

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
October 14, 2011  
Consent Items



# COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

## Consent

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

#### A. Request for Approval for an Extension of the Credit Underwriting Period for Village Green with Ten Oaks / 2007-004W

<b>Applicant Name (“Applicant”):</b>	<b>Pasco CWHIP Partners</b>
<b>Development Name (“Development”):</b>	<b>Village Green with Ten Oaks</b>
<b>Developer/Principal (“Developer”):</b>	<b>Nick Pavonetti</b>
<b>Number of Units: 30 - Homeownership</b>	<b>Location: Pasco County, Florida</b>
<b>Type: CWHIP Loan</b>	<b>Allocated Amount: \$2,500,000 CWHIP Loan / \$150,000 Supplemental CWHIP</b>

#### 1. Background

- a) On May 2, 2008, the Board approved the final rankings for the 2007 Community Workforce Housing Innovation Pilot (CWHIP). Florida Housing issued the Applicant an invitation into credit underwriting on November 13, 2008.
- b) On April 24, 2009, the Developer was advised that their preliminary commitment of CWHIP funds was being de-obligated, pursuant to the implementation of 67ER09-4, FAC.
- c) Due to the withdrawal of another project, \$2,500,000 in CWHIP funds and \$150,000 in Supplemental CWHIP funds was offered to the Developer on August 3, 2010 as the project was the next highest ranking unfunded eligible 2007 CWHIP Development.

#### 2. Present Situation

- a) The Applicant is requesting a 10-month extension of the credit underwriting period. The request from the Applicant is attached as [Exhibit A](#).
- b) Pursuant to rule chapter 67-58.020(6), FAC:

The Applicant has 14 months from the date of the acceptance of the letter of invitation to complete credit underwriting and receive Board approval unless an extension of up to 10 months is approved by the Board. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and detail the timeframe to close the loan. The written request will then be submitted to the Corporation’s Board for consideration. The Corporation shall charge an extension fee of 1 percent of the CWHIP loan amount if the Board approves the extension request.

#### 3. Recommendation

Staff recommends that the Board grant an extension of the credit underwriting period until August 3, 2012 contingent upon the receipt of the 1% extension fee.

# HOMEOWNERSHIP PROGRAMS

## Consent

### II. HOMEOWNERSHIP PROGRAMS

#### A. Request for Approval to Extend the Loan for GoodHomes / CLTRFP05-04-2

<b>Applicant Name (“Applicant”):</b>	<b>GoodHomes of Manasota, Inc. (Non-Profit)</b>
<b>Developer/Principal (“Developer”):</b>	<b>Laura Carter / Peggy Roberts</b>
<b>Type: Community Land Trust Loan (land acquisition)</b>	<b>Allocated Amount: \$290,000 / 6 lots</b>
<b>Location:</b>	<b>Sarasota County, Florida</b>

#### 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 13, 2006.
- b) The final credit underwriting report, dated August 24, 2006, was approved at the September 8, 2006 Board Meeting, which specified that construction must commence within 12 months following the purchase of the land.
- c) The Developer closed on a loan with a term of two years for the purchase of 6 lots for \$290,000 on October 31, 2006.
- d) On October 26, 2007, the Board granted an extension until October 31, 2008 for the commencement of construction.
- e) On August 4, 2008, the Developer advised they were unable to continue with the project and requested resolution of the \$290,000 in CLT funds provided for the purchase of the 6 lots.
- f) At the September 26, 2008 meeting, the Board approved the request to de-obligate the remaining \$210,000 in CLT funds and directed program staff to negotiate a “work-out” strategy for the \$290,000 in CLT funds received.
- g) Due to severe price declines in the housing market and the focus in Sarasota on existing housing stock, staff has recommend, and the Board has granted, three one-year extensions since 2008.

#### 2. Present Situation

- a) On September 14, 2011, the Developer provided a letter, advising that market conditions remain unfavorable for the development of new housing in the area and requesting a one-year extension of the Loan to continue pursuing a suitable option for the lots. The letter is attached as [Exhibit A](#).
- b) The technical assistance provider has reviewed their request and has given a positive recommendation. The letter is attached as [Exhibit B](#).

## HOMEOWNERSHIP PROGRAMS

### *Consent*

3. **Recommendation**

Staff recommends that the Board grant an extension of the Loan until October 31, 2012, subject to further approvals by the credit underwriter, counsel, and the appropriate staff.

## LEGAL

### Consent

### III. LEGAL

#### A. In Re: Seville Place Holdings, Ltd.

<b>Development Name: (“Development”):</b>	<b>Seville Place Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>The Related Group and Orlando Neighborhood Improvement Corporation</b>
<b>Number of Units: 444 decreasing to 264</b>	<b>Location: Orange County</b>
<b>Type: Mid-Rise with Elevator</b>	<b>Set Aside: 50.75% at or below 50% AMI</b>
<b>Demographics: Family</b>	<b>MMRB Bonds: n/a</b>
<b>Non-competitive HC \$529,334.</b>	<b>Supplemental ELI: n/a</b>

#### 1. Background

- a) Seville Place Holdings, Ltd (“Petitioner”) is applying for 4% Non-Competitive Low Income Housing Tax Credits to finance, in part, the development and construction of the Seville Place Apartments (the “Development”) in Orange County, Florida.
- b) On August 26, 2011, Florida Housing received a “Petition for Waiver of Rule 67-48.027, F.A.C.” (“Petition”). A copy of the Petition is attached as [Exhibit A](#). The rule that Petitioner is actually seeking relief from is Rule 67-48.027(2)(m), F.A.C.
- c) Rule 67-48.027(2)(m), F.A.C, states in pertinent part:
  - (1) Tax-Exempt Bond-Financed Developments, as defined in Section 42(h)(4)(B) of the IRC, seeking to obtain Housing Credits from the Treasury receiving the bonds from the Corporation prior to calendar year 2000 or receiving bonds from another source other than the Corporation, and not competing for Housing Credits under the state of Florida Allocation Authority shall:
    - (m) After bonds are issued to the Development, make Application to the Corporation as required in Rules 67-48.004 and 67-48.0072, F.A.C. Applicant shall submit its Application completed in accordance with the Universal Application Package instructions for receipt by the Corporation no later than July 1 of the year the Development is placed in service;
- d) Petitioner requests a waiver of the Rule requiring that Applicants seeking 4 percent Non-Competitive Housing Credits from Florida Housing wait until after bonds are issued. Petitioner has received funding commitments from the Orange County Housing Finance Authority; equity from an investor limited partner; loan proceeds of NSP2 funds from Orange County, Florida, as part of the County’s redevelopment program; and State Housing Initiatives Partnership (“SHIP”) funds. However, Petitioner has been informed that it will be unable to close on the equity contribution, the bonds and the NSP2 Loan without first having undergone a full credit underwriting with respect to the allocation of Housing Credits to the Development; submitted an application to Florida

## LEGAL

### *Consent*

Housing for the 4 percent credits; and received a favorable recommendation, on a preliminary basis, for such credits. Without a waiver, Petitioner will not be able to proceed with the loan closing.

- e) On September 9, 2011, the Notice of Petition was published in the Florida Administrative Weekly in Volume 37, Number 36. To date, Florida Housing has not received any comments concerning the Petition.
- f) 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.
- 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 due to the time requirements imposed by the NSP2 loan and the closing deadline for the other funding sources, it would not be able to close on them without first obtaining the favorable recommendation from Florida Housing for an allocation of 4 percent credits. A waiver of the rule would allow Petitioner to proceed with its loan closing in a timely fashion. Moreover, Florida Housing in its proposed amendments to Rule 67-48.027, F.A.C., will remove the prohibition of Rule 67-48.027(2)(m) to allow other applicants situated as is Petitioner to apply without first having closed on their bonds. 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 67-48.027(2)(m), F.A.C., of the restriction of submitting an application by Petitioner to Florida Housing for 4 percent credits until after tax exempt bonds have been issued to the Development.

## MULTIFAMILY BONDS

### *Consent*

#### IV. MULTIFAMILY BONDS

##### A. Request Approval of the Recommendation of the Final Credit Underwriting Report for Foxwood Apartments

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Foxwood Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>Foxwood Acquisition Partners LP/Foxwood Acquisition Partners GP, Inc./Southport Financial Services, Inc./J. David Page, individually</b>
<b>NUMBER OF UNITS:</b>	<b>100</b>
<b>LOCATION (“County”):</b>	<b>Bay</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental/Family (Multifamily Mortgage Revenue Bond (“MMRB”)/Low Income Housing Tax Credits (“HC”))</b>
<b>SET ASIDE:</b>	<b>85% @ 60% (MMRB) 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$5,600,000 of Tax Exempt Bonds</b>
<b>ADDITIONAL COMMENTS:</b>	<b>Acquisition/Rehabilitation</b>

##### 1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development during the 2010 MMRB Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$5,600,000 in order to acquire and rehabilitate the Development.

##### 2. Present Situation

- a) While the current Program Rule does not prohibit changes or modifications of the proposed Development during credit underwriting, the Board has directed staff to notify it of any such changes.
- b) The total development costs increased from \$8,685,725 to \$8,840,011 for an increase of \$154,286 or 1.8%.
- c) A Final Credit Underwriting Report dated September 29, 2011 is attached as [Exhibit A](#).

##### 3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated September 29, 2011, recommending that \$5,600,000 in tax exempt bonds for the acquiring and rehabilitating of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

#### B. Request Approval of the Recommendation of the Final Credit Underwriting Report for Towers of Jacksonville Apartments

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Towers of Jacksonville</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>Towers of Jacksonville LP/TOJ GP, LLC/The Towers of Jacksonville, Inc.</b>
<b>NUMBER OF UNITS:</b>	<b>194</b>
<b>LOCATION (“County”):</b>	<b>Duval</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental/Elderly (Multifamily Mortgage Revenue Bond (“MMRB”)/Low Income Housing Tax Credits (“HC”))</b>
<b>SET ASIDE:</b>	<b>85% @ 60% (MMRB) 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$12,480,000 of Tax Exempt Bonds, consisting of \$8,240,000 of NIBP Bonds and \$4,240,000 of Market Rate Bonds</b>
<b>ADDITIONAL COMMENTS: Acquisition/Rehabilitation</b>	

#### 1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development during the 2009 MMRB Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$15,000,000 in order to acquire and rehabilitate the Development.

#### 2. Present Situation

- a) While the current Program Rule does not prohibit changes or modifications of the proposed Development during credit underwriting, the Board has directed staff to notify it of any such changes.
- b) The Application reflected anticipation of funding under the American Recovery and Reinvestment Act of 2009, however the Application did not receive funding under this program. Local Initiatives Support Corporation (“LISC”) will provide the Applicant with a loan of up to \$1,000,000 according to a Letter of Interest (“LOI”) dated September 16, 2011.
- c) The Applicant requested a modification to a certain construction feature and amenity to which it committed to provide in the Application. The Applicant committed to provide horizontal grab bars in place around each toilet, the installation of which meets or exceeds the Universal Federal Accessibility (“UFAS 4.34.5”) within the Application. However, due to the size of the existing bathrooms at the Development, satisfying UFAS 4.34.5 would be cost prohibitive. Therefore, according to a letter dated April 2, 2010 from the architect, the Applicant will provide horizontal fold-down wall mounted grab bars around the toilets within the bathrooms of the Development. According to written correspondence dated August 27, 2010 from Florida Housing Program staff, this proposed alternative reasonably satisfies the intent of the toilet grab-bar requirement.



## MULTIFAMILY BONDS

### *Consent*

- d) Since the Application, the unit mix has been adjusted based upon the Plan & Cost Review performed by New Perspective Florida, LLC (“NPF”). In the Application, the unit mix reflected eight units as studio (zero bedrooms)/ two bathroom units; however, according to a review of the architectural plans by NPF, upon renovations at the Development these units will no longer exist and the Development will have eight one-bedroom/two-bathroom units.
- e) The general contractor changed from W. W. Gay Mechanical Contractor, Inc. in the Application to the FaverGray Company according to the General Construction Contract.
- f) The Application listed the HC Syndicator as Alliant Capital, Ltd. (“Alliant”) or its assignees, according to the syndication term sheet, National Equity Fund, Inc. or its affiliates have replaced Alliant.
- g) The Developer identified in the Application was TOJ GP, LLC, a single asset entity that has no principals, and is General Partner of the Applicant whose Sole Member is the Towers of Jacksonville, Inc. (“TTOJ”). Since the Application was submitted, TTOJ was correctly identified as the Developer entity to the transaction.
- h) A Final Credit Underwriting Report dated September 29, 2011 is attached as [Exhibit B](#).

### 3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated September 29, 2011, recommending that \$12,480,000 in tax exempt bonds for the acquiring and rehabilitating of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

C. **Request Approval to Amend the Land Use Restriction Agreement (“LURA”) for Villas de Mallorca**

<b>Development Name: Villas de Mallorca (“Development”)</b>	<b>Location: Broward</b>
<b>Developer/Principal: Mallorca Partners, Ltd./Mallorca Partners, LLC/Elliot Stone, individually (“Developer”, “Principal”, or “Owner”)</b>	<b>Set-Aside: 85% @ 60% AMI (Multifamily Mortgage Revenue Bond Program (“MMRB”))</b>
<b>Funding Sources: MMRB/HOME/Low Income Housing Tax Credits (“HC”)</b>	<b>Amounts: \$12,200,000 Tax-Exempt Bonds \$2,350,000 Taxable Bonds</b>
<b>Number of Units: 264</b>	<b>Type: Rental</b>
<b>ADDITIONAL COMMENTS: LURA Amendment</b>	

1. **Background**

Florida Housing financed the construction of the above referenced Development in 2000 with \$12,200,000 in tax-exempt bonds and \$2,350,000 in taxable bonds designated as 2000 Series H.

2. **Present Situation**

The Owner advised Florida Housing of the Owner’s intention to redeem the bonds through a refinance of its first mortgage and requests to amend the LURA to terminate all provisions relating to the rights and duties of the Trustee and Fannie Mae, the credit enhancer.

3. **Recommendation**

That the Board approve the amendment the LURA for Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

# MULTIFAMILY BONDS

## *Consent*

### D. Assignment of Bond Underwriters and Structuring Agents

#### 1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition, construction and/or rehabilitation of the proposed Developments referenced below, Final Credit Underwriting Reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals to these transactions. Brief descriptions of the Developments are detailed below along with the Staff's recommendations for the assignments.
- b) Additionally, the Corporation's Senior Financial Advisor has prepared method of bond sale letters. Staff has reviewed the method of sale letters and Board approval is requested at the current meeting.

#### 2. Present Situation

- a) The Credit Underwriter, the Senior Financial Advisor and Florida Housing staff have reviewed the financing structure for the proposed Developments.
- b) The Senior Financial Advisor's recommendations for the methods of bond sale are being presented to the Board at the current meeting during the Multifamily Mortgage Revenue Bond Program Update of items on the agenda.

#### 3. Recommendation

That the Board approves the assignment of the recommended professionals as shown in the chart for the proposed Developments.

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>
<b>Preserve at Boynton Beach</b>	<b>Miami-Dade</b>	<b>122</b>	<b>Negotiated</b>	<b>RBC Capital Markets Corporation</b>
<b>Villa Capri</b>	<b>Miami-Dade</b>	<b>220</b>	<b>Negotiated</b>	<b>Stern Brothers &amp; Co.</b>
<b>Foxwood</b>	<b>Bay</b>	<b>100</b>	<b>Negotiated</b>	<b>Morgan Keegan &amp; Company, Inc.</b>
<b>Towers of Jacksonville</b>	<b>Duval</b>	<b>194</b>	<b>Negotiated</b>	<b>Citigroup Global Markets, Inc.</b>

# MULTIFAMILY BONDS

## *Consent*

### **E. Request Approval of the Method of Bond Sale Recommendations from Florida Housing's Senior Financial Advisor**

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

- a) The Credit Underwriter has provided Final Credit Underwriting Reports for the proposed Developments below. Florida Housing seeks Board approval pursuant to the recommendations of the Credit Underwriter and the appropriate Florida Housing staff.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed bond structures by the Senior Financial Advisor in order to make recommendations to the Board for the methods of bond sale.
- c) TIBOR PARTNERS, Inc. has prepared an analysis and recommendation for the methods of bond sale for the Developments. The recommendation letters are attached as [Exhibit C](#).

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>
<b>Preserve at Boynton Beach</b>	<b>Miami-Dade</b>	<b>122</b>	<b>Negotiated</b>
<b>Villa Capri</b>	<b>Miami-Dade</b>	<b>220</b>	<b>Negotiated</b>
<b>Foxwood</b>	<b>Bay</b>	<b>100</b>	<b>Negotiated</b>
<b>Towers of Jacksonville</b>	<b>Duval</b>	<b>194</b>	<b>Negotiated</b>

#### **2. Recommendation**

That the Board approves the recommendations of the Senior Financial Advisor for the methods of bond sale for the above Developments.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

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

**A. Request Approval of PLP Loan for Twin Lakes at Lakeland, LLLP, a Not-for-Profit Entity, for Twin Lakes at Lakeland (2011-001P-09)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Twin Lakes at Lakeland</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Twin Lakes at Lakeland, LLLP., a not-for-profit entity</b>
<b>CO-DEVELOPER:</b>	<b>Lakeland Housing Authority</b>
<b>NUMBER OF UNITS:</b>	<b>144</b>
<b>LOCATION (“County”):</b>	<b>Polk County</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>20% @ or below 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$500,000</b>

**1. Background**

- a) On March 3, 2011, Florida Housing received a PLP Application from the Applicant for Twin Lakes at Lakeland, an older property that is proposed for redevelopment in Polk County.
- b) On April 6, 2011, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

**2. Present Situation**

- a) The Technical Assistance Provider (TAP) has submitted a Development Plan and recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit A](#)). The original loan request was for \$750,000 which included acquisition of additional property for the development. However, during the development plan stage, it was determined that the additional property was not necessary to accommodate the development, so the costs for that portion of the loan were removed. Consultant fees originally proposed in the application were also removed, but those costs were re-allocated to other eligible costs necessary for the development.
- b) 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 Twin Lakes at Lakeland, LLLP, a not-for-profit entity, for Twin Lakes at Lakeland for eligible predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence with loan closing proceedings on the PLP Loan in an amount up to \$500,000.

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

*Consent*

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

**A. Request for Approval of SAIL ELI Loan Closing Extension for Preserve at Oslo (f/k/a Woods at Vero Beach) (RFP 2010-16-28)**

<b>Development Name (“Development”):</b>	<b>Preserve at Oslo (f/k/a Woods at Vero Beach)</b>
<b>Developer/Principal (“Applicant”):</b>	<b>Creative Choice Homes XVI, Ltd.</b>
<b>Number of Units:</b>	<b>176</b>
<b>Location (“County”):</b>	<b>Indian River</b>
<b>Type (Rental, Homeownership):</b>	<b>Rental/Family (MMRB, Guarantee, HC and SMI)</b>
<b>Set-Aside:</b>	<b>50% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)</b>
<b>Allocated Funding Amounts:</b>	<b>MMRB 1999 Series N1 &amp; N2 \$7,665,000 Tax-Exempt Bonds and \$125,000 Taxable Bonds \$602,633 Housing Credits \$381,155 Subordinate Mortgage Initiative (“SMI”)</b>
<b>SAIL ELI Funding Amount under RFP 2010-16 not to exceed:</b>	<b>\$675,000</b>

**1. Background/Present Situation**

- a) At its July 30, 2010 meeting, the Board approved the issuance of a Request for Proposal (RFP) to award Extremely Low Income (ELI) funding (almost \$28.5 million) and remaining State Apartment Incentive Loan (SAIL) funding (just over \$23.3 million) through an RFP process to existing Florida Housing developments, giving preference to developments in the Guarantee Fund portfolio, to “buy down” the Area Median Income (AMI) set-aside for units targeted to 60% AMI so that they will be set-aside for ELI households.
- b) On November 19, 2010, Florida Housing staff issued RFP 2010-16 to award SAIL ELI funding to applicants who commit to provide set-aside units for ELI Households. The deadline for receipt of Responses was Friday, December 3, 2010.
- c) On December 10, 2010, the Board approved the award list of RFP 2010-16 and directed staff to proceed with all necessary credit underwriting activities.
- d) On December 22, 2010, staff issued preliminary commitments and invitations to credit underwriting to the awardees.
- e) On January 21, 2011, the Board approved the final credit underwriting letters for the awardees who accepted the preliminary commitment and invitation to credit underwriting, and directed Staff to proceed with the issuance of firm loan commitments and loan closing activities.
- f) Subsequently, some applicants returned their awards. Any unused SAIL ELI funds along with the returned awards were re-allocated in accordance with the guidelines of RFP 2010-16.

## STATE APARTMENT INCENTIVE LOAN (SAIL) PROGRAM

### *Consent*

- g) On April 6, 2011, staff issued a preliminary commitment and an invitation to enter credit underwriting to Preserve at Oslo for SAIL Funding under RFP 2010-16 for units set-aside for ELI Households.
- h) On July 26, 2011, staff issued a firm loan commitment to Preserve at Oslo in the amount of \$675,000 with a closing date of September 26, 2011.
- i) On September 26, 2011, staff received a request from the Developer for a 30 day loan closing extension ([Exhibit A](#)).

### 2. **Recommendation**

Approve the request for a 30 day loan closing extension to October 26, 2011, subject to payment of a loan closing extension fee (0.5% of the loan amount) pursuant to Rule Chapter 67-48, F.A.C. and RFP 2010-16.

## STATE APARTMENT INCENTIVE LOAN (SAIL) PROGRAM

### *Consent*

**B. Request for Approval of SAIL ELI Loan Closing Extension for Vista Palms (f/k/a Andros Isle) (RFP 2010-16-26)**

<b>Development Name (“Development”):</b>	<b>Vista Palms (f/k/a Andros Isle)</b>
<b>Developer/Principal (“Applicant”):</b>	<b>Creative Choice Homes XI, Ltd.</b>
<b>Number of Units:</b>	<b>229</b>
<b>Location (“County”):</b>	<b>Lee</b>
<b>Type (Rental, Homeownership):</b>	<b>Rental/Family (Guarantee, SAIL and HC)</b>
<b>Set-Aside:</b>	<b>8.33% @ 30% AMI (SAIL) 91.67 @ 60% AMI (SAIL) 100% @ 60% AMI (HC)</b>
<b>Allocated Funding Amounts:</b>	<b>\$10,700,000 Lee County Housing Finance Authority Bonds \$2,000,000 SAIL \$577,947 Housing Credits \$491,271 Subordinate Mortgage Initiative (“SMI”)</b>
<b>SAIL ELI Funding Amount under RFP 2010-16 not to exceed:</b>	<b>\$3,450,000</b>

**1. Background/Present Situation**

- a) At its July 30, 2010 meeting, the Board approved the issuance of a Request for Proposal (RFP) to award Extremely Low Income (ELI) funding (almost \$28.5 million) and remaining State Apartment Incentive Loan (SAIL) funding (just over \$23.3 million) through an RFP process to existing Florida Housing developments, giving preference to developments in the Guarantee Fund portfolio, to “buy down” the Area Median Income (AMI) set-aside for units targeted to 60% AMI so that they will be set-aside for ELI households.
- b) On November 19, 2010, Florida Housing staff issued RFP 2010-16 to award SAIL ELI funding to applicants who commit to provide set-aside units for ELI Households. The deadline for receipt of Responses was Friday, December 3, 2010.
- c) On December 10, 2010, the Board approved the award list of RFP 2010-16 and directed staff to proceed with all necessary credit underwriting activities.
- d) On December 22, 2010, staff issued preliminary commitments and invitations to credit underwriting to the awardees.
- e) On January 21, 2011, the Board approved the final credit underwriting letters for the awardees who accepted the preliminary commitment and invitation to credit underwriting, and directed Staff to proceed with the issuance of firm loan commitments and loan closing activities.
- f) Subsequently, some applicants returned their awards. Any unused SAIL ELI funds along with the returned awards were re-allocated in accordance with the guidelines of RFP 2010-16.



## STATE APARTMENT INCENTIVE LOAN (SAIL) PROGRAM

### *Consent*

- g) On April 6, 2011, staff issued a preliminary commitment and an invitation to enter credit underwriting to Vista Palms for SAIL Funding under RFP 2010-16 for units set-aside for ELI Households.
- h) On July 26, 2011, staff issued a firm loan commitment to Vista Palms in the amount of \$3,450,000 with a closing date of September 26, 2011.
- i) On September 26, 2011, staff received a request from the Developer for a 30 day loan closing extension ([Exhibit B](#)).

### 2. **Recommendation**

Approve the request for a 30 day loan closing extension to October 26, 2011, subject to payment of a loan closing extension fee (0.5% of the loan amount) pursuant to Rule Chapter 67-48, F.A.C. and RFP 2010-16.

## SPECIAL ASSETS

### *Consent*

#### VII. SPECIAL ASSETS

- A. Request Approval to Refinance the First Mortgage and the Transfer of Ownership for Doral Terrace Associates, Ltd., a Florida Limited Partnership, for Doral Terrace Apartments (1999-082S/1999-510C)

<b>Development Name: Doral Terrace Apartments (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Cornerstone/Doral Terrace Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: 71.88% @ 60% AMI LURA: 50 years; EUA 40 years</b>
<b>Number of Units: 256</b>	<b>Allocated Amount: SAIL: \$2,500,000; HC \$650,385</b>
<b>Demographic: Family</b>	<b>CU/Servicer: Seltzer Management Group</b>

#### 1. Background

- a) During the 1999 funding cycle, Florida Housing awarded a \$2,500,000 SAIL loan to Doral Terrace Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 256-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on November 7, 2000, and will mature on August 1, 2030. The Development also received a 1999 allocation of low-income housing tax credits of \$650,385.
- b) By letter dated March 18, 2011, the Developer requested consent from the Board to refinance the existing first mortgage and subordinate the SAIL loan, LURA, and EUA to the new first mortgage. On May 16, 2011, the Board approved the refinancing of the first mortgage and subordination of the SAIL loan, LURA, and EUA to the new first mortgage.

#### 2. Present Situation

By correspondence dated May 26, 2011, the Borrower submitted a revised request for the refinance of the existing first mortgage, subordination of the SAIL loan, LURA, and EUA to the new first mortgage, and also for the transfer of ownership in the Development. On September 28, 2011, staff received a credit underwriting report ([Exhibit A](#)) from First Housing Development Corporation recommending approval for the new financing and subordination of the SAIL loan, LURA, and EUA to the new first mortgage, and approval of the transfer of ownership.

#### 3. Recommendation

Approve the transfer of ownership, refinancing of the first mortgage, and subordination of the SAIL loan, LURA, and EUA to the new first mortgage subject to the conditions outlined in the credit underwriter’s report and verification of the required SAIL pay down amount per Rule 67-48 all subject to further approvals and verifications by the credit underwriter, legal counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**B. Request Approval to Execute a Fannie Mae Subordinated Swap and to Subordinate the SAIL Loan for Hunters Run II Apartments (MR2003G/2002-032BS/2002-546C)**

<b>Development Name: Hunters Run II Apts. (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: CED/Hunters Run Partners II, Ltd. (“Borrower”)</b>	<b>Set-Aside: MMRB: 11% @ 50%, 74% @ 60%; SAIL: 11% @ 50%, 88% @ 60%; HC: 100% @ 60% AMI LURA &amp; EUA: 50 Years</b>
<b>Funding Sources: MR2003G/2002-032BS/2002-546C</b>	<b>Amounts: MMRB \$9,000,000; SAIL \$2,000,000; HC \$524,934</b>
<b>Number of Units: 192</b>	<b>Demographic: Large Family</b>

**1. Background**

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$9,000,000, along with a second mortgage State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,000,000 to Hunters Run Partners II, Ltd., a Florida limited partnership (“Borrower”), for the development of a 192-unit apartment complex in Hillsborough County, Florida.
- b) The Multifamily Revenue Bonds (“MMRB”) loan closed on March 1, 2003, and is scheduled to mature on June 15, 2036. The SAIL loan closed on March 18, 2003, and will mature on June 20, 2036. The Development also received a 2002 allocation of low-income housing tax credits of \$524,934.

**2. Present Situation**

By correspondence dated July 21, 2011, CED requested Florida Housing’s approval to execute a Fannie Mae Subordinated Swap for MMRB and SAIL, and to subordinate the SAIL loan. Staff received a credit underwriting report dated September 28, 2011 from AmeriNational Community Services ([Exhibit B](#)) providing a positive recommendation.

**3. Recommendation**

Approve the Fannie Mae Subordinated Swap for both MMRB and SAIL, and subordination of the SAIL loan subject to the conditions outlined in the credit underwriter’s report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

C. **Request Approval to Execute a Fannie Mae Subordinated Swap and to Subordinate the SAIL Loan for Lee Vista Club (2003-072S/2004-504C)**

<b>Development Name: Lee Vista Club (“Development”)</b>	<b>Location: Orange County</b>
<b>Developer/Principal: CED/Lee Vista Club Partners, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL: 17% @ 50%, 83% @ 60%; HC: 100% @ 60% AMI LURA: 50 Years; EUA: 30 Years</b>
<b>Funding Sources: 2003-072S/2004-507C</b>	<b>Amounts: SAIL \$2,000,000; HC \$1,107,386</b>
<b>Number of Units: 312</b>	<b>Demographic: Large Family</b>

1. **Background**

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,000,000 to Lee Vista Club Partners, Ltd., a Florida limited partnership (“Borrower”), for the development of a 312-unit apartment complex in Orange County, Florida. The Borrower received first mortgage financing from Orange County Housing Finance Authority in the amount of \$16,000,000. The Development also received a 2004 allocation of low-income housing tax credits of \$1,107,386.
- b) The SAIL loan closed on September 9, 2004, and will mature on August 13, 2037.

2. **Present Situation**

- a) By correspondence dated July 21, 2011, CED requested Florida Housing’s approval to execute a Fannie Mae Subordinated Swap for SAIL, and to subordinate the SAIL loan.
- b) Staff received a credit underwriting report dated September 28, 2011 from AmeriNational Community Services ([Exhibit C](#)) providing a positive recommendation.

3. **Recommendation**

Approve the Fannie Mae Subordinated Swap for SAIL, and subordination of the SAIL loan subject to the conditions outlined in the credit underwriter’s report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**D. Request Approval to Execute a Fannie Mae Subordinated Swap and to Subordinate the SAIL Loan for Stone Harbor (MR2003K/2002-075BS/2002-550C)**

<b>Development Name: Stone Harbor (“Development”)</b>	<b>Location: Bay County</b>
<b>Developer/Principal: CED/Pier Park Partners, Ltd. (“Borrower”)</b>	<b>Set-Aside: MMRB: 11% @ 50%, 74% @ 60%; SAIL: 11% @ 50%, 88% @ 60%; HC: 100% @ 60% AMI LURA &amp; EUA: 50 Years</b>
<b>Funding Sources: MR2003K/2002-075BS/2002-550C</b>	<b>Amounts: MMRB \$6,720,000; SAIL \$1,225,000; HC \$416,769</b>
<b>Number of Units: 160</b>	<b>Demographic: Large Family</b>

**1. Background**

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$6,720,000, along with a second mortgage State Apartment Incentive Loan (“SAIL”) in the original amount of \$1,225,000 to Pier Park Partners, Ltd., a Florida limited partnership (“Borrower”), for the development of a 160-unit apartment complex in Bay County, Florida.
- b) The Multifamily Revenue Bonds (“MMRB”) loan closed on April 1, 2003, and is scheduled to mature on July 15, 2036. The SAIL loan closed on April 25, 2003, and will mature on July 21, 2036. The Development also received a 2002 allocation of low-income housing tax credits of \$416,769.

**2. Present Situation**

By correspondence dated July 21, 2011, CED requested Florida Housing’s approval to execute a Fannie Mae Subordinated Swap for MMRB and SAIL, and to subordinate the SAIL loan. Staff received a credit underwriting report dated September 28, 2011 from AmeriNational Community Services ([Exhibit D](#)) providing a positive recommendation.

**3. Recommendation**

Approve the Fannie Mae Subordinated Swap for both MMRB and SAIL, and subordination of the SAIL loan subject to the conditions outlined in the credit underwriter’s report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**E. Request Approval of Restructured Loan Terms of the SAIL Loan for National Development Foundation, Inc., a Florida Corporation for Baker Manor (97S-004)**

<b>Development Name: Baker Manor (“Development”)</b>	<b>Location: Baker County</b>
<b>Developer/Principal: National Development Foundation, Inc. (“Borrower”)</b>	<b>Set-Aside: SAIL 20% @ 50% &amp; 60% @ 60% AMI; LURA 50 years</b>
<b>Number of Units: 50</b>	<b>Allocated Amount: SAIL \$1,230,000</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management</b>

**1. Background**

During the 1996-97 SAIL (State Apartment Incentive Loan) Cycle, Florida Housing awarded a \$1,230,000 construction/permanent loan to Affordable Housing Solutions For Florida, Inc., a Florida corporation (“Original Borrower”), for the development of a 50-unit apartment complex in Baker County. The SAIL loan closed on December 15, 1997. In April 2005, the Borrower purchased the Development and assumed the SAIL loan, and duties and obligations under the LURA (Land Use Restriction Agreement) from the Original Borrower. The SAIL loan will mature on August 15, 2013.

**2. Present Situation**

- a) The Borrower requests approval for renegotiated terms of the SAIL loan. The new loan terms include conversion of the cash flow SAIL note to monthly amortization of principal and interest at the current SAIL interest rate of 1% for an extended term of 11 years based on an 11 year amortization. The accrued and unforgiven interest on the existing SAIL loan will be paid at closing of the restructured loan. The affordability period in the LURA will be extended by 11 years.
- b) On September 29, 2011 staff received a credit underwriting report ([Exhibit E](#)) from Seltzer Management Group, Inc., providing a positive recommendation.

**3. Recommendation**

Approve the renegotiated terms for the SAIL loan and the extension of the LURA affordability period, all subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**F. Request Approval of the Amended Terms of the SAIL Loan for HTV Associates, LP, a Florida limited partnership. for Hilltop Village (MMRB2011A-205B/95S-050/96L-017)**

<b>Development Name: Hilltop Village ("Development")</b>	<b>Location: Duval County</b>
<b>Developer/Principal: Landex Corporation ("Developer")</b>	<b>Set-Aside: SAIL &amp; HC: 25%@40%, 25%@45%, 50%@50% AMI; LURA 50 years; EUA 50 years</b>
<b>Number of Units: 200</b>	<b>Allocated Amount: SAIL \$1,503,237</b>
<b>Demographics: Family</b>	<b>Housing Credits: \$1,029,648</b>

**1. Background**

During the 1994-1995 SAIL Cycle, Florida Housing awarded a \$1,503,237 construction/permanent loan to HTV Associates, LP, a Florida limited partnership ("Borrower"), for the development of a 200-unit apartment complex in Duval County. The SAIL loan closed on May 29, 1996, and will mature on June 30, 2012. The Development also received an allocation of low-income housing tax credits of \$1,029,648. The Board approved the refinancing, transfer, and assumption of the SAIL loan at the July 22, 2011 Board meeting.

**2. Present Situation**

- a) Subsequent to Board approval, changes were made to the financing structure. The Borrower requests the SAIL loan terms be restructured from 1% interest with full amortization of interest and principal over a 35 year term upon payment of all accrued interest on the existing note to those required by Freddie Mac which include the subordinate debt to mature no earlier than six months from maturity of the first mortgage loan and that subordinate debt must be cash flow only paid from 75% of available cash-flow. The restructured loan will now include a 3% interest rate and the payment of deferred developer fee will be subordinate to the annual SAIL interest payments. All remaining terms already approved by the Board will remain the same.
- b) Staff received a credit underwriting report dated September 28, 2011 from First Housing Development Corporation providing a positive recommendation. The credit underwriting report is further addressed in the MMRB section.

**3. Recommendation**

Approve the amended terms of the SAIL loan subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

- G. **Request Approval of the Refinancing and Transfer of the Development, and the Assumption, Renegotiation, and Subordination of the SAIL Loan for Affordable/Oak Ridge, Ltd., a Florida Limited Partnership, for Oak Harbor (94S-012/95L-007)**

<b>Development Name: Oak Harbor (“Development”)</b>	<b>Location: Orange County</b>
<b>Developer/Principal: Florida Affordable Housing, Inc. (“Developer”)</b>	<b>Set-Aside: SAIL &amp; HC: 20% @ 40%, 80% @ 60% AMI; LURA 50 years; EUA 50 years</b>
<b>Number of Units: 176</b>	<b>Allocated Amount: SAIL \$1,835,000</b>
<b>Demographics: Family</b>	<b>Housing Credits: \$921,825</b>

1. **Background**

During the 1993-94 SAIL (State Apartment Incentive Loan) Cycle, Florida Housing awarded a \$1,835,000 construction/permanent loan to Affordable/Oak Ridge, Ltd.; a Florida limited partnership (“Borrower”), for the development of a 176-unit apartment complex in Orange County. The SAIL loan closed on October 19, 1994, and matured on March 16, 2010. The Development also received an allocation of low-income housing tax credits of \$921,825.

2. **Present Situation**

- a) Staff has received a proposal for the sale of the Development and assumption of the SAIL loan by Oak Harbor Affordable, Ltd. (“Purchaser”). The Purchaser requests approval for the refinancing of the first mortgage using New Issue Bond Program (NIBP) bonds issued by the Orange County Housing Finance Authority, transfer of ownership of the Development, assumption and renegotiation of the terms of the SAIL loan, and subordination of the SAIL loan to the new first mortgage. The Purchaser requests the SAIL loan term be extended to 32.5 years at 3% interest with payment based on cash flow upon payment of all accrued interest on the existing note. The Purchaser has also requested a change to the set-aside terms of the SAIL LURA (Land Use Restriction Agreement) and Housing Credit EUA (Extended Use Agreement) to 6% of the units at 40% AMI (Area Median Income) and 94% of the units at 60% AMI. The affordability period in the LURA will be extended for an additional 17 years.
- b) On September 26, 2011, staff received a credit underwriting report ([Exhibit F](#)) from Seltzer Management Group, Inc., providing a positive recommendation.

3. **Recommendation**

Approve the refinancing and transfer of the Development, the assumption, renegotiation, and subordination of the SAIL loan with the new terms, and the changes to the set-aside requirement and extension of the LURA affordability period, all with the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities.



## SPECIAL ASSETS

### *Consent*

**H. Request Approval of the Extension of the SAIL Loan for Richmond Pine Limited Partnership, a Florida Limited Partnership, for Richmond Pine (93HRR-003/93L-100)**

<b>Development Name: Richmond Pine (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Enterprise Community Investment, Inc. (“Developer”); Richmond Pine Limited Partnership (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC 20% @ 40% AMI, 80% @ 60% AMI; LURA: 50 years; EUA: 50 years</b>
<b>Number of Units: 80</b>	<b>Allocated Amount: SAIL: \$2,800,000</b>
<b>Demographics: Family</b>	<b>Housing Credits: \$461,452</b>

**1. Background**

During the 1993 HRR SAIL Cycle, Florida Housing awarded a \$2,800,000 construction/permanent loan to Richmond Pine Limited Partnership, a Florida limited partnership (“Borrower”), for the development of an 80-unit development in Miami-Dade County. The SAIL loan closed on October 6, 1994, and will mature on October 31, 2011. The Development also received a 1993 allocation of low-income housing tax credits of \$461,452. The Development was placed in service in December 1995.

**2. Present Situation**

The Borrower has requested approval to extend the SAIL loan, at its current terms, to October 31, 2012. The Borrower expects to sell the Development in the next few months and pay-off the SAIL loan with proceeds of the sale. This additional time is needed to allow for the sale and transfer of the Development. The Borrower has agreed to an extension of the LURA term equal to the loan extension.

**3. Recommendation**

Approve the extension of the SAIL loan, at its current terms, to October 31, 2012, extend the LURA for an equal amount of time, and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**I. Request Approval of Loan Workout Terms for Florida Low Income Housing Associates, Inc., a Florida Not-for-Profit Corporation, for Rolling Oaks (PLP 05-069)**

<b>Development Name: Rolling Oaks (“Development”)</b>	<b>Location: Citrus County</b>
<b>Developer/Principal: Florida Low Income Housing Associates, Inc. (“Borrower”)</b>	<b>Set-Aside: PLP: 100% @80%; LURA 15 years</b>
<b>Number of Units: 40</b>	<b>Allocated Amount: PLP \$312,103</b>
<b>Demographics: Homeownership</b>	<b>Housing Credits: NA</b>

**1. Background**

On December 8, 2005, Florida Low Income Housing Associates, Inc., a Florida not-for-profit corporation (“Borrower”), closed on a PLP (Pre-Development Loan Program) loan in the amount of \$312,103 for the construction of a 40-unit single family homeownership development in Citrus County. The Board previously approved two one-year extensions of the PLP loan, the last one maturing on December 8, 2010. To date, the Development has drawn \$220,763 for eligible predevelopment expenses.

**2. Present Situation**

- a) Due to current economic conditions, the Borrower has placed the development of the Rolling Oaks property on hold. The Borrower requests that the property be transferred into the FLIHA (“Florida Low Income Housing Associates”) CLT (“Community Land Trust”) program and use the proceeds of the CLT to repay the PLP loan in an amount of \$30,000 per year until repaid. The Borrower has agreed to pay all accrued interest on the existing PLP loan at closing of the restructured loan.
- b) On September 29, 2011, staff received a credit underwriting report ([Exhibit G](#)) from Seltzer Management Group, Inc., providing a positive recommendation for the loan work out terms.

**3. Recommendation**

Approve the loan workout terms subject to further approvals and verifications by the credit underwriter, legal counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**J. Request Approval to Refinance the First Mortgage for TWC Ninety-Two, Ltd., a Florida Limited Partnership, for Woodbridge at Walden Lake Apartments (MR1996L/GUAR/1997S-020/1996L-503/SMI-22/ELI 2010-16-13)**

<b>Development Name: Woodbridge at Walden Lake Apartments (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: The Wilson Company/TWC Ninety-Two, Ltd. (“Borrower”)</b>	<b>Set-Aside: MMRB 40% @ 60%; SAIL &amp; HC 80% @ 60%; ELI 10% @ 35% AMI LURA: 50 years; ELI: 15 years; EUA: 50 years</b>
<b>Number of Units: 236</b>	<b>Allocated Amount: MMRB \$8,100,000; SAIL \$3,000,000; ELI \$1,800,000; HC \$403,909.70</b>
<b>Demographics: Large Family</b>	<b>CU/Service: First Housing Development Corporation</b>

**1. Background**

- a) During the 1996 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$8,100,000, along with a second mortgage State Apartment Incentive Loan (“SAIL”) in the original amount of \$3,000,000 to TWC Ninety-Two, Ltd., a Florida limited partnership (“Borrower”), for the development of a 236-unit apartment complex in Hillsborough County, Florida. The Borrower also received a SAIL ELI loan of \$1,800,000 and a SMI Loan of \$306,557.
- b) The Multifamily Revenue Bonds (“MMRB”) loan closed on September 1, 1996, and is scheduled to mature on May 1, 2036. The SAIL loan closed on September 20, 1996, and will mature on September 30, 2036. The SAIL ELI loan closed on March 28, 2011, and will mature on March 28, 2026. The Development is HUD risk sharing with Florida Housing’s Guarantee Program (“Guarantee Program”). The Development also received a 1996 allocation of low-income housing tax credits of \$403,909.70.

**2. Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The Borrower intends to obtain a HUD insured 223(f) program first mortgage loan originated by First Housing Development Corporation, the proceeds of which will be utilized to satisfy the existing first mortgage and the SMI loan, redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The Borrower also requests that the term of the SAIL loan (and SAIL ELI loan, if applicable) be extended to be co-terminus with the new first mortgage and the SAIL Land Use Restriction Agreement (“LURA”) would be extended by an equal time. The SAIL loan and SAIL ELI loan would continue to be subordinate to the first mortgage. The SAIL LURA and HC EUA will also need to be subordinated to the new first mortgage.

## SPECIAL ASSETS

### *Consent*

- b) Staff has received a credit underwriting report dated September 26, 2011 from Seltzer Management Group, Inc. ([Exhibit H](#)) providing a positive recommendation for approval of the new financing, subordination of the SAIL loan and SAIL ELI loan to the new first mortgage, subordination of the LURA and EUA to the new first mortgage, extension of the SAIL loan term (and SAIL ELI loan, if applicable) and extension of the SAIL LURA affordability period for the SAIL loan.

### 3. **Recommendation**

Approve the refinancing of the first mortgage and extension of the SAIL loan (and SAIL ELI loan, if applicable) to be co-terminus with the refinanced first mortgage, extension of the SAIL LURA equal to the term of the loan extension, subordination of the SAIL loan and SAIL ELI loan to the new first mortgage, and subordination of the SAIL LURA and HC EUA subject to the conditions outlined in the credit underwriter's report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities.