

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
September 8, 2006
Consent Items



DEMONSTRATION LOANS

Consent

I. DEMONSTRATION LOANS

- A. Request Approval of Supplemental Credit Underwriting Report for Refuge House, Inc., a Non-Profit Corporation, for Transitional Housing for Victims of Domestic Violence (RFP 2004/04-01)

DEVELOPMENT NAME (“Development”):	Transitional Housing for Victims of Domestic Violence (Second Phase)
DEVELOPER/PRINCIPAL (“Developer”):	Refuge House, Inc. - a non-profit corporation
NUMBER OF UNITS:	4 families (or 10 individual adults)
LOCATION (County):	Leon County
TYPE:	Rental, Transitional
SET ASIDE:	Victims of Domestic Violence
DEMONSTRATION LOAN AMOUNT:	\$469,008
ADDITIONAL COMMENTS: The credit underwriting report is for the second phase of a previously approved demonstration loan.	

1. Background/Present Situation

- a) On May 25, 2006, staff received a credit underwriting report for the second phase of the subject development with a positive recommendation for a loan of \$469,008, subject to the conditions outlined in the report.
- b) Subsequent to the Board’s approval, the borrower informed Florida Housing that a mortgage covering this property along with two other properties already exists. The borrower is requesting that the demonstration loan be subordinate to the existing mortgage. This is consistent with previous demonstration loans which are in subordinate lien positions.
- c) The credit underwriter has reviewed the request and recommended approval ([Exhibit A](#)).

2. Recommendation

Approve the Credit Underwriter’s recommendation to allow the demonstration loan to be subordinate to the existing mortgage.

DEMONSTRATION LOANS

Consent

B. Request Subordinate Lien Position For Demonstration Loan For Clam Bayou Apartments (RFP 2004/12-04PMDD)

DEVELOPMENT NAME (“Development”):	Clam Bayou Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Clam Bayou Apartments, Inc., a non-profit corporation
NUMBER OF UNITS:	14
LOCATION (County):	Pinellas
TYPE:	Rental, Supportive Housing
SET ASIDE:	Persons with Physical, Mental or Developmental Disabilities
DEMONSTRATION LOAN AMOUNT:	\$184,130

1. Background

- a) On October 14, 2005 the Board approved the credit underwriting report and recommendation of the Technical Assistance Provider.
- b) On March 3, 2006, the Board approved the demonstration loan to be placed in a subordinate lien position to HUD Section 811 financing.

2. Present Situation

- a) The developer has requested that the demonstration loan be subordinate to another loan from the Federal Home Loan Bank in the amount of \$187,960.
- b) Demonstration loans are typically in second or third lien position and the credit underwriter has reviewed and is recommending approval ([Exhibit B](#)) of the request to place the demonstration loan in the third position behind the HUD 811 program financing and the Federal home Loan Bank financing.

3. Recommendation

Authorize staff to proceed with closing the Demonstration Loan in a subordinate lien position to the HUD Section 811 financing and the Federal Home Loan Bank financing.

HOMEOWNERSHIP PROGRAMS

Consent

II. HOMEOWNERSHIP PROGRAMS

A. Authorize Staff to De-obligate HOME Funds for Two Three Rivers Housing Foundation, Inc. (Non-Profit) Developments

Applicant Name (“Applicant”):	Three Rivers Housing Foundation, Inc (Non-Profit)
Developer/Principal (“Developer”):	Forrest Boone
Type:	HOME Purchase Assistance Loans

FHFC #	Development Name / Location	Proposed Number of Units	HOME Funds Allocated
HH03-026	Leon HOME South (Wakulla Co.)	30	\$720,000
HH03-041	Chipley HOME (Washington Co.)	16	\$340,000
	TOTAL		\$1,060,000

1. Background

- a) The Applicant submitted the above-referenced applications during the 2003 Homeownership Loan Program Application Cycle and was invited to enter into credit underwriting for Leon South on February 17, 2004 and for Chipley HOME on August 2, 2004.
- b) The credit underwriting reports for both Developments were approved at the April 22, 2005 Board Meeting.

2. Present Situation

On July 10, 2006, the Developer withdrew these Developments from funding, citing the inability to proceed with the Developments as originally proposed. The email is attached as [Exhibit A](#).

3. Recommendation

Staff recommends that the Board approve the withdrawal and de-obligation of a total of \$1,060,000 in HOME funds for the Leon South and Chipley HOME Developments and that the funds be made available for future use with other Homeownership Programs.

HOMEOWNERSHIP PROGRAMS

Consent

B. Request for Approval of the Credit Underwriting Report for GoodHomes of Manasota, Inc. (Non-Profit)

Applicant Name (“Applicant”):		GoodHomes of Manasota, Inc. (Non-Profit)
Developer/Principal (“Developer”):		Laura Carter
Location:		Sarasota County, Florida
Type:		Community Land Trust Loan for land acquisition
FHFC #	Units	HOME Funds Allocated
CLTRFP05-04-2	10	\$500,000
CLTRFP06-03-4	10	\$500,000
TOTAL	20	\$1,000,000

1. Background

- a) On March 3, 2006, the Board approved the final rankings for the 2005 Community Land Trust Request for Proposals (CLTRFP-05) and Florida Housing issued the Applicant an invitation into credit underwriting on March 16, 2006.
- b) On June 9, 2006, the Board approved the final rankings for the 2006 Community Land Trust Request for Proposals (CLTRFP-06) and Florida Housing issued the Applicant an invitation into credit underwriting on June 16, 2006.

2. Present Situation

- a) The Credit Underwriter has provided staff with a combined Credit Underwriting Report (CUR) outlining the parameters of both proposals, which is attached as [Exhibit B](#).
- b) Staff has reviewed the CUR and concurs with the Credit Underwriter’s recommendation to award \$500,000 for each Development, for a total of up to \$1,000,000 for the acquisition of up to twenty (20) scattered site in-fill lots, subject to the conditions contained in the CUR.

3. Recommendation

Staff recommends that the Board approve the CUR and authorize staff to issue firm commitment letters to the Developer for up to \$500,000 for each Community Land Trust Loan on a lot by lot basis, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP PROGRAMS

Consent

C. Request for Approval of the Credit Underwriting Report for Florida Low Income Housing Associates, Inc. (Non-Profit) / CLTRFP-05-04-1

Applicant Name (“Applicant”):	Florida Low Income Housing Associates, Inc. (Non-Profit)
Developer/Principal (“Developer”):	Pat Kenney
Number of Units: 10	Location: Citrus County, Florida
Type: Community Land Trust Loan	Allocated Amount: \$1,549,000

1. Background

- a) At its March 3, 2006 meeting, the Board approved the final rankings for the 2005 Community Land Trust Request for Proposals (CLTRFP-05).
- b) On March 16, 2006, Florida Housing issued an invitation into credit underwriting to the Applicant for a Community Land Trust Loan in the amount of \$1,570,000 to purchase 10 homes (land plus existing improvements) in Citrus County.

2. Present Situation

- a) The credit underwriter provided staff with a Credit Underwriting Report (CUR) outlining the parameters of the proposed Development, which is attached as [Exhibit C](#).
- b) Staff has reviewed the CUR and concurs with the credit underwriter’s recommendation to award \$1,549,000 for a Community Land Trust Loan, subject to the conditions contained in the CUR.

3. Recommendation

Staff recommends that the Board approve the CUR and authorize staff to issue a firm commitment letter in the amount of \$1,549,000 to the Developer for a Community Land Trust Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOME RENTAL

Consent

III. HOME RENTAL

A. Request Approval to Extend HOME Loan Closing Deadline for New Horizons Apartments (2005-107H)

Development Name: New Horizons Apartments (“Development”)	Location: Miami-Dade
Developer/Principal: Greater Miami Neighborhoods, Inc. (“Developer”)	Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI
Number of Units: 100	Allocated Amount: \$2,944,000
Type: Highrise/Acq/Reb	Demographics: Family

1. Background/Present Situation

- a) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On September 29, 2005, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in an amount up to \$2,944,000 for this 100-unit family development in Miami-Dade County.
- c) On June 9, 2006, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- d) On June 14, 2006, staff issued a firm commitment letter for a HOME loan in an amount up to \$2,944,000. Pursuant to Rule Chapter 67-48, F.A.C., the loan must close within 60 days of issuance of the firm commitment letter.
- e) On August 8, 2006, staff received a letter from the Developer ([Exhibit A](#)) requesting a loan closing extension of 60 days due to the inability to obtain from the U. S. Department of Housing and Urban Development (HUD) approval of the Loan and the documents evidencing the Loan (the “Loan Documents”). The Developer has been advised by HUD that it may take another thirty (30) days or more to process the requests.

2. Recommendation

Approve the Developer’s request to extend the loan closing deadline until October 13, 2006.

LEGAL

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IV. LEGAL

A. In Re: Oakcrest Apartments RRH II, LLLP

FHFC Case No. 2006-032VW

Development Name: (“Development”):	Oakcrest Apartments – Phase II
Developer/Principal: (“Developer”):	Pamela K. Borton
Number of Units: 20	Location: Pasco
Type: Garden Apartments	Set Asides: 85% @ 60% AMI 15% @ 35% AMI
Demographics: Rural Development	SAIL: N/A
MMRB: N/A	Housing Credits: \$44,781

1. Background

- a) During the 2002 Universal Cycle, Florida Housing awarded an allocation of Low Income Housing Tax Credits (“HC”) to Oakcrest Apartments RRH II, LLLP (“Petitioner”), for Application #2002-014C.
- b) On August 7, 2006, Florida Housing received an “Amended Petition for Waiver of Compliance Monitoring Fees Imposed by Rule 67-48.007, F.A.C. (2002), and the Universal Application Instructions Adopted as Rules under Section 67-48.002(116), F.A.C. (2002)” (“Amended Petition”), from Petitioner. A copy of the Amended Petition is attached as [Exhibit A](#).¹
- c) Rule 67-48.007, Florida Administrative Code (2002), states in pertinent part:

The Corporation ... shall collect via check or money order the following fees and charges in conjunction with the ... HC Program:

(6) Compliance Monitoring Fees.
- d) Rule 67-48.002(116)(a), Florida Administrative Code (2002), states in pertinent part:

The Universal Application Package is adopted and incorporated herein by reference, effective on the date of the last amendment of this rule chapter.
- e) The particular portions of the 2002 Universal Application Instructions which apply to this Petition state, in pertinent part:

7. Compliance Monitoring Fees:

b. HC Only: Annual fee of \$1,380 + \$5.75 per set-aside unit, paid up front for the full Housing Credit Extended Use Period at Final Housing Credit Allocation, based on a quarterly payment stream of discounted at a rate of 2.75%.

¹ Petitioner submitted its original Petition for Waiver on June 23, 2006. Petitioner’s Amended Petition requests substantially the same relief, and corrects a Rule citation.

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Consent

- f) Petitioner requests a waiver of the above Rules and the above portions of the 2002 Universal Application Instructions incorporated therein to partially waive Annual Compliance monitoring fee and impose an Annual Compliance monitoring fee for the Development based on \$300.00 per development over the compliance monitoring term (50 years), and the payment discounted at 2.75%.
- g) On August 18, 2006, the Notice of the Amended Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Amended Petition.

2. **Present Situation**

- a) 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.

- b) The Development is financed in part through a United States Department of Agricultural Rural Development program ("USDA RD") which provides a direct loan program for financing of multi-family housing. USDA RD and Florida Housing entered into an agreement to monitor compliance with the tax credit requirements of USDA RD borrowers. This agreement resulted in a reduced compliance monitoring fee imposed on USDA RD borrowers. In 2001, the Annual Compliance monitoring fee for those developments with USDA RD funds was \$300.00 per development over the compliance monitoring terms, and the payment was discounted 2.75%. This reduced monitoring fee was inadvertently omitted from the 2002 Universal Application Instructions and rules.
- c) Petitioner demonstrated that denial of these requested waivers would violate principles of fairness, in that requiring payment of the entire fee where monitoring is also being conducted by the USDA would result in an overpayment by Petitioner. Granting the Petition would serve the purpose of the underlying statute which provides for compliance and the collection of monitoring fees, and by ensuring that the affordable housing units are provided.

3. **Recommendation**

Staff recommends the Board grant the Petitioner's request for a waivers of Rules 67-48.002(116), and 67-48.007, Florida Administrative Code, and the above stated portions of the 2002 Universal Application Instructions incorporated therein, to impose an Annual Compliance monitoring fee for Oakcrest Apartments RRH II based on \$300.00 per development over the compliance monitoring term, thirty (30) years, and the payment discounted at 2.75%, with no per unit annual fee.

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B. In Re: Pelican Cove RRH, Ltd.

FHFC Case No. 2006-030VW

Development Name: (“Development”):	Pelican Cove Apartments
Developer/Principal: (“Developer”):	CLS Construction, Inc.
Number of Units: 85	Location: Citrus County
Type: Garden Apartments	Set Asides: 40% @ 60% AMI 15% @ 35% AMI
Demographics: Rural Development (RD 515)	SAIL: N/A
MMRB: N/A	Housing Credits: \$163,490

1. Background

- a) During the 2002 Universal Cycle, Florida Housing awarded an allocation of Low Income Housing Tax Credits (“HC”) to Pelican Cove RRH, Ltd. (“Petitioner”), for Application #2002-165C, for the acquisition and rehabilitation of an 85 unit garden apartment, known as Pelican Cove Apartments.
- b) On August 9, 2006, Florida Housing received an “Amended Petition for Waiver of Compliance Monitoring Fees Imposed by Rule 67-48.007, F.A.C. (2002), and the Universal Application Instructions Adopted as Rules under Section 67-48.002(116)², F.A.C. (2002)” (“Amended Petition”), from Petitioner. A copy of the Amended Petition is attached as [Exhibit B](#).
- c) Rule 67-48.002(116), Florida Administrative Code (2002), states in pertinent part:

The Universal Application Package is adopted and incorporated herein by reference, effective on the date of the latest amendment to this rule chapter.

- d) The particular portions of the 2005 Universal Application Instructions which apply to this Petition state, in pertinent part:

6. Compliance Monitoring Fees:

b. HC:

Annual Compliance monitoring fees - \$1,380 + \$5.75 per set-aside unit, paid up front for the full Housing Credit Extended Use period at Final Housing Credit Allocation, based on a quarterly payment stream discounted at a rate of 2.75%.

- e) Rule 67-48.007, Florida Administrative Code (2002), states in pertinent part:

The Corporation ... shall collect via check or money order the following fees and charges in conjunction with the ... HC Program:

(7) Compliance Monitoring Fees.

² Petitioner submitted its Petition for Waiver on June 21, 2006. Petitioner’s Amended Petition requests substantially the same relief.

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- f) Petitioner requests a waiver of the above Rules and the above portions of the 2002 Universal Application Instructions incorporated therein to partially waive Annual Compliance monitoring fee and impose an Annual Compliance monitoring fee for the Development based on \$350.00 per development over the compliance monitoring term, 30 years, and the payment discounted at 2.75%.
- g) On August 18, 2006, the Notice of the original Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Amended Petition.

2. **Present Situation**

- a) 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.

- b) The Development is financed in part through a United States Department of Agricultural Rural Development program ("USDA RD") which provides a direct loan program for financing of multi-family housing. USDA RD and Florida Housing entered into an agreement to monitor compliance with the tax credit requirements of USDA RD borrowers. This agreement resulted in a reduced compliance monitoring fee imposed on USDA RD borrowers. In 2001, the Annual Compliance monitoring fee for those developments with USDA RD funds was \$300.00 per development over the compliance monitoring terms, and the payment was discounted 2.75%. This reduced monitoring fee was inadvertently omitted from the 2002 Universal Application Instructions and rules.
- c) Petitioner demonstrated that denial of these requested waivers would violate principles of fairness, in that requiring payment of the entire fee where monitoring is also being conducted by the USDA would result in an overpayment by Petitioner. Granting the Petition would serve the purpose of the underlying statute which provides for compliance and the collection of monitoring fees, and by ensuring that the affordable housing units are provided.

3. **Recommendation**

Staff recommends the Board grant the Petitioner's request for a waivers of Rules 67-48.00 2(116), and 67-48.007, Florida Administrative Code, and the above stated portions of the 2002 Universal Application Instructions incorporated therein, to impose an Annual Compliance monitoring fee for Petitioner based on \$350.00 per development over the compliance monitoring term, thirty (30) years, and the payment discounted at 2.75%.

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C. In Re: Royalton Apartments, Ltd.

Development Name: (“Development”):	Royalton Apartments
Developer/Principal: (“Developer”):	Carlisle Development Group, LLC
Number of Units: 100	Location: Miami-Dade County
Type: Single Room Occupancy	Set Aside: 16% @ 30% AMI 84% @ 60% AMI
Demographics: Homeless	Allocated Amount: \$2,000,000
MMRB: N/A	Housing Credits: \$921,555

1. Background

- a) During the 2004 Universal Cycle, Florida Housing awarded an allocation of SAIL funds and Low Income Housing Tax Credits to Royalton Apartments, Ltd. (“Petitioner”), for the acquisition and rehabilitation of a 100-unit complex, known as Royalton Apartments, located in Miami-Dade County, Florida (“Development”).
- b) On August 8, 2006, Florida Housing received a Petition for Waiver or Variance of Rules 67-48.002(33), 67-48.002(35), 67-48.010(5) and 67-48.012(2)(g) (“Petition”), from Petitioner. A copy of the Petition is attached as [Exhibit C](#).
- c) Rule 67-48.002(33) (2004), Florida Administrative Code, states in pertinent part:

(33) “Development Cash Flow” means, with respect to SAIL Developments, cash flow of a SAIL Development as calculated in the statement of cash flows prepared in accordance with generally accepted accounting principles and as adjusted for items including but not limited to extraordinary fees and expenses, payments on debt subordinate to the SAIL loan and capital expenditures.

- d) Rule 67-48.002(35) (2004), Florida Administrative Code, states in pertinent part:

(35) “Development Expenses” means, with respect to SAIL Developments, usual and customary operating and financial costs, such as the compliance monitoring fee, the financial monitoring fee, replacement reserves, the servicing fee and the debt service reserves. As it relates to the application of Development Cash Flow described in subsection 67-48.010(4), F.A.C., the term does not include extraordinary capital expenses, developer fees and other non-operating expenses.

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e) Rule 67-48.010(5) (2004), Florida Administrative Code, states:

(5) If the SAIL loan is secured by a first mortgage lien, each year, subject to the provisions of subsection (6) below, Development Cash Flow shall be applied to pay the following items in order of priority:

(a) First mortgage fees and interest payment on SAIL loan balance equal to 1% as stated in paragraph (3)(a) above and equal to 3% as stated in paragraph (3)(b) above over the life of the SAIL loan;

(b) Development Expenses on the SAIL loan including up to 20% of total Developer fees per year;

(c) Interest payments on the SAIL loan deferred from previous years;

(d) Mandatory payment on subordinate mortgages.

After the full SAIL loan interest has been paid, the Applicant shall retain all remaining monies, unless the Applicant chooses to prepay a portion of the loan balance

f) Rule 67-48.012(2)(g) (2004), Florida Administrative Code, states in pertinent part:

(g) The minimum combined debt service coverage shall be 1.10 and the maximum debt service coverage shall be 1.50, including the SAIL mortgage and all other superior mortgages.

g) Petitioner requests a variance from these rules to establish a Supplemental Operating Reserve in an amount up to \$2,500,000, to ensure the continuing economic viability of the Development, due to the possibility that a five-year sponsor-based Shelter Plus Care Program rental assistance contract by Miami-Dade County may be non-renewed. The Supplemental Operating Reserve would be funded with \$400,000 from the investor limited partner=s second equity installment, and the balance coming from Development Cash Flow of the Development.

h) On August 18, 2006, the Notice of Petition was published in the Florida Administrative Weekly.

i) To date, Florida Housing has not received any comments concerning the Petition.

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Consent

2. Present Situation

- a) 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.

3. Recommendation

- a) Staff recommends the Board grant the Petitioner's request for a waiver of Rules 67-48.010(5) and 67-48.012(2) (2004), Florida Administrative Code, to the extent necessary to allow Petitioner to establish a Supplemental Operating Reserve in an amount up to \$2,500,000 conditioned upon that it be funded with \$400,000 from the investor limited partner's second equity installment, and the balance coming from Development Cash Flow of the Development with the following conditions:
- (1) The funding of all net cash flow from the Development, until the Supplemental Operating Reserve has reached its full funding level of up to \$2,500,000, will be treated as an expense for purposes of calculating Development Cash Flow available to make interest payment on the SAIL loans; and
 - (2) Neither Petitioner nor any of its affiliates will receive any funds from the Supplemental Operating Reserve prior to these funds being used for operating shortfalls caused by the loss of Shelter Care rental assistance or for full payment of any accrued and/or deferred SAIL loan interest due to Florida Housing.
- b) In no event will the deposits into the Supplemental Operating Reserve continue beyond 15 years.
- c) The granting of this waiver request would serve the purpose of the underlying statute, in that the creation of the Supplemental Operating Reserve for the Development will enhance the likelihood of the Development's financial success and, in turn, will further Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. Not granting this waiver would result in a substantial hardship to Petitioner in that it will cause Petitioner to be unable to properly and efficiently develop this Development and could deprive Miami-Dade County of essential affordable rental units for homeless persons.

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Consent

D. In Re: Royalton Apartments, Ltd.

Development Name: (“Development”):	Royalton Apartments
Developer/Principal: (“Developer”):	Carlisle Development Group, LLC
Number of Units: 100	Location: Miami-Dade County
Type: Single Room Occupancy	Set Aside: 16% @ 30% AMI 84% @ 60% AMI
Demographics: Homeless	Allocated Amount: \$1,000,000
MMRB: N/A	Housing Credits: N/A

1. Background

- a) During the 2005 Universal Cycle, Florida Housing awarded an allocation of SAIL funds to Royalton Apartments, Ltd. (“Petitioner”), for the acquisition and rehabilitation of a 100-unit complex, known as Royalton Apartments, located in Miami-Dade County, Florida (“Development”).
- b) On August 8, 2006, Florida Housing received a Petition for Waiver or Variance of Rules 67-48.002(30), 67-48.002(32), 67-48.010(5) and 67-48.0072(10) (2005) (“Petition”), from Petitioner. A copy of the Petition is attached as [Exhibit D](#).
- c) Rule 67-48.002(30) (2005), Florida Administrative Code, states in pertinent part:

(30) “Development Cash Flow” means, with respect to SAIL Developments, cash flow of a SAIL Development as calculated in the statement of cash flows prepared in accordance with generally accepted accounting principles (“GAAP”) and as adjusted for items including any distribution or payments to the Principal(s) or any Affiliate of the Principal(s) or the Developer or any Affiliate of the Developer, whether paid directly or indirectly, which was not expressly disclosed in determining debt service coverage in the Board approved final credit underwriting report.

- d) Rule 67-48.002(32) (2005), Florida Administrative Code, states in pertinent part:

(32) “Development Expenses” means, with respect to SAIL Developments, usual and customary operating and financial costs, such as the compliance monitoring fee, the financial monitoring fee, replacement reserves, the servicing fee and the debt service reserves. As it relates to SAIL Developments and to the application of Development Cash Flow described in subsection 67-48.010(3) and (4), F.A.C., the term includes only those expenses disclosed in the operating pro forma included in the final credit underwriting report, as approved by the Board.

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- e) Rule 67-48.010(5) (2005), Florida Administrative Code, states:

(5) If the SAIL loan is secured by a first mortgage lien, each year, subject to the provisions of subsection (6) below, Development Cash Flow shall be applied to pay the following items in order of priority:

(a) First mortgage fees and interest payment on SAIL loan balance equal to 1% as stated in paragraph (3)(a) above and equal to 3% as stated in paragraph (3)(b) above over the life of the SAIL loan;

(b) Development Expenses on the SAIL loan including up to 20% of total Developer fees per year;

(c) Interest payments on the SAIL loan deferred from previous years;

(d) Mandatory payment on subordinate mortgages.

After the full SAIL loan interest has been paid, the Applicant shall retain all remaining monies, unless the Applicant chooses to prepay a portion of the loan balance.

- f) Rule 67-48.0072(10) (2005), Florida Administrative Code, states in pertinent part:

For SAIL Applications, the minimum combined debt service coverage shall be 1.10 for the SAIL loan, including all superior mortgages.

- g) Petitioner requests a variance from these rules to establish a Supplemental Operating Reserve in an amount up to \$2,500,000, to ensure the continuing economic viability of the Development, due to the possibility that a five-year sponsor-based Shelter Plus Care Program rental assistance contract by Miami-Dade County may be non-renewed. The Supplemental Operating Reserve would be funded with \$400,000 from the investor limited partner=s second equity installment, and the balance coming from Development Cash Flow of the Development.

- h) On August 18, 2006, the Notice of Petition was published in the Florida Administrative Weekly.

- i) To date, Florida Housing has not received any comments concerning the Petition.

2. Present Situation

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

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

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3. **Recommendation**

- a) Staff recommends the Board grant the Petitioner's request for a waiver of Rules 67-48.010(5) and 67-48.0072(10) (2005), Florida Administrative Code, to the extent necessary to allow Petitioner to establish a Supplemental Operating Reserve in an amount up to \$2,500,000 conditioned upon that it be funded with \$400,000 from the investor limited partner=s second equity installment, and the balance coming from Development Cash Flow of the Development with the following conditions:
- (1) The funding of all net cash flow from the Development, until the Supplemental Operating Reserve has reached its full funding level of up to \$2,500,000, will be treated as an expense for purposes of calculating Development Cash Flow available to make interest payment on the SAIL loans; and
 - (2) Neither Petitioner nor any of its affiliates will receive any funds from the Supplemental Operating Reserve prior to these funds being used for operating shortfalls caused by the loss of Shelter Care rental assistance or for full payment of any accrued and/or deferred SAIL loan interest due to Florida Housing.
- b) In no event will the deposits into the Supplemental Operating Reserve continue beyond 15 years.
- c) The granting of this waiver request would serve the purpose of the underlying statute, in that the creation of the Supplemental Operating Reserve for the Development will enhance the likelihood of the Development's financial success and, in turn, will further Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. Not granting this waiver would result in a substantial hardship to Petitioner in that it will cause Petitioner to be unable to properly and efficiently develop this Development and could deprive Miami-Dade County of essential affordable rental units for homeless persons.

LEGAL

Consent

E. In Re: Wakulla Trace Apartments, Ltd.

FHFC Case No. 2006-031VW

Development Name: (“Development”):	Wakulla Trace Apartments
Developer/Principal: (“Developer”):	Wakulla County Senior Citizen’s Council, Judd K. Roth, Kiss & Company, Inc.
Number of Units: 34	Location: Wakulla County
Type: Garden Apartments	Set Asides: 40% @ 60%
Demographics: Elderly	SAIL: N/A
MMRB: N/A	Housing Credits: \$227,999

1. Background

- a) During the 2005 Universal Cycle, Florida Housing awarded an allocation of Low Income Housing Tax Credits (“HC”) to Wakulla Trace Apartments, Ltd. (“Petitioner”), for Application #2005-088C.
- b) On July 26, 2006, Florida Housing received a “Petition for Waiver of Compliance Monitoring Fees Imposed by Rule 67-48.007, Florida Administrative Code, and the Universal Application Instructions Adopted as Rules under Section 67-48.004(1)(a)³, Florida Administrative Code” (“Amended Petition”), from Petitioner. A copy of the Amended Petition is attached as [Exhibit E](#).
- c) Rule 67-48.004(1)(a), Florida Administrative Code (2005), states in pertinent part:

The Universal Application Package is adopted and incorporated herein by reference, effective February 7, 2005.

- d) The particular portions of the 2005 Universal Application Instructions which apply to this Petition state, in pertinent part:

7. Compliance Monitoring Fees:

b. HC:

(2) Annual Compliance monitoring fees - \$1,532 + \$9.00 per set-aside unit, for the full Housing Credit Extended Use Period collected at final allocation based on a quarterly payment stream discounted at a rate of 2.75%.

³ Petitioner submitted a previous version of its Petition on June 23, 2006. While not titled as such, the later filed Petition attached hereto is considered an Amended Petition. This Amended Petition requests substantially the same relief, and corrects a Rule citation.

LEGAL

Consent

- e) Rule 67-48.007, Florida Administrative Code (2005), states in pertinent part:

The Corporation ... shall collect via check or money order the following fees and charges in conjunction with the ... HC Program:

(6) Compliance Monitoring Fees.

- f) Petitioner requests a waiver of the above Rules and the above portions of the 2005 Universal Application Instructions incorporated therein to partially waive Annual Compliance monitoring fee and impose an Annual Compliance monitoring fee for the Development based on \$300.00 per development over the compliance monitoring term (50 years) and the payment discounted at 2.75%.
- g) On August 11, 2006, the Notice of the Amended Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Amended Petition.

2. Present Situation

- a) 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.

- b) The Development is financed in part through a United States Department of Agricultural Rural Development program ("USDA RD") which provides a direct loan program for financing of multi-family housing. USDA RD and Florida Housing entered into an agreement to monitor compliance with the tax credit requirements of USDA RD borrowers. This agreement resulted in a reduced compliance monitoring fee imposed on USDA RD borrowers. In 2001, the Annual Compliance monitoring fee for those developments with USDA RD funds was \$300.00 per development over the compliance monitoring terms, and the payment was discounted 2.75%. This reduced monitoring fee was inadvertently omitted from the 2005 Universal Application Instructions and rules.
- c) Petitioner demonstrated that denial of these requested waivers would violate principles of fairness, in that requiring payment of the entire fee where monitoring is also being conducted by the USDA would result in an overpayment by Petitioner. Granting the Petition would serve the purpose of the underlying statute which provides for compliance and the collection of monitoring fees, and by ensuring that the affordable housing units are provided.

LEGAL

Consent

3. Recommendation

Staff recommends the Board grant the Petitioner's request for a waivers of Rules 67-48.004(1)(a), and 67-48.007, Florida Administrative Code, and the above stated portions of the 2005 Universal Application Instructions incorporated therein, to impose an Annual Compliance monitoring fee for Wakulla Trace Apartments based on \$300.00 per development over the compliance monitoring term, fifty (50) years, and the payment discounted at 2.75%, with no per unit annual fee.

MULTIFAMILY BONDS

Consent

V. MULTIFAMILY BONDS

- A. Request Approval Of A Change In The Size Of The Parcel Being Developed For Magnolia Crossing Apartments (2005A-209B, 2005-305HR), Located In Pace, Santa Rosa County, Florida

DEVELOPMENT NAME (“Development”):	Magnolia Crossing Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Magnolia Crossing, Ltd./TCG Magnolia Crossing, LLC/Magnolia Crossing Development, LLC/Carlisle Development Group, LLC/Lloyd J. Boggio
NUMBER OF UNITS:	56
LOCATION (“County”):	Santa Rosa
TYPE (Rental, Homeownership):	Rental/Family (MMRB, RRLP and HC)
SET ASIDE:	85% @ 60% (MMRB) 25% @ 35% (RRLP) 75% @ 60% (RRLP) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$5,750,000 of Tax-Exempt Bonds and \$5,700,000 RRLP
ADDITIONAL COMMENTS: Change in size of parcel being developed	

1. **Background**

Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2005 Universal Application Cycle. The Board approved the credit underwriting report for the development in the amount of \$5,750,000 of tax-exempt bonds and \$5,700,000 in RRLP funds at the July 28, 2006 Board meeting.

2. **Present Situation**

- a) The Owner in a letter dated August 4, 2006, (see [Exhibit A](#)) requested approval to modify Magnolia Crossing’s original site size to allow for the development of a second phase of Magnolia Crossing. The property’s zoning request to allow for more density was recently approved by the Department of Community Affairs (DCA), therefore the Applicant is requesting a reduction in the size of the parcel being developed for Magnolia Crossing from 14.16 to 7.10 acres.
- b) A Final Credit Underwriting Letter dated August 24, 2006, is attached as [Exhibit B](#).

3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Letter dated August 24, 2006 recommending the change in the size of the parcel being developed for Magnolia Crossing, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VI. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of Applicant Name Change from Greater Miami Neighborhoods, Inc. to GMN Development, LLC for Plaza La Isabela (PLP 05-094)

DEVELOPMENT NAME (“Development”):	Plaza La Isabela
APPLICANT/DEVELOPER (“Developer”):	Greater Miami Neighborhoods, Inc. GMN Development, LLC
CO-DEVELOPER:	n/a
NUMBER OF SET-ASIDE UNITS:	160
LOCATION (“County”):	Miami-Dade County
TYPE:	Rental
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 500,000
ADDITIONAL COMMENTS: This is a typical developer structure set up for the purpose of pursuing Low Income Housing Tax Credits (LIHTC).	

1. Background/Present Situation

- a) On June 9, 2006, the Board approved a predevelopment loan to Greater Miami Neighborhoods, Inc. for a development called Plaza La Isabela in the amount of \$500,000.
- b) In anticipation of applying for 9% Low Income Housing Tax Credits for this development, the developer has formed a limited liability corporation, GMN Development LLC, whose sole member is Greater Miami Neighborhoods, Inc.
- c) In addition, the property for the development on which a mortgage for the PLP loan will be placed is owned by GMN Development, LLC.
- d) The developer has requested that the limited liability corporation be allowed to replace Greater Miami Neighborhoods, Inc. as the Applicant ([Exhibit A](#)). The technical assistance provider noted the anticipated change of the applicant entity in the recommendation of the development plan approved by the board June 9, 2006 ([Exhibit B](#)).

2. Recommendation

Approve a change in the name of the Applicant for Plaza La Isabela from Greater Miami Neighborhoods, Inc. to GMN Development, LLC and allow staff to proceed with closing activities on the predevelopment loan.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Auditing Services

1. Background

- a) At its August 25, 2005 meeting Florida Housing's Board of Directors authorized staff to accept Deloitte & Touche LLP to provide auditing services and direct staff to enter into contract negotiations once all contingencies of the RFP were met.
- b) Florida Housing entered into a one-year contract with Deloitte & Touche LLP effective March 26, 2006. The contract may be renewed twice. Each renewal shall be for an additional one-year period. If the contract is renewed fees shall be negotiated at renewal.

2. Present Situation

- a) The term of the contract expired when the last report due to Florida Housing for the auditing period ending December 31, 2005 was accepted by Florida Housing's Board of Directors. Florida Housing's Board of Directors accepted the report at its June 9, 2006 Board meeting.
- b) The quality of service performed by the Deloitte & Touche for the auditing period ending December 31, 2005 was satisfactory. Staff supports a one-year renewal of the contract.

3. Recommendation

Staff recommends that Florida Housing renew its contract with Deloitte & Touche to provide auditing services for the auditing period ending December 31, 2006 pursuant to the existing contract, and recommends the Board direct staff to proceed to negotiate terms of a one-year renewal of the contract.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VIII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Lake Harris Cove Apartments, Cycle XVIII, (2006-11--SEL)

Development Name: Lake Harris Cove Apartments (“Development”)	Location: Lake County
Developer/Principal: Sandspur Housing Partners, Ltd. (“Developer”)	Set-Aside: 70% @ 60% AMI
Number of Units: 152	Allocated Amount: \$3,000,000 (2005) and \$1,000,000 (2006)
Type: Garden Style Buildings	Housing Credit Equity \$5,114,965
Demographics: Family	MMRB: \$10,000,000 (Local)

1. **Background/Present Situation**

- a) On May 15, 2006, a 2005 SAIL loan in the amount of \$3,000,000 for this 152-unit family development in Lake County closed. In the 2006 Universal Application Cycle, Applicants that were successful in receiving an award of 2005 SAIL funds could request additional funding for the difference in the 2005 request and the 2006 request limits.
- b) On May 19, 2006, the applicant requested that it be allowed to enter into credit underwriting at its own risk for an additional SAIL loan in the amount up to \$1,000,000 for this 152-unit family development in Lake County.
- c) On July 28, 2006, the Board approved the final scores and ranking for the 2006 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- d) On August 8, 2006, staff received a credit underwriting report with a positive recommendation for an additional SAIL loan in the amount of \$1,000,000 ([Exhibit A](#)). The SAIL loan will be secured by a second mortgage (including the original \$3,000,000). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. **Recommendation**

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Additional Subordinate Financing for Island Place Apartments, Cycle XIII, (2001-034S)

Development Name: Island Place Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Greater Miami Neighborhoods, Inc. (“Developer”)	Set-Aside: 50% @ 60% AMI 5.05% @ 50% AMI 15.15% @ 33% AMI
Number of Units: 199	Allocated Amount: \$2,800,000
Type: One Four Story Mid- Rise and One Eight Story High-Rise	Total Housing Credit Equity: N/A
Demographics: Family	MMRB: \$5,700,000 (Local)

1. Background/Present Situation

- a) On November 12, 2002, a SAIL loan for the Rehabilitation of the Development successfully closed in the amount of \$2,800,000.
- b) On June 27, 2006, staff received a letter from the Developer requesting approval of an additional subordinate mortgage for \$250,000 for Island Place Apartments ([Exhibit B](#)).
- c) On August 15, 2006, staff received a credit underwriting review with a positive recommendation for the additional subordinate financing ([Exhibit C](#)). Staff has reviewed the report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48 F.A.C.

2. Recommendation

Approve the credit underwriting review for additional subordinate financing and direct staff to proceed with loan documentation modification activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of a SAIL Credit Underwriting Report for Meridian Pointe Apartments 2006 SEL Loan and an Extension of the SAIL Closing Deadline for the 2005 SAIL Loan, Cycle XVIII (2006-05-SEL) Cycle XVII (2005-030S)

Development Name: Meridian Pointe Apartments (“Development”)	Location: Hillsborough County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 360	Allocated Amount: \$3,000,000 (2005) and \$1,000,000 (2006)
Type: Garden Style	Total Housing Credit Equity: \$11,377,886
Demographics: Family	MMRB: \$19,800,000 (Local)

1. Background/Present Situation

- a) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities. On June 9, 2006 a SAIL credit underwriting report with a SAIL loan in the amount of \$3,000,000 was approved by the Board. A commitment letter was issued for a scheduled closing. The closing has not taken place as of this date.
- b) In the 2006 Universal Application Cycle, Applicants that were successful in receiving an award of 2005 SAIL funds could request additional funding for the difference in the 2005 request and the 2006 request limits.
- c) On July 28, 2006, the Applicant requested that it be allowed to enter into credit underwriting at its own risk for an additional SAIL loan in the amount up to \$1,000,000 for this 360-unit family development in Hillsborough County.
- d) On July 28, 2006, the Board approved the final scores and ranking for the 2006 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- e) On August 9, 2006, staff received a credit underwriting report with a positive recommendation for an additional SAIL loan in the amount of \$1,000,000 ([Exhibit D](#)). The SAIL loan will be secured by a second mortgage (including the original \$3,000,000). This will be presented at the September Board meeting.
- f) Additionally, on August 9, 2006, staff received a request from the Developer requesting an extension for the closing of the original 2005 SAIL loan until November 15, 2006 so that the construction may be completed prior to the SAIL loan closing ([Exhibit E](#)).

2. Recommendation

Approve the final credit underwriting report and direct staff to proceed with issuance of a firm loan commitment and loan closing activities for the 2006 SEL Loan. Additionally, approve the request for a closing extension until November 15, 2006, for the 2005 SAIL Loan subject to the payment of the loan closing extension fee pursuant to Rule Chapter 67-48, F.A.C.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval for an Extension of the SAIL Closing Deadline for Summer Lakes Apartments, II, Cycle XVII (2005-005S)

Development Name: Summer Lakes II Apartments (“Development”)	Location: Collier County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 60% @ 50% and 40% @ 60% AMI
Number of Units: 276	Allocated Amount: \$3,000,000
Type: Garden Style	Total Housing Credit Equity: \$8,902,092
Demographics: Family	MMRB: \$9,215,000 (Local)

1. Background/Present Situation

- a) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities. On June 9, 2006 a SAIL credit underwriting report with a SAIL loan in the amount of \$3,000,000 was approved by the Board.
- b) On June 21, 2006, a firm commitment letter was issued with a closing deadline of August 21, 2006.
- c) On August 9, 2006, staff received a letter requesting an extension of the closing deadline until December 15, 2006, so that the construction may be completed prior to the SAIL closing ([Exhibit F](#)).

2. Recommendation

Approve the request for an extension until December 15, 2006, subject to the payment of the loan closing extension fee pursuant to Rule Chapter 67-48, F.A.C.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval of a SAIL Credit Underwriting Report for Brandywine Apartments, Cycle XVIII (2006-006S)

Development Name: Brandywine Apartments (“Development”)	Location: Hillsborough County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 144	Allocated Amount: \$4,000,000
Type: Garden Style, Three-Story	Housing Credit Equity: \$6,831,868
Demographics: Family	
MMRB: 8,790,000 (Local)	

1. Background/Present Situation

- a) On July 28, 2006, the Board approved the final scores and ranking for the 2006 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) Applicant chose to enter credit underwriting at its own risk.
- c) On August 7, 2006, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$4,000,000 for this 144-unit family development in Hillsborough County.
- d) On August 4, 2006, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$4,000,000 ([Exhibit G](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

F. Request Approval of a SAIL Loan Closing Extension for Royalton Apartments, Cycle XVI / Cycle XVII (2004-037CS / 2005-048S)

Development Name: Royalton Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Royalton Development, LLC (“Developer”)	Set-Aside: 16% @ 30% AMI and 84% @ 60% AMI
Number of Units: 100	Allocated Amount: \$2,000,000 (2004) and \$1,000,000 (2005)
Type: Single Room Occupancy (SRO)	Housing Tax Credit Equity: \$7,832,434
Demographics: Homeless	Historic Tax Credit Equity: \$1,823,407

1. Background/Present Situation

- a) During the 2004 Universal Application Cycle, the Applicant applied for a SAIL loan in the amount of \$2,000,000 for this 100-unit homeless development in Miami-Dade County.
- b) On October 19, 2004, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL Loan in an amount up to \$2,000,000. In the 2005 Universal Application Cycle, Applicants that were successful in receiving an award of 2004 SAIL funds could request additional funding for the difference in the 2004 request and the 2005 request limits.
- c) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Cycle and directed staff to proceed with all necessary credit underwriting activities.
- d) On October 10, 2005, staff issued a preliminary commitment letter and an invitation to credit underwriting for an additional SAIL loan in an amount up to \$1,000,000 for this 100-unit homeless development in Miami-Dade County.
- e) On May 12, 2006, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$3,000,000.
- f) On June 9, 2006, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- g) On August 10, 2006, staff received a letter from the Developer requesting an extension of the SAIL loan closing deadline ([Exhibit H](#)). The letter also stated that a Petition for Rule Waiver on the SAIL loan has been submitted. The petition for Rule Waiver is addressed in the Legal section of the board package. Rule Chapter 67-48, F.A.C., requires SAIL loans to close within 60 days of issuance of the SAIL loan commitment letter and that a loan extension fee of one half of one percent of the SAIL loan be paid.

2. Recommendation

Approve the extension of the SAIL closing deadline, subject to payment of the extension fee required by Rule Chapter 67-48, F.A.C.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

G. Request Approval of a SAIL Credit Underwriting Report for Manatee Cove Apartments, Cycle XVII/XVIII (2005-006S/2005-511C/2006-06-SEL)

Development Name: Manatee Cove Apartments (“Development”)	Location: Brevard County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 192	Allocated Amount: \$3,000,000 and \$1,000,000
Type: Garden Style	Housing Tax Credit Equity: \$7,145,477
Demographics: Family	MMRB: \$11,415,000 (Local)

1. Background/Present Situation

- a) On August 25, 2005, the Board approved the final scores and ranking for the 2005 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On September 29, 2005, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$3,000,000 for this 192-unit family development in Brevard County.
- c) In the 2006 Universal Application Cycle, Applicants that were successful in receiving an award of 2005 SAIL funds could request additional funding for the difference in the 2005 request and the 2006 request limits.
- d) On July 28, 2006, the Board approved the final scores and ranking for the 2006 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- e) On August 17, 2006, staff issued a preliminary commitment letter for a SAIL loan in an amount up to \$1,000,000 for this 192-unit family development in Brevard County.
- f) On August 4, 2006, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$4,000,000 ([Exhibit I](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

H. Request Approval to Exchange Amenities for Roosevelt Gardens, Cycle XVI, (2004-019S)

Development Name: Roosevelt Gardens (“Development”)	Location: Monroe County
Developer/Principal: The Housing Authority of the City of Key West, Florida (“Developer”)	Set-Aside: 100% @ 120% AMI
Number of Units: 96	Allocated Amount: \$2,000,000
Type: Garden Style	Housing Tax Credit Equity: N/A
Demographics: Family	MMRB: \$11,850,000 (Local)

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 28, 2004, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 96-unit family development in Monroe County.
- c) On August 11, 2005, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$2,000,000.
- d) On August 25, 2005, the Board approved the final credit underwriting report which reflected that the Applicant would act as the General Contractor for the construction of the clubhouse, however, the Applicant preferred to bid the clubhouse to an outside general contractor. The bid procurement process has been ongoing due to the increase in construction costs.
- e) On June 14, 2006, staff received a letter from the Developer advising that they intend to use a modular construction system for the clubhouse and also requested approval of a change in amenities from “Laundry facilities in at least one common area” to “Library” ([Exhibit J](#)). It should be noted that all residential units have been constructed.
- f) On August 16, 2006, staff received a credit underwriting review with a positive recommendation for the exchange in amenities ([Exhibit K](#)). Both the “Laundry facilities with full-size washers and dryers available in at least one common area on site” and “Library consisting of a minimum of 100 books and 5 current magazine subscriptions” amenities have a point value of 1 point each in the 2004 Universal Application. Staff has reviewed this proposal and finds the development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

Approve the request to change the amenities in this development and direct staff to proceed with the issuance of a firm loan commitment and loan closing activities.

SPECIAL ASSETS

Consent

IX. SPECIAL ASSETS

A. Request Approval Of Extension Of SAIL Loan For Cutler Canal III Associates, Ltd., A Florida Limited Partnership For Cutler Hammock Apartments (Cutler Canal III) (90S-027)

Development Name: Cutler Hammock (Cutler Canal III) (“Development”)	Location: Miami-Dade County
Developer/Principal: The Related Companies of Florida (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 262	Allocated Amount: \$2,900,000
Demographics: Elderly/Family	Housing Credits: \$1,049,192

1. Background

- a) During the 1990 SAIL Cycle II, Florida Housing awarded a \$2,900,000 construction/permanent loan to Cutler Canal III Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 262-unit development in Miami, Dade County. The SAIL loan closed on September 14, 1990 and matured on September 14, 2005. The Development also received a 1990 allocation of low-income housing tax credits and was placed in service June 19, 1992.
- b) The Borrower requested and the Board approved a one-year SAIL loan and Land Use Restriction Agreement (LURA) extension to September 14, 2006 and September 14, 2021 respectively, to allow the borrower sufficient time to arrange financing on the property to maintain the Development’s affordability.

2. Present Situation

The Borrower applied for bond financing from Florida Housing. The Board approved a request at the July 2006 Board meeting to allocate tax-exempt, private activity bonds to the Development (MFB Consent Item A). The Borrower has requested an additional extension on the SAIL loan to allow time to close on the bond financing. Staff recommends an additional nine-month extension on the SAIL loan to allow sufficient time to close on the bond financing.

3. Recommendation

Approve the request to extend the SAIL loan for an additional nine (9) months and direct staff to proceed with loan modification activities.