

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
January 23, 2009  
Consent Items



# COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

## *Consent*

### I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

#### A. Request Loan Closing Extension for West Palm Beach Housing Authority / Banc of America Community Development Corporation for MerryPlace at Pleasant City / CWHIP06-32

<b>Applicant Name (“Applicant”):</b>	<b>West Palm Beach Housing Authority / Banc of America Community Development Corporation</b>
<b>Development Name (“Development”):</b>	<b>MerryPlace at Pleasant City</b>
<b>Developer/Principal (“Developer”):</b>	<b>Laurel Robinson</b>
<b>Number of Units: 20</b>	<b>Location: Palm Beach County, Florida</b>
<b>Type: CWHIP Loan</b>	<b>Allocated Amount: \$869,560</b>

#### 1. Background

- a) On April 27, 2007, the Board approved the final rankings for the Community Workforce Housing Innovation Pilot (CWHIP) Program / RFP2006-05. Florida Housing issued the Applicant an invitation into credit underwriting on April 30, 2007.
- b) The final credit underwriting report, dated November 21, 2007, was approved at the December 7, 2007 Board Meeting. As part of the Credit Underwriting Report, Grand Bank and Trust of Florida (“Grand Bank”) was to be the lead lender and enter into a participation agreement with another lender to serve jointly as the first mortgage construction lender for the Development, providing a loan in the amount of \$10.64 million.
- c) On September 26, 2008, the Board approved changes to the Credit Underwriting Report, regarding the first mortgage financing and allowed CWHIP funds to be used on a pro-rata basis in conjunction with Grand Bank’s commitment for \$3,016,973 to fund the first two condominium buildings (20 units and related improvements) in the Development. In addition, the Board stated that if a participant bank was not found within ninety (90) days of acceptance of a revised firm commitment, then the balance of the CWHIP funds would be deobligated. According to the September 10, 2008 letter ([Exhibit A](#)) from the credit underwriter, provided to the Board at the September meeting, the maximum funding amount allowed for these twenty (20) units is \$869,560.
- d) On September 29, 2008, staff issued a revised Firm Commitment which was accepted by the Applicant on September 30, 2008. The commitment provided that the closing on the twenty (20) units must occur within ninety (90) days.
- e) A participant bank was not found to fund the remainder of the Project within the 90-day time period allowed and, therefore, the CWHIP funds in the remaining amount of \$4,130,440 were formally deobligated on January 5, 2009.

# COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

## *Consent*

### 2. **Present Situation**

The Applicant has been diligently proceeding towards closing on the remaining twenty (20) units in this Development but, unfortunately, was not able to meet the ninety (90) day closing deadline. Applicant has finalized its loan closing documents with Grand Bank and will be ready to close both loans quickly, if given Board approval.

### 3. **Recommendation**

Staff recommends that the Board grant a loan closing extension for 90 days and, pursuant to Rule 67-58.070(23), F.A.C., require the Applicant to provide a one percent (1%) extension fee, based on the \$869,560 commitment, in order to continue.

## DEMONSTRATION LOANS

### *Consent*

## II. DEMONSTRATION LOANS

### A. Request Approval of the Credit Underwriting Report for Emmaus Place, Inc., a Non-Profit Organization, for Emmaus Place (RFP 2006/01-03YAFC)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Emmaus Place (f/k/a Camillus House)</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Emmaus Place, Inc., a non-profit organization</b>
<b>NUMBER OF UNITS:</b>	<b>7</b>
<b>LOCATION (County):</b>	<b>Miami-Dade County</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>Youth Aging out of Foster Care</b>
<b>DEMONSTRATION LOAN AMOUNT:</b>	<b>\$900,000</b>
<b>ADDITIONAL COMMENTS:</b>	<b>Emmaus Pace, Inc. is an affiliate of Camillus House, Inc.</b>

#### 1. Background

- a) On January 6, 2006, Florida Housing Finance Corporation issued a Request for Proposals (RFP) for the development and/or rehabilitation of transitional housing for youths aging out of foster care (2006-01).
- b) On February 3, 2006, the Developer submitted a response and on June 9, 2006, the Board approved funding not to exceed a total of \$900,000. This approval was subject to a positive recommendation from the Credit Underwriter.

#### 2. Present Situation

Staff received a credit underwriting report on January, 9, 2009, for the proposed Development with a positive recommendation for a loan of \$900,000 subject to conditions contained in the report that must be met by the Developer prior to closing on this loan.

#### 3. Recommendation

Approve the Credit Underwriter’s recommendation ([Exhibit A](#)) to approve a loan in the amount of \$900,000 to Emmaus Place, Inc., subject to conditions outlined in the Credit Underwriting Report and authorize staff to issue a firm loan commitment and proceed with loan closing activities.

# HOMEOWNERSHIP LOAN PROGRAM

## Consent

### III. HOMEOWNERSHIP LOAN PROGRAM

#### A. Request for Approval to Extend the Construction Period for Paradise Trails / 00HH-012

<b>Applicant Name (“Applicant”):</b>	<b>Ocala Housing Authority (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Paradise Trails (f.k.a. Kings Estates)</b>
<b>Developer/Principal (“Developer”):</b>	<b>Gwendolyn Dawson</b>
<b>Number of Units: 18</b>	<b>Location: Marion County, Florida</b>
<b>Type: HOME Purchase Assistance Loan</b>	<b>Allocated Amount: \$285,000</b>

#### 1. Background

- a) The Applicant submitted an application during the 2000-2001 HOME Construction Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on October 12, 2001.
- b) On December 6, 2002, the Board approved the substitution of the Paradise Trails property due to the environmental hazards found at the King Estates site which were discovered during the environmental review process.
- c) The final credit underwriting report, dated June 5, 2003, was approved at the June 20, 2003 Board Meeting. A firm commitment letter was issued to the Developer with the construction period scheduled to end on December 31, 2005.
- d) The Board has granted an extension of the construction period 3 times, on August 25, 2005, December 15, 2006, and December 7, 2007, respectively.
- e) To date, the Developer has closed 8 homes, utilizing \$126,664 out of the original \$285,000 in HLP funds.

#### 2. Present Situation

- a) On October 29, 2008, the Developer requested an extension from December 31, 2008 until December 31, 2009, advising they have completed and received a certificate of occupancy for the 18 homes. The letter is attached as [Exhibit A](#).
- b) However, due to the age of this Development and the fact that there have been several extensions granted by the Board, staff contacted the Developer to discuss their progress in more detail, as it is necessary to conclude the Homeownership Loan Program, whose last application cycle was held in 2003.
- c) On November 7, 2008, the Developer provided sales contracts for 4 homebuyers and advised that an additional 4 families are actively working towards sales contracts. The letter is attached as [Exhibit B](#).

#### 3. Recommendation

Staff recommends that the Board grant an extension of the construction period in order for the Developer to complete the closings on the contracts for the 4 pending borrowers, but in no event shall the extension be for a period longer than one year, and to de-obligate any remaining HLP funds.

# HOMEOWNERSHIP LOAN PROGRAM

## *Consent*

### B. Request for Approval to Extend the Construction Period for Approval for Carolina Oaks / HAPC99-004

<b>Applicant Name (“Applicant”):</b>	<b>City of Tallahassee</b>
<b>Development Name (“Development”):</b>	<b>Carolina Oaks (a.k.a. Carolina Place)</b>
<b>Developer/Principal (“Developer”):</b>	<b>Tom Lewis</b>
<b>Number of Units: 14</b>	<b>Location: Leon County</b>
<b>Type: HAP Purchase Assistance Loan</b>	<b>Allocated Amount: \$350,000</b>

#### 1. Background

- a) The Developer submitted an application during the 1999-2000 HAP Construction Loan Program Application Cycle and was invited into credit underwriting on March 15, 2001.
- b) The credit underwriting report, dated January 8, 2004, was approved at the January 23, 2004 Board meeting. On January 27, 2004, a firm commitment letter was issued to the Developer, with the construction period scheduled to end on December 31, 2007.
- c) On December 7, 2007, the Board granted an extension until December 31, 2008.

#### 2. Present Situation

- a) The Developer has completed 14 homes and closed upon 10 homes, utilizing \$290,000 out of the original \$350,000 in HAP funds, with \$60,000 remaining.
- b) On December 15, 2008, the Developer requested an extension from December 31, 2008 until December 31, 2009, advising that they are requesting authorization from the City Commission to allow them to provide an additional \$25,000 in subsidies to the buyers of 2 of the remaining homes. The letter is attached as [Exhibit C](#).
- c) In order to meet the requirements of the Florida Homeownership Assistance Program (HAP), Section 420.5088, FS, the Developer must sell these 2 homes to very low income homebuyers, whose income does not exceed 50% AMI.

#### 3. Recommendation

Staff recommends that the Board grant an extension of the construction period from December 31, 2008 until December 31, 2009.

# HOMEOWNERSHIP LOAN PROGRAM

## Consent

### C. Request for Approval to Extend the Construction Period for Ravenswood Forest Development LLC for Ravenswood Forest / HH02-015

<b>Applicant Name (“Applicant”):</b>	<b>Ravenswood Forest Development LLC</b>
<b>Development Name (“Development”):</b>	<b>Ravenswood Forest</b>
<b>Developer/Principal (“Developer”):</b>	<b>Jay Ginn</b>
<b>Number of Units: 65</b>	<b>Location: St. Johns County, Florida</b>
<b>Type: HOME Purchase Assistance Loan</b>	<b>Allocated Amount: \$2,110,225</b>

#### 1. Background

- a) The Applicant submitted an application during the 2002 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on October 30, 2002.
- b) The final credit underwriting report, dated April 10, 2003, was approved at the May 2, 2003 Board Meeting.
- c) On May 7, 2003, a conditional loan commitment was issued to the Developer with the construction period scheduled to end by December 31, 2005, contingent upon receiving environmental clearance from HUD.
- d) On June 10, 2005, the Board approved the Developer’s request to reduce the number of units from 81 to 65, while maintaining the same level of funding in order to maximize the use of HOME dollars for the homebuyer for up to 25% of the purchase price.
- e) On June 13, 2005, a firm commitment letter was issued to the Developer with the construction period scheduled to end on December 21, 2007.
- f) On January 25, 2008, the Board granted an extension until December 21, 2008
- g) The developer has constructed and closed upon 65 units, utilizing \$2,051,333 out of the original \$2,110,225. There are 2 additional homes have been completed, have been issued certificates of occupancy, and have pending purchase contracts which could utilize the remaining \$58,892.

#### 2. Present Situation

On December 19, 2008, the Developer requested an extension of the construction period in order to complete the closings for 2 pending homebuyers, which would utilize the remaining HOME funds. The letter is attached as [Exhibit D](#).

#### 3. Recommendation

Staff recommends that the Board grant an extension of the construction period in order for the Developer to complete the closings on the contracts for the 2 pending homebuyers, but in no event shall the extension be for a period longer than 6 months, and to de-obligate any remaining HOME funds.

# HOMEOWNERSHIP LOAN PROGRAM

## Consent

**D. Request for Approval of the Credit Underwriting Report for Habitat for Humanity of Key West and the Lower Florida Keys, Inc. (Non-Profit) / CLTRFP06-03-3**

<b>Applicant Name (“Applicant”):</b>	<b>Habitat for Humanity of Key West and the Lower Florida Keys, Inc. (f.k.a. Florida Keys Community Housing and Land Trust, Inc.)</b>
<b>Developer/Principal (“Developer”):</b>	<b>Bob Calhoun</b>
<b>Number of Units: 10</b>	<b>Location: Monroe County, Florida</b>
<b>Type: Community Land Trust (CLT / HOME)</b>	<b>Allocated Amount: \$1,757,030</b>

**1. Background**

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. Subsequent to the application, the Applicant entity merged with Habitat for Humanity of Key West and the Lower Florida Keys, Inc. The merger was completed in June 2007 and had no material impact on the proposed development.

**2. Present Situation**

- a) The Credit Underwriter has provided staff with a Credit Underwriting Report (CUR), dated January 5, 2009, outlining the parameters of the proposal, which is attached as [Exhibit E](#).
- b) Staff has reviewed the CUR and concurs with the Credit Underwriter’s recommendation to award \$1,757,030 for a Community Land Trust Loan to assist with the development of 10 homes, subject to the conditions contained in the CUR.

**3. Recommendation**

Staff recommends that the Board approve the CUR and authorize staff to issue a loan commitment letter in the amount of \$1,757,030 to the Developer for a CLT / HOME Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.



## HOUSING CREDITS

### *Consent*

#### IV. HOUSING CREDITS

##### A. Request Approval of Supplemental Loan Closing Extension for Biscayne Court, Cycle XIX (2007-081C)

<b>Development Name: Biscayne Court (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Biscayne Court Development, LLC (“Developer”)</b>	<b>Set-Aside: 20% @ 33% AMI and 80% @ 60% AMI</b>
<b>Number of Units: 60</b>	<b>Allocated Amount: \$510,000 Supplemental</b>
<b>Type: High-Rise</b>	<b>Housing Credit Equity: \$13,161,000</b>
<b>Demographics: Elderly</b>	<b>MMRB: N/A</b>

##### 1. Background/Present Situation

- a) On October 31, 2008, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- b) On November 4, 2008, staff issued a firm commitment letter with a closing deadline of January 5, 2009.
- c) On December 11, 2008, staff received a letter from the Developer requesting a 60-day extension of the loan closing deadline ([Exhibit A](#)).

##### 2. Recommendation

Approve the 60-day loan closing extension request and extend the Supplemental loan closing deadline until March 6, 2009, pursuant to Rule Chapter 67-48, F.A.C.

## HOUSING CREDITS

### *Consent*

**B. Request Approval of Supplemental Loan Closing Extension for Banyan Senior Apartments, Cycle XIX (2007-190C)**

<b>Development Name: Banyan Senior Apartments (“Development”)</b>	<b>Location: Pasco County</b>
<b>RLI Beneficial Development 7, LLC (“Developer”)</b>	<b>Set-Aside: 20% @ 33% AMI and 80% @ 60% AMI</b>
<b>Number of Units: 96</b>	<b>Allocated Amount: \$850,000 (Supplemental)</b>
<b>Type: Three-Story with Elevator</b>	<b>Housing Credit Equity: \$12,351,441</b>
<b>Demographics: Elderly</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On September 26, 2008, the Board approved the final credit underwriting and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- b) On October 14, 2008, staff issued a firm commitment letter with a closing deadline of December 15, 2008.
- c) On December 16, 2008, staff received a request from the Developer requesting a 60-day extension of the loan closing deadline ([Exhibit B](#)).

**2. Recommendation**

Approve the 60-day loan closing extension request and extend the Supplemental loan closing deadline until February 13, 2009, pursuant to Rule Chapter 67-48, F.A.C.

## HOUSING CREDITS

### *Consent*

**C. Request Approval of Supplemental Loan Closing Extension for Silver Sands, Cycle XIX (2007-097C/2008-003C)**

<b>Development Name: Silver Sands (“Development”)</b>	<b>Location: Brevard County</b>
<b>Ambling Development Partners, LLC and Melbourne Housing Authority (“Developer”)</b>	<b>Set-Aside: 20% @ 33% AMI and 80% @ 60% AMI</b>
<b>Number of Units: 72</b>	<b>Allocated Amount: \$595,000 Supplemental</b>
<b>Type: Mid-Rise with Elevator</b>	<b>Housing Credit Equity: \$10,450,460</b>
<b>Demographics: Elderly</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On May 2, 2008, the Board approved a credit underwriting report with a positive recommendation for an annual Housing Credit Allocation of \$1,185,650 and a Supplemental loan in the amount of \$595,000, and directed staff to proceed with loan closing activities.
- b) On July 31, 2008, staff issued a firm commitment letter with a closing deadline of September 29, 2008.
- c) On September 26, 2008, the Board approved a 60-day loan closing deadline extension until November 29, 2008.
- d) On January 7, 2009, staff received a letter from the Developer requesting two consecutive 60-day loan closing deadline extensions in order to proceed with engaging a new equity syndicator or investor ([Exhibit C](#)).

**2. Recommendation**

Approve the loan closing extension request and extend the Supplemental loan closing deadline until March 31, 2009, pursuant to Rule Chapter 67-48, F.A.C.

## LEGAL

### Consent

#### V. LEGAL

##### A. In Re: SP One, Ltd. - FHFC Case No. 2008-113VW

<b>Development Name: (“Development”):</b>	<b>The Columbian Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>SP One Development, Inc.</b>
<b>Number of Units: 188</b>	<b>Location: Pinellas</b>
<b>Type: High Rise</b>	<b>Set Aside: 40% at or below 60% AMI</b>
<b>Demographics: Elderly</b>	<b>SAIL: 4,320,000</b>
<b>MMRB: 12,085,000</b>	<b>Supplemental ELI: \$915,316</b>

##### 1. Background/Present Situation

- a) During the 2008 Universal Application Cycle, SP One, Ltd., (“Petitioner”) applied for and was awarded State Apartment Incentive Loan (“SAIL”), Multifamily Mortgage Revenue Bonds to finance a portion of the costs to develop a and a an ELI (Extremely Low Income) Supplemental Loan to finance, in part, the acquisition and substantial rehabilitation of The Columbian Apartments (the “Development”) in Pinellas County, Florida. Petitioner’s Application was #2008-111BS.
- b) On December 12, 2008, Florida Housing received a “Petition for Waiver of Rule 67-48.0075(7)(a)(1), Florida Administrative Code (2008)” (“Petition”). A copy of the Petition is attached as [Exhibit A](#).
- c) Rule 67-48.0075(7)(a)1, F.A.C. states in pertinent part:

(7) Supplemental loans will be subject to the credit underwriting provisions outlined in Rule 67-48.0072 and the loan provisions outlined below:

(a) The terms and conditions of the supplemental loan shall be as follows: (1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI-Set Aside threshold requirement in the Universal Application Instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.
- d) Petitioner also requests a waiver of the Rule requiring Florida Housing to forgive a supplemental loan’s principal balance when the awarded amount funds ELI Household units for at least 15 years. Petitioner demonstrated that it will suffer negative federal income tax consequences pertaining to forgivable loan without the waiver, as the IRS may consider this loan as “phantom” taxable income. Petitioner requests that the ELI loan be repaid at the end of the initial 15-year period, and that at the end of the initial 15-year period, Petitioner be given an automatic extension on the maturity date of the ELI loan of thirty-five (35) additional years if the units for which the ELI loan was awarded were targeted to ELI Households during the initial 15-year period.

## LEGAL

### *Consent*

e) On December 26, 2008, the Notice of Petition was published in the Florida Administrative Weekly in Volume 34, Number 52. To date, Florida Housing has not received any comments concerning the Petition.

f) 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.

g) Under these circumstances, strict application of the above Rule to this Petitioner would create a substantial hardship and violate the principals of fairness. Petitioner demonstrated that granting this relief does not provide Petitioner with an unfair advantage over other applicants. Granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

### 2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0075(7)(a)1, F.A.C., to permit Petitioner to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 15 years; to have the ELI loan be repaid at the end of the initial 15-year period, and that at the end of the initial 15-year period, Petitioner be given an automatic extension on the maturity date of the ELI loan of thirty-five (35) additional years if the units for which the ELI loan was awarded were targeted to ELI Households during the initial 15-year period.

## LEGAL

### Consent

#### B. In Re: Georgia Apartments, LLC - FHFC Case No. 2008-111VW

<b>Development Name: (“Development”):</b>	<b>Biscayne Court Application No. 2007-081C</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Biscayne Court Development, LLC</b>
<b>Number of Units: 60</b>	<b>Location: Miami-Dade County</b>
<b>Type: High-Rise</b>	<b>Set Aside: 20% at 33% AMI 80% at 60% AMI</b>
<b>Demographics: Family</b>	<b>Competitive HC: \$1,566,967</b>

#### 1. Background/Present Situation

- a) During the 2008 Universal Cycle, Georgia Apartments, LLC, (“Petitioner”) applied for and was awarded an allocation of Competitive Housing Credits (“HC”) and supplemental loan funds to finance a portion of the costs to construct the Development.
- b) On November 24, 2008, Florida Housing received a Petition for Waiver of Rule 67-48.0075(7)(a)(1), Fla. Admin. Code. A copy of the Petition is attached as [Exhibit B](#).
- c) R. 67-48.0075(7)(a)(1), Fla. Admin. Code states:
  - (1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI Set-Aside threshold requirement in the Universal Application instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years
- d) Petitioner has requested a waiver of the above Rule to allow Petitioner to forgo the automatic forgiveness that the supplemental principal loan balance receives under the Rule. In addition, Petitioner has requested an extension of the maturity date of the loan to 30 years from closing, and requested that the ELI restrictions to 10% of the units related to the supplemental loan be released 15 years after closing.<sup>1</sup>
- e) Petitioner has demonstrated that failure to grant this Petition will likely result in the Developer incurring substantial adverse tax liability. In addition, the designation of the ELI Loan as forgivable will likely cause the full amount of the loan to be deducted from eligible basis, thereby reducing the Development’s net tax credit.
- f) Since approval will not affect Application scoring, Petitioner derives no unfair advantage over other applicants.

<sup>1</sup> This request is not targeted to a specific Rule. As such, this request will be referred to staff for review, as the Board lacks jurisdiction to address this issue in a proceeding under 120.542, Fla. Stat.

## LEGAL

### *Consent*

- g) Notice of the Petition was published in Volume 34, Number 50, of the Florida Administrative Weekly. To date, Florida Housing received no comments regarding the Petition.
- h) Section 120.542(2), Fla. Stat. provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- i) Petitioner has demonstrated that strict application of the above Rules under these circumstances will result in substantial hardship or otherwise violate the principles of fairness. Under the circumstances described in the Petition, granting these requests furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

### 2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for Rule waiver of 67-48.0075(7)(a)(1), Fla. Admin. Code to permit Petitioner to forgo the automatic forgiveness of the supplemental loan's principal balance per the Rule, and to extend the maturity date of the loan to a date coterminous with senior financing.<sup>2</sup>

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<sup>2</sup> Although Petitioner requested a thirty (30) year term for the supplemental loan, the staff recommends that the loan be extended to a date coterminous with senior financing, in accordance with previous waivers that have been granted regarding this Rule.

**LEGAL**

*Consent*

**C. In Re: Villa Patricia Phase III, LLC - FHFC Case No. 2008-116VW**

<b>Development Name: (“Development”):</b>	<b>Villa Patricia Phase III Application Nos. 2006-348CHR 2007-14C</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Villa Patricia Phase III, LLC (Carlisle Development)</b>
<b>Number of Units: 89</b>	<b>Location: Miami-Dade</b>
<b>Type: High-Rise</b>	<b>Set Aside: 40% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>RRLP: \$5,000,000 Competitive HC: \$2,435,000</b>

**1. Background/Present Situation**

- a) During the 2006 Rental Recovery Loan Program (RRLP) application cycle, Villa Patricia Phase III, LLC, (“Petitioner”) applied for and was awarded an allocation of RRLP loan funds (and subsequently, Competitive Housing Credits) to finance a portion of the costs to construct the Development.
- b) On December 19, 2008, Florida Housing received a Petition for Waiver of Rule 67ER06-34(4), Fla. Admin. Code. A copy of the Petition is attached as [Exhibit C](#).
- c) R. 67ER06-34(4), Fla. Admin. Code states, in pertinent part:

The supplemental loan shall be non-amortizing and shall be based on each [Extremely Low Income or “ELI”] unit at 0% simple interest per annum with the principle forgivable provided the units for which supplemental loan amount is awarded are targeted to ELI Households for at least 20 years.
- d) Petitioner has requested a waiver of the above Rule to allow Petitioner to forgo the automatic forgiveness of the supplemental principal loan balance. Petitioner also requests extension of the maturity date by 30 years.
- e) Petitioner has demonstrated that failure to grant this Petition will likely result in the Developer incurring substantial adverse tax liability related to forgivable loans.
- f) Since approval will not affect Application scoring, Petitioner derives no unfair advantage over other applicants.
- g) Notice of the Petition was published in Volume 34, Number 52, of the [Florida Administrative Weekly](#). To date, Florida Housing received no comments regarding the Petition.



## LEGAL

### *Consent*

- h) Section 120.542(2), Fla. Stat. 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.

- i) Petitioner has demonstrated that strict application of the above Rules under these circumstances will result in substantial hardship or otherwise violate the principles of fairness. Under the circumstances described in the Petition, granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

## 2. Recommendation

Staff recommends the Board **GRANT** Petitioner's request for Rule waiver of 67ER06-34(4), Fla. Admin. Code, to permit Petitioner to forgo the automatic forgiveness of the supplemental loan's principal balance per the Rule, to extend the maturity date of the loan to a date coterminous with senior financing.<sup>3</sup>

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<sup>3</sup> Although Petitioner requested a simple 30-year extension to the maturity date, the staff recommends that the loan be extended to a date coterminous with senior financing, in accordance with previous waivers that have been granted regarding this Rule.

## MULTIFAMILY BONDS

### *Consent*

#### VI. MULTIFAMILY BONDS

##### A. Request Approval To Allocate \$12,800,000 In Tax-Exempt, Private Activity Bond Allocation To Dovetail Villas

<b>DEVELOPMENT NAME (“Developments”):</b>	<b>Dovetail Villas</b>
<b>DEVELOPER/PRINCIPAL (“Developers”):</b>	<b>AOH-Dovetail Villas, LP</b>
<b>NUMBER OF UNITS:</b>	<b>232</b>
<b>LOCATION (“Counties”):</b>	<b>Orange</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>85% @ 60%</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$12,800,000 of Tax Exempt Bonds</b>
<b>ADDITIONAL COMMENTS: Award of bond allocation</b>	

##### 1. Background

At the October 31, 2008 meeting, the Board authorized the MMRB Program to conduct a supplemental application cycle.

##### 2. Present Situation

- a) The Development is a 2008 Supplemental MMRB Application (the “Application”) to acquire and rehabilitate or construct a new affordable development in the County.
- b) The rules governing the 2008 Supplemental MMRB Application cycle require an application to achieve a perfect score of sixty-six (66) points in order to be funded. However, the rules further state: “If there is private activity bond allocation remaining after all eligible Applications are funded, then this allocation will be applied to the Corporation’s single-family bond program or otherwise used as directed by the Board.”
- c) The Applications for these Developments are only requesting MMRB and 4% non-competitive HC. These requests do not require any other Florida Housing funding. Staff believes that the public policy purposes served by obtaining these Developments as affordable for thirty (30) years far outweigh any failure to achieve a perfect score on the Application.

##### 3. Recommendation

Approve the request to allocate \$12,800,000 in tax exempt, private activity bonds to the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

#### **B. Request Approval To Open A 2009 Supplemental MMRB Application Cycle**

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

As a result of the Federal Housing and Economic Recovery Act of 2008 and Executive Order 08-210, the Corporation was allocated an additional \$303,078,504 in tax-exempt bond capacity. Therefore, as of January 1, 2009, the MMRB Program has approximately \$584,312,650 in tax-exempt private activity bond allocation that is not committed to a specific multifamily development.

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

Staff requests permission to open a 2009 Supplemental MMRB Application Cycle in accordance with the provisions incorporated by reference in Rule Chapter 67-21, Florida Administrative Code.

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

Authorize the opening of a 2009 Supplemental MMRB Application Cycle and allow staff to determine the appropriate opening and closing dates for this cycle, 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*

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

##### A. Request Approval of PLP Loan for Paul Colton Villas, LLLP, a Not-For-Profit Entity, for Paul Colton Villas (07-163)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Paul Colton Villas</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Paul Colton Villas, LLLP, a not-for-profit entity</b>
<b>CO-DEVELOPER (“Co-Developer”)</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>72</b>
<b>LOCATION (“County”):</b>	<b>Polk County</b>
<b>TYPE:</b>	<b>Rental, Family</b>
<b>SET ASIDE:</b>	<b>60% @ or below 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$500,000</b>

##### 1. Background

- a) On October 15, 2008, Florida Housing received a PLP Application from the Applicant for Paul Colton Villas. The Development will be located in Polk County.
- b) On October 28, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization.

##### 2. Present Situation

The Technical Assistance Provider (TAP) has approved the Development Plan and recommended a loan amount of \$500,000 for PLP eligible activities, ([Exhibit A](#)), as well as assisted the Applicant in preparing the Development Plan and budget ([Exhibit B](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible. This Development has also received an award of 2008 Housing Credits.

##### 3. Recommendation

Approve the PLP Loan in the amount of \$500,000 to Paul Colton Villas, LLLP, a not-for-profit organization, for predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence with loan closing proceedings.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**B. Request Approval of PLP Loan for Bonnet Shores, LLLP, a Not-For-Profit Entity, for Bonnet Shores (07-166)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Bonnet Shores</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Bonnet Shores, LLLP, a not-for-profit entity</b>
<b>CO-DEVELOPER (“Co-Developer”)</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>75</b>
<b>LOCATION (“County”):</b>	<b>Polk County</b>
<b>TYPE:</b>	<b>Rental, Family</b>
<b>SET ASIDE:</b>	<b>60% @ or below 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$500,000</b>
<b>ADDITIONAL COMMENTS:</b>	

**1. Background**

- a) On October 31, 2008, Florida Housing received a PLP Application from the Applicant for Bonnet Shores. The Development will be located in Polk County.
- b) On November 21, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization.

**2. Present Situation**

The Technical Assistance Provider (TAP) has approved the Development Plan and recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit C](#)), as well as assisted the Applicant in preparing the Development Plan and budget ([Exhibit D](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

**3. Recommendation**

Approve the PLP Loan in the amount of \$500,000 to Bonnet Shores, LLLP, a not-for-profit organization, for predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence with loan closing proceedings.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

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

##### A. Real Estate Brokerage Services

###### 1. Background

- a) At its June 10, 2005 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Marcus & Millichap Real Estate Investment Brokerage Company of Florida to provide real estate brokerage services.
- b) The initial term of the contract began February 23, 2006 and expires February 23, 2009. The contract may be renewed twice for an additional one-year period.

###### 2. Present Situation

- a) Florida Housing utilizes the services of Marcus & Millichap Real Estate Investment Brokerage Company of Florida to provide real estate brokerage services.
- b) Florida Housing staff supports a renewal to extend the term of the contract for an additional one-year period.

###### 3. Recommendation

Staff believes that it is in the best interests of Florida Housing to continue to retain its real estate brokerage company and the Board direct staff to proceed with the contract renewal.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Printing, Copying and Reproduction Services**

##### **1. Background/Present Situation**

- a) At its October 14, 2004 meeting, Florida Housing's Board of Directors authorized staff to enter into contract negotiations with Rapid Press, Inc. and Target Copy to provide printing and copying services. The Board also authorized staff to issue a revised RFQ to solicit additional proposals in order to increase the pool of vendors from which Florida Housing staff may choose to purchase printing and copying services.
- b) An RFQ process was initiated and RFQ 2005-05 was issued on October 28, 2005. The RFQ solicited responses from qualified firms for printing and reproduction, specialty promotional printing and copying services.
- c) Florida Housing utilizes Pride Enterprises to provide printing and reproduction services. The initial term of the contract was for three years from March 30, 2006 and provides that the contract may be renewed twice for an additional one-year period.
- d) Florida Housing staff supports a renewal to extend the term of the contract for an additional one-year period.

##### **2. Recommendation**

Staff believes that it is in the best interests of Florida Housing to continue to retain Pride Enterprises to provide printing and reproduction services and the Board direct staff to proceed with the contract renewal.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for The Columbian Apartments, Cycle XX (2008-111BS)

<b>Development Name: The Columbian Apartments (“Development”)</b>	<b>Location: Pinellas County</b>
<b>Developer/Principal: SP One Development, Inc. (“Developer”)</b>	<b>Set-Aside: 10% @ 33% AMI and 90% @ 60%</b>
<b>Number of Units: 188</b>	<b>Allocated Amount: \$4,320,000 (SAIL) and \$1,615,000 (Supplemental)</b>
<b>Type: High-Rise</b>	<b>Housing Credit Equity: \$5,363,325</b>
<b>Demographics: Elderly</b>	<b>MMRB: \$9,750,000 (Local)</b>

1. Background/Present Situation

- a) On September 26, 2008, the Board approved the final scores and ranking for the 2008 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On September 30, 2008, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$4,320,000 and a Supplemental loan in the amount of \$1,615,000 for this 188-unit elderly development located in Pinellas County.
- c) On January 8, 2009, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$4,320,000 and Supplemental Loan in the amount of \$1,615,000 ([Exhibit A](#)). 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 SAIL Loan Closing Extension for Labre Place, Cycle XVIII (2006-074CS)**

<b>Development Name: Labre Place f/k/a St. David (“Development”)</b>	<b>Location: Miami Dade County</b>
<b>Developer/Principal: St. David Development, L.L.C. (“Developer”)</b>	<b>Set-Aside: 50% @ 33% AMI and 50% @ 60% AMI</b>
<b>Number of Units: 90</b>	<b>Allocated Amount: \$4,000,000</b>
<b>Type: High-rise</b>	<b>Housing Credit Equity: 16,641,538</b>
<b>Demographics: Homeless</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On March 14, 2008, the Board approved a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$4,000,000 and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- b) On April 18, 2008, staff issued a firm commitment letter with a closing deadline of June 17, 2008.
- c) On June 13, 2008, the Board approved an extension of the loan closing deadline until August 15, 2008.
- d) On August 8, 2008, the Board approved an extension of the loan closing deadline until October 15, 2008.
- e) On October 31, 2008, the Board approved an extension of the loan closing deadline until December 15, 2008.
- f) On December 15, 2008, staff received a letter from the Developer requesting an extension of the loan closing deadline until February 15, 2009, due to scheduling issues ([Exhibit B](#)).

**2. Recommendation**

Approve the request to extend the SAIL closing deadline until February 15, 2009, 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

C. Request Approval to Exchange Features and Amenities for Savannah Springs, Cycle XVIII (2006-015BS)

Development Name: Savannah Springs (“Development”)	Location: Duval County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 50% @ 50% AMI and 50% @ 60% AMI
Number of Units: 234	Allocated Amount: \$4,000,000
Type: Garden Style	Housing Credit Equity: \$7,987,792
Demographics: Family	MMRB: \$14,450,000

1. Background/Present Situation

- a) On December 13, 2006, a SAIL loan in the amount of \$4,000,000 for this 234-unit family Development in Duval County closed.
- b) On December 15, 2008, staff received a letter from the Developer requesting the exchange of ‘Double-pane glass on all windows’ for ‘All windows single-pane with shading coefficient of .67 or better’ ([Exhibit C](#)). The proposed changes are of equivalent point value.
- c) On January 5, 2009, staff received a review from the credit underwriter with a positive recommendation for the exchange of energy conservation features ([Exhibit D](#)).

2. Recommendation

Approve the request to exchange the energy conservation features and direct staff to proceed with amending the SAIL and MMRB Land Use Restriction Agreement.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of SAIL Loan Closing Extension for Spring Lake Cove – Phase I, Cycle XIX (2007-141S)

<b>Development Name: Spring Lake Cove – Phase I (“Development”)</b>	<b>Location: Lake County</b>
<b>Developer/Principal: Atlantic Housing Partners, L.L.L.P (“Developer”)</b>	<b>Set-Aside: 5% @ 33% and 65% @ 60% AMI</b>
<b>Number of Units: 96</b>	<b>Allocated Amount: \$5,000,000</b>
<b>Type: Garden Style</b>	<b>Housing Credit Equity: \$4,569,212</b>
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

1. Background/Present Situation

- a) On September 21, 2007, the Board approved the final scores and ranking for the 2007 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On January 4, 2008, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a partial SAIL loan in an amount of \$294,220.35 for this 96-unit family development located in Lake County. On January 10, 2008, staff issued a revised preliminary commitment letter for an additional SAIL loan in an amount of \$4,705,779.65 for a total SAIL loan of \$5,000,000.
- c) Rule Chapter 67-48.0072(4)(c), F.A.C. requires the SAIL loan to close within 14 months of the issuance of the preliminary commitment letter. Applicants may request one extension of up to 10 months.
- d) On January 8, 2009, staff received a request from the Developer for a 10 month extension to close the SAIL loan ([Exhibit E](#)).

2. Recommendation

Approve the request for a 10 month extension until January 4, 2010 to close the SAIL loan, subject to the payment of the extension fee pursuant to Rule Chapter 67-48.0072(4)(c), F.A.C.