff received a letter from the Applicant requesting a change in the co-Developer from H&H Residential Development, LLC to Southport Development, Inc. for the Non-Competitive Application ([Exhibit D](#)). Per Rule 67-21, the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. The Board approved this request on October 30, 2014 for the Application submitted under RFA 2014-103 for SAIL and ELI funding. This request is correcting the oversight that the previous request omitted the Non-Competitive Application.

2. Recommendation

- a) Approve the request for the change in the co-Developer from H&H Residential Development, LLC to Southport Development, Inc.

MULTIFAMILY PROGRAMS

Consent

III. MULTIFAMILY PROGRAMS

A. Request Approval of Loan Closing Extension for Coalition Lift (2014-347P)

Development Name: Coalition Lift (“Development”)	Location: Miami-Dade County
Applicant/Borrower: Coalition Lift, LLC	Set-Aside: 30% @ 33% AMI and 70% @ 60% AMI
Demographic/Number of Units: Homeless/34	Requested Amounts: Base Loan: \$3,400,000 & ELI Loan: \$825,000
Development Category/Type: Acquisition/ Rehabilitation/Garden Apartments	MMRB: N/A

1. Background/Present Situation

- a) On January 17, 2014, Florida Housing Finance Corporation issued a request for proposals (RFP) 2014-102 for financing to develop permanent supportive housing for high needs/high cost individuals who are chronically homeless.
- b) On March 14, 2014, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On April 1, 2014, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Coalition Lift, LLC which states that the loan must close within 12 months of the date of the invitation to enter credit underwriting, giving them a loan closing deadline of April 1, 2015. Applicants may request one (1) extension of up to 12 months related to the loan closing.
- d) On February 12, 2015, staff approved a request to extend the April 1, 2015 invitation to enter credit underwriting closing deadline to April 1, 2016, pursuant to the requirements of the RFP.
- e) On October 30, 2015, the Board approved the final credit underwriting and directed staff to proceed with the issuance of a firm commitment and loan closing activities. Staff issued a firm commitment for funding on November 2, 2015. Per the RFP, the loan must close within 120 calendar days of the date of the firm commitment, which gives them a closing deadline of March 1, 2016. A request for an extension of the firm commitment may be considered for an extension term of up to 90 calendar days subject to the closing deadlines established in the invitation to enter credit underwriting.
- f) On February 19, 2016, staff received a request from the Applicant for an extension of the firm commitment closing deadline of March 1, 2016 and the invitation to enter credit underwriting closing deadline of April 1, 2016 ([Exhibit A](#)), which will allow additional time to receive the Housing Assistance Payment Agreement from HUD and the Surtax Loan Agreement for the increased Surtax Loan once approved by the Board of County Commissioners.

MULTIFAMILY PROGRAMS

Consent

- g) Staff recommends a waiver of the invitation to enter credit underwriting closing deadline of April 1, 2016, and an additional extension to May 31, 2016.

2. **Recommendation**

- a) Approve an extension of both loan closing deadlines to May 31, 2016 subject to payment of the required non-refundable extension fee of one-half of one percent of each loan amount, pursuant to RFP 2014-102.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Grant Closing Extension for The Deleon Residential Facility (2015-017G)

Development Name: Deleon Residential Facility (“Development”)	Location: St. Lucie County
Applicant/Borrower: The Arc of St. Lucie County, Inc.	Set-Aside: 33% @ 40% AMI and 67% @ 60% AMI
Number of Bedrooms: 6	Grant Amount: \$188,000
Demographic: Persons with Developmental Disabilities	

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 letter of preliminary award, and on February 24, 2015, staff issued an invitation to enter credit underwriting.
- c) On July 9, 2015, staff approved a request to extend the credit underwriting report beyond the August 7, 2015 deadline, and the grant closing deadline to beyond the November 20, 2015 deadline.
- d) On December 11, 2015, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities.
- e) Staff issued a firm commitment for funding on December 15, 2015. Per the RFA, the grant funding must close by November 20, 2015. A request for an extension of the firm commitment may be considered for an extension term of up to 90 calendar days with no further opportunity to extend the closing deadline.
- f) On January 25, 2016, staff received a request from the Applicant for an extension of the firm commitment closing deadline of January 31, 2016 ([Exhibit B](#)), which will allow additional time to receive the permits necessary to obtain a septic system for a 6 bedroom home.

2. Recommendation

- a) Approve a grant closing extension from January 31, 2016 to May 31, 2016.

MULTIFAMILY PROGRAMS

Consent

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

Development Name: Greenwood Court Group Home (“Development”)	Location: Hillsborough County
Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.	Set-Aside: 33% @ 40% AMI and 67% @ 60% AMI
Number of Bedrooms: 6	Grant Amount: \$101,000
Demographic: Persons with Developmental Disabilities	

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) Florida Housing staff approved a closing extension of up to 3 months past the deadline of November 20, 2015. Per RFA 2014-112, if funding does not close by the end of this extension, the firm commitment will be deemed void and the funds de-obligated. After requesting the closing extension, the Applicant had challenges working with their original general contractor that was approved in the credit underwriting report, and had to hire a new general contractor. The Applicant is requesting an additional extension to complete an update to the credit underwriting report (to be approved by the Board), including a review of the new general contractor, and close on the grant funding ([Exhibit C](#)). Given the extenuating circumstances and the fact that the Applicant is making progress with the new general contractor, staff recommends granting an additional extension to allow time for an update to the credit underwriting report, and closing of the grant funding.

2. Recommendation

- a) Approve the additional closing extension until June 30, 2016.

MULTIFAMILY PROGRAMS

Consent

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

Development Name: Overhill Group Home (“Development”)	Location: Hillsborough County
Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.	Set-Aside: 33% @ 40% AMI and 67% @ 60% AMI
Number of Bedrooms: 6	Grant Amount: \$101,000
Demographic: Persons with Developmental Disabilities	

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) Florida Housing staff approved a closing extension of up to 3 months past the deadline of November 20, 2015. Per RFA 2014-112, if funding does not close by the end of this extension, the firm commitment will be deemed void and the funds de-obligated. After requesting the closing extension, the Applicant had challenges working with their original general contractor that was approved in the credit underwriting report, and had to hire a new general contractor. The Applicant is requesting an additional extension to complete an update to the credit underwriting report (to be approved by the Board), including a review of the new general contractor, and close on the grant funding ([Exhibit D](#)). Given the extenuating circumstances and the fact that the Applicant is making progress with the new general contractor, staff recommends granting an additional extension to allow time for an update to the credit underwriting report, and closing of the grant funding.

2. Recommendation

- a) Approve the additional closing extension until June 30, 2016.

MULTIFAMILY PROGRAMS

Consent

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

Development Name: Coulter Group Home (“Development”)	Location: Hillsborough County
Applicant/Borrower: Life Concepts, Inc. dba Quest, Inc.	Set-Aside: 33% @ 40% AMI and 67% @ 60% AMI
Number of Bedrooms: 6	Grant Amount: \$101,000
Demographic: Persons with Developmental Disabilities	

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) Florida Housing staff approved a closing extension of up to 3 months past the deadline of November 20, 2015. Per RFA 2014-112, if funding does not close by the end of this extension, the firm commitment will be deemed void and the funds de-obligated. After requesting the closing extension, the Applicant had challenges working with their original general contractor that was approved in the credit underwriting report, and had to hire a new general contractor. The Applicant is requesting an additional extension to complete an update to the credit underwriting report (to be approved by the Board), including a review of the new general contractor, and close on the grant funding ([Exhibit E](#)). Given the extenuating circumstances and the fact that the Applicant is making progress with the new general contractor, staff recommends granting an additional extension to allow time for an update to the credit underwriting report, and closing of the grant funding.

2. Recommendation

- a) Approve the additional closing extension until June 30, 2016.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

IV. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Habitat for Humanity of Lee and Hendry Counties, Inc., a not-for-profit entity, for Harlem Heights I (2015-005P-09)

DEVELOPMENT NAME (“Development”):	Harlem Heights I
APPLICANT/DEVELOPER (“Developer”):	Habitat for Humanity of Lee and Hendry Counties, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	82 Homeownership units
LOCATION (“County”):	Lee County
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI, 50% @ 120% AMI
PLP LOAN AMOUNT:	\$750,000
ADDITIONAL COMMENTS:	

1. Background

- a) On December 30, 2015, the Developer submitted a PLP application for Harlem Heights I.
- b) On December 30, 2015, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On February 22, 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 \$750,000. Of this \$750,000 loan amount, \$500,000 is requested as partial funding of the acquisition of the land that is under contract for \$1,400,000. This acquisition portion of the loan is subject to a positive recommendation from an assigned credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$750,000 to Habitat for Humanity of Lee and Hendry Counties, Inc. for Harlem Heights I and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$250,000 and assign the acquisition portion of the loan (\$500,000) to a credit underwriter for review.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

V. PROFESSIONAL SERVICES SELECTION (PSS)

A. Contract Renewal – Bond Counsel Services

1. Background

- a) At the July 2012 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the following firms for Bond Counsel services:
 - (1) Bryant Miller Olive P.A. jointly with Steve E. Bullock, P.A.
 - (2) Greenberg Traurig, P.A. jointly with Edwards & Associates, P.A.
 - (3) Hawkins Delafield & Wood LLP jointly with Murai Wald Biondo & Moreno PLLC
 - (4) Kutak Rock LLP
- b) The initial three-year term of this contract began for each of these firms in August 2012.
- c) Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice for an additional one-year period. At the May 2015 meeting, the Board authorized staff to utilize the first renewal option.
- d) There is one optional renewal term remaining for all four firms.

2. Present Situation

- a) Florida Housing staff supports a renewal to extend the term of the contract for the final one-year renewal period.

3. Recommendation

- a) Staff recommends the Board direct staff to proceed with the final one-year renewal option for bond counsel services.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

B. Contract Renewal - Environmental Engineering/Consulting Services

1. Background

a) At the June 2013 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the following firms for environmental engineering/consulting services:

- (1) Arcadis US, Inc.
- (2) GGI, LLC d/b/a Genesis Group, and
- (3) Professional Services Industries, Inc.

b) The initial three (3) year term for this contract began in August 2013 for each of these firms. Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice for an additional one-year period. There are two (2) optional renewal terms remaining for all three firms.

2. Present Situation

a) Florida Housing staff supports a renewal to extend the term of the contract for the first one-year renewal period for all three firms.

3. Recommendation

a) Staff recommends the Board direct staff to proceed with the first one-year renewal option for all three environmental engineering/consulting firms.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

C. Renewal for Financial Advisor Contract

1. Background

- a) At the July 2012 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Tibor Partners, Inc. for Financial Advisor services. The initial three (3) year term of this contract began on August 24, 2012.
- b) Contingent upon the vendor satisfactorily performing its obligations under the contract as determined by Florida Housing, this contract may be renewed twice for a one-year period. At the May 2015 meeting, the Board authorized staff to proceed with the first one-year renewal option.

2. Present Situation

- a) Florida Housing staff supports a renewal to extend the term of the contract for the final one-year period.

3. Recommendation

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

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

D. Contract Renewal – Printing Services

1. Background

- a) At the June 2013 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with ImageMaster, LLC for printing, binding, shipping and electronic transmission of preliminary and final official statements.
- b) 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 are two (2) optional renewal terms remaining.

2. Present Situation

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

3. Recommendation

- a) Staff recommends the Board direct staff to proceed with the first one-year renewal option for this contract.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

E. Contract Renewal – Structuring Agent Services

1. Background

a) At the June 2013 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the following firms for structuring agent services:

- (1) George K. Baum & Company, Inc.
- (2) Raymond James & Associates, Inc.
- (3) RBC Capital Markets, LLC

b) At the August 2013 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Stern Brothers & Co. for the same services.

c) Current contract information is as follows:

Contract Number	Vendor	Initial Term Start Date	Initial Term Expiration Date
2013-11-02-001	Raymond James & Associates, Inc.	8/12/2013	8/11/2016
2013-13-02-001	Stern Brothers & Co.	8/30/2013	8/29/2016
2013-11-02-002	George K. Baum & Company, Inc.	9/6/2013	9/5/2016
2013-11-02-003	RBC Capital Markets, LLC	9/6/2013	9/5/2016

d) Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice for an additional one-year period. There are two (2) optional renewal terms remaining for all four firms.

2. Present Situation

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

3. Recommendation

a) Staff recommends the Board direct staff to proceed with the first one-year renewal option.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VI. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Loan Closing Extension for Grove Park Apartments (2014-301S)

Development Name: Grove Park Apartments (“Development”)	Location: St. Lucie County
Applicant/Borrower: Lennard Road Partners, Ltd.	Set-Aside: 10% @ 40% AMI and 70% @ 60% AMI
Demographic/Number of Units: Family/210	Requested Amounts: SAIL: \$4,200,000, ELI Gap loan \$1,575,000, 4% HC \$1,372,237
Development Category/Type: New Construction/Garden Apartments	MMRB: \$18,000,000 (Local – STLCHF)

1. Background/Present Situation

- a) On January 10, 2014, Florida Housing Finance Corporation issued a Request for Applications 2014-103 (RFA) for 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) On August 8, 2014, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 14, 2014, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Lennard Road Partners, Ltd.
- d) On March 20, 2015, the Board approved the final credit underwriting report and directed staff to proceed with a firm loan commitment and loan closing activities. Staff issued a firm loan commitment for funding on March 23, 2015. Per the RFA, the loan must close within 180 calendar days of the firm commitment, which is September 21, 2015. A request for an extension of the firm loan commitment may be considered by the Board for an extension term of up to 90 Calendar Days.
- e) On September 18, 2015, the Board approved a loan closing deadline extension request from the Applicant to extend the deadline from September 21, 2015 to December 20, 2015.
- f) On December 11, 2015, the Board approved an additional loan closing deadline extension request from the Applicant to extend the deadline from December 20, 2015 to March 18, 2016.
- g) On February 11, 2016, staff received a request from the Applicant for an additional extension of the firm commitment closing deadline ([Exhibit A](#)). The extension will allow additional time to close the loan after lien free completion, which is expected in late April/early May 2016. The project is 88% complete as of February 1, 2016, and is scheduled for substantial completion by March 31, 2016. Staff has reviewed the request and finds that the development meets all of the requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. **Recommendation**

- a) Approve the request to extend the firm commitment loan closing deadline from March 18, 2016 to June 16, 2016, pursuant to the requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Loan Closing Extension for Timber Ridge at Sanders Pines Reserve (2015-107S)

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

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 29, 2016, the Board approved the final credit underwriting report and directed staff to proceed with a firm loan commitment and closing activities. Staff issued a firm loan commitment for funding on February 1, 2016.
- e) On February 16, 2016, staff received a request from the Applicant for an extension of the loan closing deadline of March 28, 2016 ([Exhibit B](#)), which will allow additional time to provide loan closing due diligence items including, but not limited to, building permits, requisite insurance coverages, ADA certifications, etc. Per the RFA and stated in the invitation to enter credit underwriting, 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 the 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 28, 2016 to March 28, 2017, 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 New Hope Community, Phase II (2015-108S)

Development Name: New Hope Community, Phase II (“Development”)	Location: Martin County
Applicant/Borrower: Indiantown Non Profit Housing, Incorporated	Set-Asides: 10% @ 40%, 60% @ 50%, 30% @ 60% AMI
Demographic/Number of Units: Farmworker/57	Requested SAIL Amount: \$1,710,000 Existing HOME Loan to be restructured: \$1,910,814 plus accrued interest
Development Category/Type: Rehabilitation/Garden Apartments	MMRB: None

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 Indiantown Non Profit Housing, Incorporated.
- d) On February 18, 2016, staff received a request from the Applicant for an extension of the loan closing deadline of March 28, 2016 ([Exhibit C](#)). Due to staff and contractor illnesses which resulted in turnover of key personnel of the Applicant, the credit underwriting process didn't fully commence until November 2015.
- e) Subsequent to receipt of the Applicant's extension request letter, Staff learned that issues have now arisen regarding unforeseen rehabilitation expenses that exceed the amount of funds available. Specifically, the PNA obtained by the Credit Underwriter identified approximately \$1,600,000 in immediate repair costs. This total did not include various associated soft costs estimated at roughly \$650,000. Together, these costs exceed the \$1,700,000 SAIL funding by \$550,000. To address this shortfall, the Applicant has begun the process of applying for a \$500,000 AHP grant from FHLB-Atlanta which, when coupled with Applicant's cash, would close the financing gap assuming the Applicant is awarded the \$500,000 grant. The AHP Grant recipients are expected to be notified in mid-August.
- f) In addition, at its December 11, 2015 meeting, the Florida Housing Finance Corporation Board approved a one year extension (to January 26, 2017) of the HOME loan for New Hope Community Phase II, which was set to mature on January 26, 2016.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- g) Per the RFA and stated in the invitation to enter credit underwriting, the SAIL 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 the request and finds that the development meets all of the requirements of the RFA.

2. **Recommendation**

- a) Approve the request to extend the SAIL loan closing deadline from March 28, 2016 to March 28, 2017 to allow the Applicant time to submit an application for the AHP grant as detailed above, 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 Credit Underwriting Report for Ozanam Village (2015-226S)

Development Name: Ozanam Village (“Development”)	Location: Pasco County
Applicant/Borrower: Society of St. Vincent de Paul South Pinellas, Inc.	Set-Asides: 25% @ 40% AMI and 75% @ 60% AMI
Number of Units: 30	Loan Amount: SAIL \$4,683,000 & ELI Gap Loan \$309,360
Type: Garden Style Apartments	Housing Credit Allocation: N/A
Demographic: Family	MMRB: N/A

1. Background/Present Situation

- a) On January 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-101 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs.
- b) On June 19, 2015, the Board approved the final scores and recommendations for RFA 2015-101, and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 22, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Society of St. Vincent de Paul South Pinellas, Inc.
- d) On March 2, 2016, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit D](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2015-101.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval of Credit Underwriting Report for Orchid Estates (2014-437S)

Development Name: Orchid Estates (“Development”)	Location: Miami-Dade County
Applicant/Borrower: Orchid Estates, Ltd.	Set-Aside: 10% @ 33% AMI and 90% @ 60% AMI
Demographic/Number of Units: Family/74	Requested Amounts: SAIL \$4,250,000, ELI Gap Loan \$1,575,000, 4% HC \$516,427
Development Category/Type: New Construction/Garden Apartments	MMRB: \$7,500,000 (Local – HFAMD)

1. Background/Present Situation

- a) On August 25, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-111, and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 6, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting on the SAIL and Extremely Low Income (ELI) Gap Loan to Orchid Estates, Ltd. which states that the loan must close within 12 months of the date of the invitation to enter credit underwriting, giving them a loan closing deadline of February 8, 2016.
- d) The RFA requires that the SAIL funding offered in the RFA will be used in conjunction with Tax-Exempt Bonds (Bonds) and Non-Competitive Housing Credits (4% HC). As there will ultimately be at least four (4) different funding streams in deals funded through this RFA (SAIL, ELI, Bonds and 4% HC), the Corporation added provisions to the RFA that all Applicants will be required to submit their application for the Bond financing and/or the 4% HC within time periods outlined in the RFA to ensure that comprehensive credit underwriting is accomplished within the same timeframe. Regarding Applicants choosing Non-Corporation-Issued Bonds (which was the option chosen by Orchid Estates, Ltd.), the RFA states that within 10 Calendar Days after the date the Applicant enters credit underwriting for the (local) Bonds (and 4% HC), the Applicant must submit to the Corporation the Non-Competitive Application, along with the applicable Application fee.
- e) On October 26, 2015, staff received a request from the Applicant for an extension of the loan closing deadline of February 8, 2016, which would allow additional time to complete the credit underwriting process and finalize the Miami-Dade County surtax loan. 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- f) On November 10, 2015, staff received a draft credit underwriting report for Orchid Estates, Ltd., (with the goal to be included on the December 11, 2015 agenda for the Corporation Board of Directors), that did not contain an analysis of the 4% HC and the required “50% test” (which is normally included as it determines eligibility for the 4% HC). At about the same time, Corporation staff responsible for the 4% HC process received email correspondence from Orchid Estates, Ltd., asking when the Non-Competitive Application should be submitted. Given these events, staff initiated inquiry with the credit underwriter as to the timing of the engagement for the local Bonds, and found that Orchid Estates, Ltd., engaged the credit underwriting for the local Bonds (and 4% HC) in September, and at that point in November, no Non-Competitive Application had yet been submitted by Orchid Estates, Ltd., to the Corporation.
- g) On January 6, 2016, staff received a request to waive the provisions of RFA 2014- 111 regarding the timing of submission of the Non-Competitive Application.
- h) On January 29, 2016, the Board approved the requests to waive the provisions of the RFA regarding the timing of the Non-Competitive Applicant and extend the loan closing deadline from February 8, 2016 to February 8, 2017.
- i) On March 3, 2016, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit E](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2014-111.

2. Recommendation

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

SPECIAL ASSETS

Consent

VII. SPECIAL ASSETS

A. Request Approval of Transfer of Ownership in Lakeside Park I Apartments (SAIL RFP 2008-01-06)

Development Name: Lakeside Park I (“Development”)	Location: Highlands County
Developer/Principal: Avon Park Housing Authority (“Developer”)/ Avon Park Housing Authority (“Borrower”)	Set-Aside: 1st 15 Years – 30% @ 40%, 70% @ 60%; Remaining 35 Years – 100% @ 60% LURA: 50 years
Number of Units: 16	Allocated Amount: SAIL \$760,000
Demographics: 80% Homeless, 20% Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2008-01 RFP, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$760,000 to Avon Park Housing Authority (“Borrower”), for the substantial rehabilitation of a 16-unit property in Highlands County, Florida. The loan closed on August 29, 2011, and matures on August 29, 2026. A portion of Public Housing Mitigation Initiative Grant 2009-07-02 was also allocated to Lakeside Park I in the amount of \$2,615.70.

2. Present Situation

- a) The Borrower requests approval to transfer ownership of the Development to Lakeside Park I, LLC, a Florida Limited Liability Company. Lakeside Park I, LLC is wholly owned by Avon Park Housing Development Corporation (“APHDC”), an affiliate of Avon Park Housing Authority.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit A](#)).

3. Recommendation

- a) Approve the transfer of ownership subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

B. Request Approval of Transfer of Ownership and Subordination of Grant in Lakeside Park II Apartments (PHMI Grant 2009-07-02)

Development Name: Lakeside Park II (“Development”)	Location: Highlands County
Developer/Principal: Avon Park Housing Authority (“Developer”)/ Avon Park Housing Authority (“Borrower”)	Set-Aside: Grant funds restricted to units with household incomes at or below 80% AMI Restrictive Covenant: 9 years
Number of Units: 63	Allocated Amount: PHMI Grant \$78,471
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2009-07 RFP, Florida Housing Finance Corporation (“Florida Housing”) awarded a Public Housing Mitigation Initiative Grant (“PHMI Grant”) in the amount of \$78,471 to Avon Park Housing Authority (“Borrower”), for the replacement of 18 existing roofs covering a total of 30 individual residential units in Highlands County, Florida. 29 units are within Lakeside Park II Apartments and 1 unit is within Lakeside Park I Apartments. The grant closed on July 30, 2010, and matures on July 30, 2019. A portion of the PHMI Grant was allocated to Lakeside Park I in the amount of \$2,615.70.

2. Present Situation

- a) The Borrower requests approval to transfer ownership of the Development to Lakeside Park II, LLC, a Florida Limited Liability Company. Lakeside Park II, LLC is wholly owned by Avon Park Housing Development Corporation (“APHDC”), an affiliate of Avon Park Housing Authority.
- b) The Borrower also intends to obtain new financing from Churchill Mortgage Investment, LLC (“Churchill Mortgage”) in the amount of \$1,280,000 for the rehabilitation of 62 units within the Development. The new financing will require that the PHMI Grant be subordinated to the new loan from Churchill Mortgage.
- c) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit A](#)).

3. Recommendation

- a) Approve the transfer of ownership and the subordination of the PHMI Grant subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

C. **Request Approval to Refinance for Oakdale Redevelopment, Ltd., a Florida Limited Partnership, for Oakdale Apartments (2009-048CTX)**

Development Name: Oakdale Apartments (“Development”)	Location: Walton County
Developer/Principal: Royal American Development, Inc. (“Developer”) / Oakdale Redevelopment, Ltd. (“Borrower”)	Set-Aside: TCAP, HOME, & TCEP 10% @ 40%, 90% @ 60% AMI TCAP, HOME, & TCEP: 50 years
Number of Units: 48	Allocated Amount: TCAP \$1,316,391; HOME \$115,900; TCEP \$5,511,392
Demographics: Family (5% Special Needs)	Servicer: First Housing Development Corporation

1. **Background**

- a) During the 2009 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a Tax Credit Assistance Program (“TCAP”) loan in the amount of \$1,316,391, a HOME loan in the amount of \$115,900, and a Tax Credit Exchange Program (“TCEP”) loan in the amount of \$5,511,392 to Oakdale Redevelopment, Ltd., a Florida limited partnership (“Borrower”), for the development of a 48-unit property in Walton County, Florida.
- b) On June 18, 2010, the Board approved a credit underwriting letter from First Housing, which recommended a change to the first mortgage lender from Grandbridge Real Estate Capital to Royal American Financial, Inc. and a change in the TCAP loan term from 18 years to 15 years. The credit underwriting letter also recommended that Florida Housing subordinate the TCAP loan to the Royal American Financial, Inc. (“RAFI”) loan if it is sold in an arms-length transaction to a financial institution acceptable to Florida Housing and the terms of the loan remain the same or are changed to more favorable terms. Further, the credit underwriting letter acknowledged that the Borrower had obtained a HUD insured mark to market loan in the amount of \$327,062 that contained a lock-out provision which prohibited prepayment prior to June 1, 2011.
- c) In 2012, the Borrower paid off the HUD loan in lieu of selling the RAFI loan.

2. **Present Situation**

- a) The Borrower requests approval to refinance with a loan from Coastal Bank and Trust in the amount of \$775,000, the proceeds of which will be used to reimburse the Borrower for funds previously expended to pay off their HUD loan and also to pay off a subordinate loan to Royal American Financial, Inc. This request meets the intention of the replacement of the temporary funding contemplated in the June 2010 Board approval. The refinancing will require that the TCAP loan, HOME loan, and TCEP loan be subordinated to the new loan from Coastal Bank and Trust.
- b) Staff received a credit underwriting report from First Housing ([Exhibit B](#)) providing a positive recommendation for the proposed refinance and subordination.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the refinancing and the subordination of the TCAP loan, HOME loan, and TCEP loan 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

D. Request Approval of Supplemental Financing for Tuscany Place Associates, Ltd., a Florida Limited Partnership, for Tuscany Place Apartments (2002-035S/2003-528C)

Development Name: Tuscany Place (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone Group Development, LLC (“Developer”); Tuscany Place Associates, Ltd. (“Borrower”)	Set-Aside: SAIL 11% @ 50, 89% @ 60%; HC 100% @ 60% AMI LURA: 50 years; EUA: 50 years
Number of Units: 340	Allocated Amount: SAIL \$2,000,000; HC \$1,146,784
Demographics: Large Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2002 funding cycle, Florida Housing Finance Corporation awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$2,000,000 to Tuscany Place Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 340-unit apartment complex in Miami-Dade County, Florida. The loan closed on June 13, 2003, and matures on December 1, 2044. The Development also received a 2003 allocation of low-income housing tax credits (“HC”) of \$1,146,784.

2. Present Situation

- a) The Borrower requests approval to obtain supplemental financing to be used for the settlement of litigation, to acquire all the Limited Partner interests from one of the former principals of the Borrower, and to repay an existing \$1,000,000 Miami-Dade County CDBG Loan. The Borrower intends to obtain the supplemental proceeds from JLL, a Fannie Mae DUS lender, in the amount of \$7,875,000.
- b) The Borrower also requests that the SAIL loan documents, the HC Extended Low-Income Housing Agreement (“EUA”), and the SAIL Land Use Restriction Agreements (“LURA”) be subordinated to the new supplemental financing.
- c) The Borrower has agreed to make a principal reduction payment on the SAIL loan in the amount of \$1,000,000 and pay all outstanding deferred and accrued SAIL loan interest.
- d) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit C](#)).

3. Recommendation

- a) Approve the request to obtain supplemental financing and subordination of the SAIL loan documents, the HC EUA, and the SAIL LURA to the new supplemental financing 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

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

Development Name: Grove Pointe Apartments (“Development”)	Location: Hillsborough County
Developer/Principal: Cornerstone (“Developer”); Grove Pointe, L.P. (“Borrower”)	Set-Aside: SAIL 20% @ 40% & 80% @ 40%; HC 100% @ 40% AMI; LURA: 54 years; EUA: 50 years
Number of Units: 80	Allocated Amount: SAIL \$1,438,936; HC \$529,102
Demographics: Farmworker	Servicer: First Housing Development Corporation

1. Background

- a) During the 1995 and 1996 State Apartment Incentive Loan Program (“SAIL”) Cycles VII and VIII, Florida Housing awarded a \$1,438,936 construction/permanent loan to Grove Pointe, L.P. (“Borrower”), a Florida limited partnership, for the development of an 80-unit development in Hillsborough County. The SAIL loan closed on May 17, 1996 and the original maturity date was April 22, 2012. The Board previously approved extensions of the loan to April 22, 2016. The Development also received a 1996 allocation of low-income housing tax credits of \$529,102.

2. Present Situation

- a) The Borrower has requested approval to extend the SAIL loan, at its current terms, to April 22, 2017. 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. The Borrower has agreed to an extension of the Land Use Restriction Agreement (“LURA”) term equal to the loan extension (adding one year to the current 54 years).

3. Recommendation

- a) Approve the extension of the SAIL loan, at its current terms, to April 22, 2017, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

F. Request Approval of SAIL Loan Modification for Venice Cove, Ltd., a Florida Limited Partnership, for Venice Cove Apartments fka Venice Homes (2001-073S/2001-519C)

Development Name: Venice Cove Apartments (“Development”)	Location: Broward County
Developer/Principal: Southport (“Developer”)/ Venice Cove, Ltd. (“Borrower”)	Set-Aside: SAIL 2.01% @ 25%; 97.99% @ 60%; HC 100% @ 60% AMI LURA: 50 years; EUA: 30 years
Number of Units: 150	Allocated Amount: SAIL \$1,548,000; HC \$466,991
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2001 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$1,548,000 to Venice Cove, Ltd. (“Borrower”), a Florida limited partnership, for the development of a 150-unit apartment complex in Broward County, Florida. The SAIL loan closed on June 20, 2002, and matures on March 31, 2042. On March 31, 2008, the Borrower de-obligated \$420,000, leaving a loan balance of \$1,128,000. The Development also received a 2001 allocation of low-income housing tax credits (“HC”) of \$466,991.

2. Present Situation

- a) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and as stated in Rule 67-48 as follows:

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (25), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6) (b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

SPECIAL ASSETS

Consent

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

3. Recommendation

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