DEMONSTRATION LOANS

Action

I. DEMONSTRATION LOANS

A. Request Approval Of Transfer Of Sunsouth Place Demonstration Loan (2001/08-006HL) From Carrfour Corporation To The Miami Beach Community Development Corporation (MBCDC), Reduce The Number Of Units To 34 And Change The Name Of The Development To Meridian Place

<table>
<thead>
<tr>
<th>DEVELOPMENT NAME (“Development”):</th>
<th>Sunsouth Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVELOPER/PRINCIPAL (“Developer”):</td>
<td>Carrfour Corporation, a non-profit corporation</td>
</tr>
<tr>
<td>NUMBER OF UNITS:</td>
<td>71 (55 set-aside)</td>
</tr>
<tr>
<td>LOCATION (County):</td>
<td>Miami-Dade County</td>
</tr>
<tr>
<td>TYPE:</td>
<td>Rental</td>
</tr>
<tr>
<td>SET ASIDE:</td>
<td>Extremely low income or homeless</td>
</tr>
<tr>
<td>DEMONSTRATION LOAN AMOUNT:</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

1. Background

a) On September 21, 2001, the Board approved a demonstration loan (2001/08-006HL) to Carrfour Corporation in the amount of $1,000,000 for Sunsouth Place for the rehabilitation of a 71 unit single room occupancy building under Request for Proposals (RFP) for the Development and Rehabilitation of Housing for the Extremely Low Income and/or Homeless.

b) On April 26, 2002, the Board approved the credit underwriting report for the development. The loan closed on April 4, 2005, after a lengthy process to provide environmental clearance on the property.

c) To date, $896,252 of the $1,000,000 loan has been drawn by the current developer (Carrfour). The funds have been used to complete 28% of the rehabilitation to the property.

d) On September 28, 2006, Carrfour submitted a written request to Florida Housing to allow for the transfer of the development to MBCDC. On October 10, 2006, a similar request was submitted by the MBCDC, along with a request to change the name to Meridian Place. Reasons for the requested transfer include the overall financial health of Carrfour, in part as a result of protracted problems with NIMBYism, zoning issues, increased construction costs over this period, and loss of some of the capital funding for the project. Carrfour is in the process of reorganizing and rebuilding the organization, and one strategy has been to decrease the number of projects such as Sunsouth Place in order to consolidate Carrfour’s resources.

e) MBCDC has agreed to take on this project as part of its mission to provide affordable housing and with the support of the City of Miami Beach. The development also has an additional commitment of funds from the City of Miami Beach.
DEMONSTRATION LOANS

Action

f) In the request from MBCDC, there was an additional request to change the configuration of the building. The original plan called for 71 Single Room Occupancy (SRO) units with shared bathroom and kitchen facilities, with 55 units set aside for homeless people. In the newly proposed configuration, there would be a total of 34 units. This would include 17 one bedroom units and 17 studio units, all of which would be set aside for elderly homeless people. In addition to the change in the number of units, an elevator will be added to the 3 story building. The reduction in the total number of units is designed to provide housing units with private baths and an additional amount of square footage per unit from approximately 125 to 205 square feet per unit to 324 to 465 square feet per unit. The reduction supports the City’s attempt to mitigate NIMBYism on this development and has been agreed to by MBCDC and the city and adopted in the City of Miami Beach Resolution number 2006-26372 which awarded $1,500,000 in city funds to the project.

g) Staff believes that the reduction of units is reasonable without a reduction in Florida Housing’s demonstration loan amount, because increased construction and operating costs, including the addition of an elevator have changed the landscape from 2002 to 2006.

h) On November 29, 2006, Florida Housing received a credit underwriting report (Exhibit A) supporting the transfer of the development from Carrfour Corporation to the Miami Beach CDC, allowing for the reduction of units from 71 SRO (55 set-aside) to 34 units (17 one bedroom, 17 studio, all units set aside).

i) The transfer of the development will also include a change in the name of the development to Meridian Place.

2. Recommendation

a) Approve the credit underwriter’s recommendation, subject to conditions contained in the report, to allow the transfer of the development from Carrfour Corporation to the Miami Beach CDC. In addition, allow a change in the name of the development to Meridian Place and allow staff to execute the necessary documents for the transaction.

b) Approve the reduction in the number of units from 71 SRO (55 set-aside) to 34 units (17 one bedroom, 17 studio, all set-aside) and allow staff to execute the necessary documents for the transaction.
II. FISCAL

A. 2007 Operating Budget

1. Background

   a) The Florida Housing operating budget is created with a conservative projection of revenue and a conservative but realistic view of all expenses. Although interest rates have begun to inch upward, the interest rate environment coupled with increasing land costs continue to have an adverse impact on our revenue projections.

   b) More specifically, the operating budget for 2007 was created as follows:

      (1) projection of fee revenue based on the current loan portfolio and additions to it for estimated new deals in 2007;

      (2) projection of revenue from the administration of federal programs;

      (3) projection of investment earnings based on input from our investment managers;

      (4) as applicable, expected appropriations supporting the Affordable Housing Study Commission, Catalyst program, and compliance monitoring; and

      (5) a zero-based budget model for operating expenses; the 2007 projected work plan for operational units determines the initial expense budget request from each work unit.

   c) Upon implementation of the 2007 operating budget, Florida Housing will continue to control expenses. Work units will be given spending authority on a quarterly basis and with at least an initial 10% holdback of the approved budget for most line items. Additionally, certain discretionary line items, such as staff development travel, will be controlled at the executive level. With these measures in place to control the budget, Florida Housing expects to maintain a positive excess of revenue above expenses trend.

2. Present Situation

   a) The Operating Budget for 2007 has been compiled and reviewed and is included as Exhibit A.

   b) An Account Guide describing the budget categories is included as Exhibit B.

3. Recommendation

   Staff recommends approval of the 2007 operating budget.
HURRICANE PROGRAMS

Action

III. HURRICANE PROGRAMS

A. Request Approval of Final Ranking of Applications for the Farmworker Housing Recovery Program and the Special Housing Assistance and Development Program and Re-issue Available Funds by Application for the Development of Housing for Farmworkers and Housing for Persons with Special Needs

1. Background

a) In February 2005, the Hurricane Housing Work Group appointed by Governor Jeb Bush published its Recommendations to Assist Florida’s Long Term Housing Recovery Efforts. As part of the funding recommendations, two programs were proposed: the Farmworker Housing Recovery Program and the Special Housing Assistance and Development Program.

b) The two programs were presented for consideration in the 2005 legislative session, but did not receive an appropriation of funds.

c) The programs were considered again in the 2006 legislative session as part of House Bill 1363 and received an appropriation of $15 million total for the two programs.

d) On August 7, 2006, the Application Cycle for the programs opened. The cycle closed on October 6, 2006. Seven applications were submitted by the deadline. Staff issued preliminary scores for the programs on October 17, 2006.

e) Applicants had until October 25, 2006, to file Notices of Possible Scoring Error (NOPSEs) relative to the preliminary scoring of another Applicant’s Application. The NOPSE scores (reflecting either a change or no change to the preliminary score) were issued to the Applicants on November 2, 2006.

f) Applicants had until November 13, 2006, to file cures for items which, during preliminary and/or NOPSE scoring, failed to receive maximum points, maximum proximity points and/or failed threshold, as applicable. Applicants then had until November 21, 2006, to file a written Notice of Alleged Deficiency (NOAD) relative to another Applicant’s cure.

g) Upon completion of its evaluation of the cures and NOADs, staff will carry out the final ranking of the Applications to be provided at the board meeting.

2. Present Situation

a) The final ranking of the Applications will be presented for the Board’s consideration and approval. (Exhibit A)

b) Providing the funding awards are approved as recommended, a total of approximately $3.9 million will be committed to eligible Applicants, leaving approximately $11.1 million uncommitted. As set forth in the recommendations and the emergency rule, this funding shall be made available through another application cycle.

c) To ensure successful allocation of funds in the second round of applications, staff will make revisions to the application process.

December 15, 2006 
Florida Housing Finance Corporation
HURRICANE PROGRAMS

Action

3. Recommendation

a) Approve the ranking and direct staff to proceed with the issuing of final ranking scores and notice of rights to the Applicants.

b) Authorize staff to revise the application process and re-issue available funds through an application process for the development of housing for farmworkers and housing for persons with special needs.
IV. LEGAL

A. In Re: Meadowbrook Apartments, Ltd.

FHFC Case No. 2006-042UC

<table>
<thead>
<tr>
<th>Development Name: (&quot;Development&quot;):</th>
<th>Meadowbrook Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal: (&quot;Developer&quot;):</td>
<td>Carlisle Development</td>
</tr>
<tr>
<td>Number of Units:</td>
<td>66</td>
</tr>
<tr>
<td>Location:</td>
<td>Glades County</td>
</tr>
<tr>
<td>Type: Garden Apartments</td>
<td>Set Aside: 100% @ or below 60% AMI</td>
</tr>
<tr>
<td>Demographics: Family</td>
<td>Allocated Amount: N/A</td>
</tr>
<tr>
<td>MMRB: N/A</td>
<td>Housing Credits: N/A</td>
</tr>
</tbody>
</table>

1. Background

a) Meadowbrook Apartments, Ltd., ("Petitioner") applied for funding from the State Apartment Incentive Loan ("SAIL") program and the Low Income Housing Tax Credit Program during the 2006 Universal Cycle. Petitioner’s Application received a score of 57. In its final ranking scores, Florida Housing did not rank Meadowbrook for possible funding, as the rules and instructions provide that with only one exception, applications with a score below 60 are not eligible for funding. Florida Housing found Petitioner’s Application not to be within that exception. Petitioner timely filed its “Petition for Informal Administrative Proceedings,” ("Petition") on May 26, 2006. A copy of the Petition is attached as Exhibit "A."

b) An informal administrative hearing was held on September 21, 2006, before Florida Housing’s appointed Hearing Officer, Diane D. Tremor. The Hearing Officer’s Recommended Order was filed on October 30, 2006. A copy of the Recommended Order is attached hereto as Exhibit “B.”

2. Present Situation

The Recommended Order recommends that a Final Order be entered determining that Petitioner does not qualify for funding based on its application score of less than 60 points.

3. Recommendation

Staff recommends that the Board adopt the findings of fact and conclusions of the Recommended Order as its findings of fact and conclusions of law in this case, and that the Board enter a Final Order determining that Petitioner does not qualify for funding based on its application score of less than 60 points, and dismissing the Petition.
In Re: Pinnacle Plaza, Ltd.

FHFC Case No. 2006-020/DOAH Case No. 06-2032

<table>
<thead>
<tr>
<th>Development Name: (“Development”):</th>
<th>Pinnacle Plaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal: (“Developer”):</td>
<td>Pinnacle Housing Group, LLC</td>
</tr>
<tr>
<td>Number of Units:</td>
<td>132</td>
</tr>
<tr>
<td>Location:</td>
<td>Miami-Dade County</td>
</tr>
<tr>
<td>Type:</td>
<td>High-Rise</td>
</tr>
<tr>
<td>Set Aside:</td>
<td>15% @ 33% AMI</td>
</tr>
<tr>
<td></td>
<td>85% @ 60% AMI</td>
</tr>
<tr>
<td>Demographics:</td>
<td>Family</td>
</tr>
<tr>
<td>Allocated Amount:</td>
<td>N/A</td>
</tr>
<tr>
<td>MMRB:</td>
<td>N/A</td>
</tr>
<tr>
<td>Housing Credits:</td>
<td>N/A</td>
</tr>
</tbody>
</table>

1. **Background**

   a) During the 2006 Universal Cycle, Pinnacle Plaza, Ltd. (“Petitioner”) applied for equity financing from the Low Income Housing Tax Credit (“HC”) program administered by Florida Housing on behalf of the IRS. Petitioner’s Application received a score of 66, as well as 6.25 “tie-breaker” points. Petitioner timely filed its “Petition Requesting Informal Hearing and Grant of the Relief Requested,” (“Petition”) on May 26, 2006. A copy of the Petition is attached as Exhibit C. Petitioner alleged therein that Florida Housing erred in the scoring of its Universal Cycle Application, in that Florida Housing should not have disqualified the store submitted by Petitioner in an attempt to garner 1.25 tie-breaker points for development proximity to a grocery store. Florida Housing had disqualified the subject store as not meeting the definition of “grocery store” in the Application Instructions.

   b) After reviewing the Petition, Florida Housing determined that material disputes of fact existed and on June 12, 2006, forwarded the Petition to the Division of Administrative Hearings (DOAH) for proceedings under Section 120.57(1), Florida Statutes.

   c) An formal administrative hearing was held on September 29, 2006, before DOAH Administrative Law Judge (ALJ) Robert E. Meale. The ALJ’s Recommended Order was filed on October 27, 2006. A copy of the Recommended Order is attached hereto as Exhibit “D.”

2. **Present Situation**

   The Recommended Order recommends that Florida Housing enter a Final Order dismissing the Petition.

3. **Recommendation**

   Staff recommends that the Board adopt the findings of fact and conclusions of the Recommended Order as its findings of fact and conclusions of law in this case, and that the Board enter a Final Order determining that Petitioner is not entitled to 1.25 proximity tie-breaker points for proximity to a grocery store, and dismissing the Petition.
C. In Re: Harbour Cove Associates, Ltd.

FHFC Case No. 2006-53VW/ FHFC Case No. 2006-067VW

<table>
<thead>
<tr>
<th>Development Name: (“Development”):</th>
<th>Harbour Cove Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal: (“Developer”):</td>
<td>Cornerstone Development, LLC</td>
</tr>
<tr>
<td>Number of Units:</td>
<td>212</td>
</tr>
<tr>
<td>Location:</td>
<td>Broward County</td>
</tr>
<tr>
<td>Type:</td>
<td>mid-rise</td>
</tr>
<tr>
<td>Set Asides:</td>
<td>25% @ 50% AMI, 75% @ 60% AMI</td>
</tr>
<tr>
<td>Demographics:</td>
<td>family</td>
</tr>
<tr>
<td>SAIL:</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>MMRB:</td>
<td>N/A</td>
</tr>
<tr>
<td>Housing Credits:</td>
<td>N/A</td>
</tr>
</tbody>
</table>

1. Background

a) During the 2003 Universal Cycle, Florida Housing awarded $2 million in State Apartment Incentive Loan (SAIL) funding to Harbour Cove Associates, Ltd. (“Petitioner”) to construct a 212 unit multi-family rental apartment complex to be located in Broward County, Florida (“Development”). The Development is currently under construction.

b) On September 18 and 20, 2006, Florida Housing received a “Petition for Variance from Rule 67-48.010(3)(b)” and “Petition for Variance and Waiver from Rules 67-48.004(14)(l), 67-48.009(4) and Part V.A.1. of the Universal Application (Rev. 4-03) Incorporated by Reference into Rule 67-48.002(111)” (“Petitions”), from Petitioner. A copy of the Petitions are attached as Exhibits E and F.

c) To date, Florida Housing has received no comments concerning the Petitions.

d) Rule 67-48.004(14), Florida Administrative Code (2003), states in pertinent part:

   Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline….those items are as follows:

   (I) Funding request…;

e) Rule 67-48.009(4), Florida Administrative Code (2003), states in pertinent part:

   Applicants cannot request additional SAIL funding for the same Development, unless otherwise specified in the Universal Application.

---

1 As Petitioner’s two Petitions pertain to one underlying application, the Petitions are consolidated for the purposes of the Order.
LEGAL

Action

f) Part V.A. 1 of the 2003 Universal Application Instructions, incorporated by reference in Rule 67-48.002(111), Florida Administrative Code (2003), states in pertinent part:

SAIL request cannot exceed...$2 million...

g) Rule 67-48.010(3)(b), Florida Administrative Code (2003), states in pertinent part:

The loans shall be non-amortizing and shall have interest rates as follows:

…

(b) 3% simple interest per annum on loans to Developments other than those identified in (a) above;

h) Petitioner requests variances and waivers of Rule 67-004(14)(l), 67-48.009(4), 67-48.010(3)(b) and Part V.A.1 of the 2003 Universal Application Instructions to permit a change in the funding request. Specifically, Petitioner wishes to change the current funding request of $2,000,000.00 to request an additional $2,000,000.00 for a total funding request of $4,000,000.00 and to reduce its current interest rate from 3% to 1%. Petitioner is seeking additional SAIL funds to offset the costs it incurred as a result of discovering the presence of oil on the site of the Development during construction.

2. Present Situation

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

Varrantes 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.

3. Recommendation

Staff recommends the Board deny the Petitioner’s request for variances and waivers of Rule 67-004(14)(l), 67-48.009(4), 67-48.010(3)(b) and Part V.A.1 of the 2003 Universal Application Instructions incorporated by reference in Rule 67-48.002(111), Florida Administrative Code (2003). Petitioner failed to demonstrate entitlement to a variance or a waiver of the rules pled in its Petitions. Petitioner failed to demonstrate that the purpose of the underlying statute will be or has been achieved by other means by the person. Petitioner failed to demonstrate how the application of the rules to it would create a substantial hardship. Additionally, Petitioner has the resources to mitigate its unforeseen costs. Petitioner has also applied for and received relief under the Brownfields Redevelopment Act. As a matter of policy, were Florida Housing to allow Petitioner to receive additional funding, Florida Housing would be severely hampered in implementing its underlying statutory goal of facilitating the availability of decent, safe and sanitary housing in the State of Florida.
LEGAL

Action Supplement

I. LEGAL

A. In Re: Emerald Terrace Limited Partnership

FHFC Case No. 2006028UC

| Development Name: (“Development”): | Emerald Terrace |
| Developer/Principal: (“Developer”): | Gatehouse |
| Number of Units: | 124 |
| Location: | Escambia County |
| Type: | Apartment |
| Set Aside: | 15% @ or below 30% AMI |
| | 85% @ or below 60% AMI |
| Demographics: Family | Allocated Amount: N/A |
| MMRB: N/A | Housing Credits: 2,435,000 |

1. Background

a) Emerald Terrace Limited Partnership. (“Petitioner”) applied for an allocation of
tax credits from the Low Income Housing Tax Credit program during the 2006
Universal Cycle. In its final raking scores, Florida Housing found Petitioner’s
Application did not meet threshold requirements with respect to environmental
safety, as the Phase I Environmental Site Assessment form did not address the
presence or absence of asbestos containing materials or lead-based paint where
there was an existing building on the proposed development site. Petitioner
timely filed its “Petition for Informal Administrative Proceedings,” (“Petition”) on May 26, 2006. A copy of the Petition is attached as Exhibit “A.”

b) An informal administrative hearing was held on November 3, 2006, before
Florida Housing’s appointed Hearing Officer, Diane D. Tremor. The Hearing
Officer’s Recommended Order was filed on December 8, 2006. A copy of the
Recommended Order is attached hereto as Exhibit “B.”

2. Present Situation

The Recommended Order recommends that a Final Order be entered determining that
Petitioner’s Application is deemed to have met threshold requirements with respect to
environmental safety.

3. Recommendation

Staff recommends that the Board adopt the findings of fact and conclusions of the
Recommended Order as its findings of fact and conclusions of law in this case, and that
the Board enter a Final Order determining that Petitioner’s Application is deemed to have
met threshold requirements with respect to environmental safety.
V. MINUTES

A. Consider Approval of the October 20, 2006, Board of Directors’ Meeting Minutes.
VI. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Qualifications for Specialty Promotional Printing Services

1. Background
   a) At its January 20, 2006 meeting Florida Housing’s Board authorized staff to enter into contract negotiations with Global DocuGraphix to provide printing, reproduction and specialty promotional printing services.

   b) On or about August 1, 2006, Florida Housing staff was notified that on July 18, 2006, GlobalDocugraphix had filed a voluntary petition initiating a Chapter 11 bankruptcy, and as of July 31, 2006 CorpLogo Ware had acquired the assets of the Havana, Florida division of Global Docugraphix.

   c) Florida Housing is under contract with Target Copy, Rapid Press and Pride Enterprises, to provide printing and reproduction services. However, GlobalDocugraphix is the only vendor that was under contract to provide specialty promotional printing services (e.g. brochures, mugs, pens, t-shirts, and other promotional items).

2. Present Situation
   a) Fla. Admin. Code, R. 67-49.002(b) provides that when the purchase price of commodities or contractual services exceeds or is estimated to exceed $25,000 in any twelve (12) month period, purchases of these commodities or contractual services, except as otherwise provided in subsection 67-49.002(4),(5) and (6), must be made pursuant to an Invitation to Bid, Invitation to Negotiate, Request for Proposals, or Request for Qualifications.

   b) Florida Housing staff has determined that the costs for specialty promotional printing services are expected to exceed $25,000 in fiscal year 2007.

3. Recommendation

   Authorize staff to begin the solicitation process, and establish a review committee, to select a pool of vendors from which Florida Housing staff may choose to purchase specialty promotional printing services.