FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
March 14, 2014
Action Items

we make housing affordable
I. LEGAL

A. The ARC of Martin County, Inc. v. Florida Housing Finance Corporation - FHFC Case No.: 2013-037BP

<table>
<thead>
<tr>
<th>Development Name: (“Development”)</th>
<th>Ashley Oaks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal: (“Developer”):</td>
<td>The ARC of Martin County, Inc.</td>
</tr>
<tr>
<td>Number of Units: 1</td>
<td>Location: Martin County</td>
</tr>
<tr>
<td>Type: Single Family Residence</td>
<td>Set Aside: 100% @ 60 AMI</td>
</tr>
<tr>
<td>Demographics: Persons with Developmental Disabilities</td>
<td>State non-recurring grant funds: $253,000</td>
</tr>
</tbody>
</table>

1. Background

The ARC of Martin County, Inc. (“Petitioner”) applied for funding under RFA 2013-005 – Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities (the “RFA”) seeking an allocation of funding. Petitioner was notified of the Board’s intended decision to not fund Petitioner’s Application on or about December 13, 2013. Petitioner timely filed its “Petition,” challenging the Corporation’s rejection of its Application on the grounds that Petitioner failed to demonstrate site control, specifically, that Petitioner failed to provide a closing date that did not expire six months after the Application Deadline.

2. Present Situation

A hearing was conducted on January 30, 2014, before Florida Housing’s appointed Hearing Officer, Christopher D. McGuire. At hearing, Petitioner attempted to introduce evidence of site control, by providing a sales contract that was not part of its Application. The Hearing Officer excluded the contract from being considered. The parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the Hearing Officer issued a Recommended Order, finding that Florida Housing correctly scored Petitioner’s Application with regard to the failure to demonstrate site control. The Hearing Officer also held that he was precluded by statute from considering any materials that amend or supplement Petitioner’s Application. A copy of the Recommended Order is attached as Exhibit A. No written argument regarding the Recommended Order has been filed by either party.

3. Recommendation

Staff recommends that the Board adopt the Findings of Fact of the Recommended Order, the Conclusions of Law of the Recommended Order, and the Recommendation of the Recommended Order, and issue a Final Order in accord with same.

March 14, 2014  Florida Housing Finance Corporation
B. 


Peyton Ridge Community, Ltd. v. Florida Housing Finance Corporation - FHFC Case No. 2013-040BP/ DOAH Case No. 14-241BID

HTG Hillsborough 1, LLC v. Florida Housing Finance Corporation - FHFC Case No. 2013-045BP/ DOAH Case No. 14-243BID

HTG Pinellas 2, LLC v. Florida Housing Finance Corporation - FHFC Case No. 2013-046BP/ DOAH Case No. 14-244BID

1. **Background**

a) Southport Development, Inc., Peyton Ridge Community, Ltd., HTG Hillsborough 1, LLC and HTG Pinellas 2, LLC (collectively, the “Petitioners”) timely submitted Applications in response to RFA 2013-002 for Affordable Housing Developments located in Duval, Hillsborough, Orange and Pinellas Counties (the “RFA”) seeking allocations of low income housing tax credits to help fund their proposed developments.

b) On December 13, 2013, Florida Housing’s Board of Directors accepted the recommendations of a staff review committee assigned to evaluate the RFA Applications, and notified Petitioner and other interested parties of the Board’s intended decision regarding the scoring, ranking and tentative funding of eligible proposed Developments. Staff then provided all Applicants with a Notice of Rights pursuant to Sections 120.569, Florida Statutes.

c) Petitioners timely filed Petitions and Amended Petitions challenging Florida Housing’s scoring of their own and various competing Applications.

d) After reviewing the Petitions, Florida Housing determined that the allegations included disputed issues of material fact, and referred the case to the Division of Administrative Hearings (DOAH) for a formal hearing pursuant to Section 120.57(1), F.S. These four cases were then consolidated into a single proceeding. Interested parties Lingo Cove Partners, Ltd., Urban Edge Partners II, Ltd., and Senior Citizens Preservation Associates, Ltd. joined the proceedings as Intervenors.

e) A formal hearing was scheduled for February 10-11, 2014 in Tallahassee, Florida. Prior to the final hearing, two Applications that were the subject of the consolidated litigation withdrew, providing an opportunity for the litigants to reach a stipulated disposition of the cases. A copy of the Consent Agreement executed by the parties to this litigation is attached hereto as Exhibit B. The Consent Agreement provides that each Petitioner shall dismiss their cases against Florida Housing upon its adoption, and preserves the scoring recommendations approved by the Board on December 13, 2013 in a manner consistent with the requirements of the RFA. The Agreement also provides recommendations for funding, as adjusted by the withdrawal of Applications Nos. 2014-101C (“Eagle Ridge”) and 2014-129C (“Senior Village”).

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Florida Housing Finance Corporation
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f) At the request of all parties, on February 5, 2014 the Administrative Law Judge issued an Order Closing Files and Relinquishing Jurisdiction to the Board for consideration of this Consent Agreement. A copy of this Order is attached hereto as Exhibit C.

2. Present Situation

The Board must enter a Final Order adopting the Consent Agreement, or refer the cases back to DOAH for further proceedings.

3. Recommendation

Staff recommends that the Board issue a Final Order adopting the Consent Agreement.
C. Arbours at Ambassador Place, LLC v. Florida Housing Finance Corporation and Peyton Ridge Community, Ltd., Lingo Cove Partners, Ltd., and Urban Edge Partners II, Ltd. – FHFC Case No. 2013-041BP; DOAH Case No. 14-242BID

<table>
<thead>
<tr>
<th>Development Name: (“Development”):</th>
<th>Arbours at Ambassador Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal: (“Developer”):</td>
<td>Arbour Valley Development, LLC</td>
</tr>
<tr>
<td>Number of Units: 63</td>
<td>Location: Duval County</td>
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<tr>
<td>Type: High-Rise</td>
<td>Set Aside: 10% @ 33%</td>
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<tr>
<td></td>
<td>90% @ 60%</td>
</tr>
<tr>
<td>Demographics: Family</td>
<td>Request Amount: $1,076,122 HC</td>
</tr>
</tbody>
</table>

1. Background

a) Arbours at Ambassador Place, LLC (the “Petitioner”) timely submitted Application #2014-117C in response to RFA 2013-002 for Affordable Housing Developments located in Duval, Hillsborough, Orange and Pinellas Counties (the “RFA”) seeking an allocation of low income housing tax credits to help fund its proposed development.

b) On December 13, 2013, Florida Housing’s Board of Directors accepted the recommendations of a staff review committee assigned to evaluate the RFA Applications, and notified Petitioner and other interested parties of the Board’s intended decision regarding the scoring, ranking and tentative funding of eligible proposed Developments. Staff then provided all Applicants with a Notice of Rights pursuant to Sections 120.569, F.S. Petitioner’s Application was deemed ineligible due to a shortfall in financing based on the disqualification of $2,238,634 in historic tax credits as a financing source.

c) Petitioner timely filed a Petition challenging Florida Housing’s scoring of its Application regarding the disqualification of the historic tax credit financing.

d) After reviewing the Petition, Florida Housing determined that the allegations included dispute issues of material fact, and referred the case to the Division of Administrative Hearings for a formal hearing pursuant to Section 120.57(1), F.S. A formal hearing was scheduled for February 12, 2014 in Tallahassee, Florida. Interested parties Peyton Ridge Community, Ltd. (“Peyton Ridge”), Lingo Cove Partners, Ltd. and Urban Edge Partners II, Ltd., participated in the case as Intervenors.

e) Prior to the final hearing, Intervenor Peyton Ridge filed a Motion to Dismiss, in which Florida Housing joined, alleging that Petitioner had failed to provide a proper notice of their protest pursuant to section 120.57(3)(b), F.S. (notice was provided in the name of Developer instead of Applicant entity).

f) On February 10, 2014 the Administrative Law Judge granted this Motion to Dismiss and issued an Order Closing File and Relinquishing Jurisdiction, recommending that Florida Housing enter a Final Order dismissing the Petition. A copy of the Recommended Order is attached hereto as Exhibit D.
LEGAL

Action

2. Present Situation

The Board must enter a Final Order in this matter. No Exceptions have been filed by any party to the proceeding as of March 5, 2014.

3. Recommendation

Staff recommends that the Board issue a Final Order adopting the recommendation of the Administrative Law Judge and dismissing the Petition for failing to provide proper notice of protest as required by Section 120.57(3)(b), F.S.
II. MULTIFAMILY PROGRAMS

A. 2014 Rule Development

1. Background/Present Situation

   Staff would like to begin the rule development process to solicit comments concerning Rule Chapters 67-21, 67-32, 67-48 and 67-60, F.A.C., and the 2014 funding process by scheduling a rule development workshop in conjunction with the April 25, 2014, Board Meeting.

2. Recommendation

   Authorize staff to proceed with the 2014 rule development process.
MULTIFAMILY PROGRAMS

Action

B. Request for Applications (RFA) 2014-103 for Financing of Affordable Multifamily Housing Developments with SAIL Funding to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits

1. Background

On January 10, 2014, Florida Housing staff issued RFA 2014-103 to award an estimated $32.5 million of SAIL funding, to be distributed as follows: $22.5 million for Elderly Demographic Developments and $10 million for Family Demographic Developments (with 10 percent of the total units set aside for Persons with a Developmental Disability). The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, February 6, 2014.

2. Present Situation

Florida Housing received 31 Applications in response to this RFA. The Review Committee members designated by the Executive Director were Amy Garmon, Multifamily Programs Manager (Chair), Elizabeth O’Neill, Senior Policy Analyst, Bill Cobb, Multifamily Programs Manager, Jean Salmons, Housing Development Manager, and Karla Brown, Multifamily Programs Manager. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee Corporation staff and legal counsel as necessary and appropriate.

a) At the March 13, 2014, Review Committee meeting, the individual committee member presented their scores and the Committee carried out the funding selection process in accordance with Section Four B of the RFA. The following information will be provided as a supplemental item: (i) the Review Committee’s recommendation(s), and (ii) the RFA 2014-103 Sorting Order Chart, with the eligible Applications listed in order from highest total score to lowest total score, with all funding selection criteria applied, and the ineligible Applications listed in assigned Application number order.
MULTIFAMILY PROGRAMS

Action

C. Request for Applications (RFA) 2014-101 for Financing To Build Permanent Supportive Housing For Homeless Persons And Families

1. Background

a) Florida Housing Finance Corporation (Florida Housing) was appropriated $10 million in non-recurring grant funds by the 2013 Legislature to finance housing for Homeless persons and families. The legislation specified that Florida Housing offer the funding through a competitive grant program to private Non-Profit organizations. Funding must be used to create housing for Homeless individuals and families, with priority given to those households with Extremely Low Incomes. The funding must be used to purchase and renovate existing houses or to construct or purchase and renovate small specialty housing of 15 Units or less. In addition to the $10 million appropriation, Florida Housing made available up to $2 million in additional gap grant financing to support the development of Units set aside for Extremely Low Income residents. An RFA to distribute this funding was issued October 13, 2013. That RFA resulted in Florida Housing’s Board approving six Applications accounting for $8,303,102 in grant funding requests and $460,800 in gap grant financing. Florida Housing issued RFA 2014-101 to distribute the remaining balance of the $10 million in grant funds, which was $1,696,898, and an estimated $425,000 in gap grant financing to support the development of Units set aside for Extremely Low Income Residents. The deadline for receipt of Applications associated with this RFA was 11:00 a.m., Eastern Time, Wednesday, February 12, 2014.

2. Present Situation

a) Florida Housing received 11 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Nancy Muller, Policy Director (Chair), Elizabeth O’Neill, Senior Policy Analyst, Elizabeth Thorp, Multifamily Programs Manager, Jean Salmonsen, Housing Development Manager, Elaine Roberts, Senior Policy Analyst, Susan Parks, Chief Information Officer, and Kevin Tatreau, Director of Development Finance. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.

b) The Review Committee met on February 21, 2014 to discuss the Applications and answer Review Committee members’ questions, and on March 10, 2014 to give their scores and submit a recommendation to the Board.

c) At its March 10, 2014 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, C. of the RFA. The following information will be provided as a supplemental item: (i) the Review Committee’s recommendation(s), and (ii) the RFA 2014-101 Sorting Order Chart, with the eligible Applications listed in order from highest total score to lowest total score, with all funding selection criteria applied, and the ineligible Applications (if any) listed in assigned Application number order.
MULTIFAMILY PROGRAMS

Action

D. Request for Proposals (RFP) 2014-102 for Financing To Develop Permanent Supportive Housing For High Needs/High Cost Individuals Who Are Chronically Homeless

1. Background

a) Florida Housing Finance Corporation (Florida Housing) was appropriated $10 million by the 2012 Legislature to finance the development of affordable, sustainable and permanent housing for special needs and extremely low income households, as defined in Section 420.0004, Florida Statutes. The legislation specified that Florida Housing must offer the funding through a competitive RFP to non-profit housing developers specializing in housing for these individuals.

b) To assist with the pilot, Florida Housing used the $10 million appropriation in this RFP to provide forgivable loans to finance one or more Permanent Supportive Housing Developments targeting High Needs/High Cost populations with disabilities and frail elders who are Chronically Homeless on the street, or are, as a result of their homelessness, living in a more restrictive residential care or institutional setting than they need or desire. The RFP required Applicants to incorporate a multi-year study evaluating the ability of Permanent Supportive Housing linked with coordinated local and state public-private partnerships to reduce public expenditures and improve personal outcomes for High Needs/High Cost Chronically Homeless persons. This required Applicants chosen under this pilot to already be working within a broader, established community framework that has implemented a collaborative approach to identify, screen, assess and prioritize individuals for Permanent Supportive Housing, and work with local and other partners to provide onsite and offsite access to supportive services, including health care. In addition, Applicants are expected to find funding to work with partners experienced in developing and implementing research methodologies and carrying out data collection to evaluate resident outcomes and cost savings to state and local governments. The deadline for receipt of Applications associated with this RFA was 11:00 a.m., Eastern Time, Friday, February 14, 2014.

2. Present Situation

a) Florida Housing received 6 Applications in response to this RFP. The Review Committee members, designated by the Executive Director, were Nancy Muller, Policy Director (Chair), Bill Aldinger, Assistant Policy Director, Elizabeth Thorp, Multifamily Programs Senior Analyst, Bill Cobb, Multifamily Programs Manager, Elaine Roberts, Senior Policy Analyst, Susan Parks, Chief Information Officer, and Kevin Tatreau, Director of Development Finance. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.

b) The Review Committee met on February 24, 2014 to discuss the Applications and answer Review Committee members’ questions, and on March 11, 2013 to give their scores and submit a recommendation to the Board.
MULTIFAMILY PROGRAMS

Action

c) At its March 11, 2013 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, C. of the RFP. The following information will be provided as a supplemental item: (i) the Review Committee’s recommendation(s), and (ii) the RFA 2014-102 Sorting Order Chart, with the eligible Applications listed in order from highest total score to lowest total score, with all funding selection criteria applied, and the ineligible Applications (if any) listed in assigned Application number order.
PROFESSIONAL SERVICES SELECTION (PSS)

Action

III. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request Approval of Responses to the Request for Qualifications 2014-01 for Energy Auditors to Provide Services for the Multifamily Energy Retrofit Program (MERP)

1. Background

   a) The Multifamily Energy Retrofit Program (MERP) is an approximately $6 million revolving loan fund that will provide loans for energy retrofits to aging properties in Florida Housing’s portfolio. As a result of these retrofits, the properties will be more energy efficient; reducing energy costs. Developments will be required to have an energy audit to assess potential savings during the credit underwriting process; and only those properties that are projected to achieve the required level of savings, among other credit underwriting criteria, would be eligible for a positive credit underwriting recommendation.

   b) The Energy Auditors will not be providing any direct contractual services to Florida Housing. The assigned credit underwriter for each preliminary MERP award will select the Energy Auditor from Florida Housing’s pool of approved Energy Auditors. Payment or compensation due to the Energy Auditor shall be the responsibility of the owner entity of the development. Likewise, the provision of a certificate of insurance naming the owner entity of the development, as an additional insured and meeting the insurance requirements in the RFQ, shall be the sole responsibility of the Energy Auditor, on a per project basis.

   c) On August 9, 2013, the Board approved a staff recommendation to issue a Request for Qualifications (RFQ) for Inclusion in a Pool of Energy Auditors for the implementation of MERP and authorized the Executive Director to establish a Review Committee to make a recommendation to the Board.

2. Present Situation

   a) On January 27, 2014, Florida Housing staff issued RFQ 2014-01 for Energy Auditors. The deadline for responses was 2:00 p.m. Tuesday February 11, 2014.

   b) Four responses were received by the deadline from the following offerors:

      (1) All Elements Mechanical
      (2) CALCS PLUS
      (3) EMG
      (4) SK Collaborative

   c) The Review Committee members designated by the Executive Directors were Laura Cox, Director of Asset Management and Guarantee Program and Chair of the Committee; Luke White, Asset Management Senior Analyst; and Elizabeth O’Neill, Senior Policy Analyst. Each member of the Review Committee individually reviewed the responses prior to convening for the Review...
PROFESSIONAL SERVICES SELECTION (PSS)

Action

Committee meetings. The Review Committee meetings were held on February 17, 2014, and February 21, 2014.

d) Results of the Review Committee’s evaluation of the scored items and ranking are provided as Exhibit A.

3. Recommendation

The review committee recommends EMG for inclusion in the pool of energy auditors to provide energy audits for the Multifamily Energy Retrofit Program, subject to confirmation that each of the individuals who will be doing the on-site evaluation and preparing the energy audit reports hold the appropriate certifications required by Section Six D at the time of assignment from the credit underwriter, on a per project basis; and further requests authorization to re-issue the RFQ to expand the Pool of Energy Auditors and authorize the Executive Director to establish a Review Committee to make a recommendation to the Board.
PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Request for Qualifications (RFQ) for Investment Banking Services

1. Background

a) At its June 5, 2009, meeting, Florida Housing’s Board of Directors approved a pool of offerors to provide investment banking services for the Guarantee, Single-Family and Multifamily programs. The following thirteen (13) Offerors were approved to enter into contracts for Investment Banking Services:

   (1) Bank of America/Merrill Lynch
   (2) Citigroup Global Market
   (3) Edward Jones
   (4) George K Baum & Company
   (5) J.P. Morgan Securities Inc.
   (6) Janney Montgomery Scott LLC
   (7) Merchant Capital LLC
   (8) Morgan Keegan
   (9) Morgan Stanley & Co. LLC
   (10) Raymond James
   (11) Red Capital Markets LLC
   (12) Stern Brothers & Co
   (13) Wells Fargo Bank, N.A.

b) The Board further authorized (1) all Offerors to be members of the Multi-Family Investment Pool; (2) Citigroup Global Market as the investment banker for Florida Housing’s Guarantee Program; (3) Citi, Morgan Stanley and RBC Capital Markets as book running Senior Managers for the Single Family bond program; George K. Baum, J.P. Morgan, Bank of America/Merrill Lynch and Raymond James (Raymond James merged with Morgan Keegan and assumed all underwriting services provided by both firms. J.P. Morgan declined to sign a contract with Florida Housing) as non-book running Co-Managers for the Single Family bond program; all other Offerors as members of the Selling Group for the Single Family bond program; and (4) RBC Capital Markets to track genealogy of repayments and to run consolidated cash flows for the Single Family 1995 Indenture, 2009 Indenture and future Single Family stand alone or open indentures.

c) The original term of the current contracts was three years with two one-year renewals.

d) At its July 20, 2012, meeting, Florida Housing’s Board authorized staff to proceed with the first contract renewal period. The second and final renewal was authorized by Florida Housing’s Board at its June 21, 2013, meeting.
PROFESSIONAL SERVICES SELECTION (PSS)

Action

2. Present Situation

a) The current investment banker contracts will expire in August 2014.

b) Florida Housing has a continuing need for qualified investment bankers to provide services to Florida Housing regarding bond issues and related matters.

3. Recommendation

Authorize staff to begin the solicitation process to select a pool of qualified firms to provide investment banking services for all applicable Florida Housing programs.
C. Request for Proposals (RFP) for Auditing Services

1. Background

   a) Pursuant to Chapter 420, Fla. Stat., Florida Housing is required to submit with its annual report an annual financial audit of its accounts and records performed in accordance with generally accepted auditing and governmental auditing standards by an independent certified public accountant.

   b) Additionally, certain programs require additional agreed-upon procedures engagements to fulfill program requirements. These include an annual evaluation of internal controls for the Hardest Hit Program and a triennial review of the Financing Adjustment Factor (FAF) program. Other engagements may arise as programs are added or changed.

   c) At its September 21, 2007, meeting, Florida Housing’s Board authorized staff to issue an RFP for auditing services. RFP 2008-06 for auditing services was issued August 8, 2008.

   d) At its September 26, 2008, meeting, Florida Housing’s Board authorized staff to enter into contract 2008-06-01-001 with Ernst & Young, LLC to provide financial auditing services for the fiscal years ending June 30, 2008, to December 31, 2010. On May 3, 2011, Florida Housing renewed contract 2008-06-01-001 with Ernst & Young, LLC for the fiscal years ending June 30, 2011, to December 31, 2013.

2. Present Situation

   a) The original term of the contract was three years with one three-year renewal.

   b) The current auditing services contract will expire in June 2014.

3. Recommendation

   Authorize staff to issue an RFP for auditing and other related services.
IV. SINGLE FAMILY BONDS – FINANCE

A. Single Family Bonds – Finance

1. Background
   
   a) On June 8, 2012 the Board authorized Florida Housing to sell Mortgage Backed Securities (“MBS”) secured by Mortgage Loans in the specified pool market.
   
   b) Since the 2012 approval, Florida Housing has sold over $72 Million of newly originated MBS at a weighted average price of 103.52% which generated over $885,000 for FHFC in fees and $1.6 million to benefit the first time homebuyer program.
   
   c) The tax exempt bond market remains fluid and is dislocated at this time and it is not financially advantageous to routinely sell bonds for new loan originations.

2. Present Situation
   
   a) The authorization to sell MBS granted by the Board under the 2012 resolution will expire on July 1, 2014.
   
   b) In order to take advantage of continuing market opportunities, Florida Housing is seeking approval to continue to sell newly originated MBS in the specified pool market when financially advantageous to do so.
   
   c) Exhibit A - Resolution

3. Recommendation

   Staff recommends the Board approve the necessary staff actions and resolution to permit the sale of newly originated MBS in the specified pool market.
I. MULTIFAMILY BONDS

A. Request Approval of the Final Credit Underwriting Report and Approval of the Assignment, Assumption, and Subordination of the SAIL LURA and EUA for Castle Woods Apartments (2014-101B)

<table>
<thead>
<tr>
<th>Development Name: Castle Woods Apartments</th>
<th>Location: Seminole County</th>
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<tbody>
<tr>
<td>Developer/Principal (“Applicant”): Dalcor Affordable Housing I, LLC</td>
<td>Set-Asides: 85% @ 60% AMI (MMRB) 100% @ 60% AMI (4% Housing Credits)</td>
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<tr>
<td>Funding Source: Multi-Family Mortgage Revenue Bonds (MMRB) and 4% Housing Tax Credits (Housing Credits)</td>
<td>Amount: $14,000,000 MMRB $995,645 Housing Credits</td>
</tr>
<tr>
<td>Number of Units: 304</td>
<td>Type: Family</td>
</tr>
</tbody>
</table>

1. Background

a) Applicant submitted an Application (“Application”) on behalf of the proposed Development using the Non-Competitive Application package. Applicant applied for Multi-Family Mortgage Revenue Bonds in the amount of $14,000,000 and non-competitive Housing Credits in the amount of $995,645 in order to acquire and rehabilitate the Development.

b) This development previously received a SAIL loan of $2,500,000 in 1992 that has been paid and a 9% Housing Credits allocation of $1,429,604 in 1991. A Land Use Restrictions Agreement (LURA) and Extended Use Agreement (EUA) exist on this development. The LURA set-asides are 60% @ 60% AMI for 50 years and the EUA set-asides are 100% @ 60% for 30 years.

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) Development costs for the acquisition/rehabilitation are $30,362,378, which is an increase of $1,616,069 or 5.3% from Application primarily due to increases in financial costs related to the first mortgage, the addition of an operating deficit reserve, and an increase in developer fees. The source of funds has changed to reflect the use of net operating income and deferral of the operating deficit reserve and compliance fees.

c) The Applicant requests approval for the transfer of ownership of the Development and the assignment and assumption of the SAIL Land Use Restrictions Agreement (LURA) and Extended Use Agreement (EUA). In addition, the subordination of the SAIL LURA and EUA to the Oak Grove
MULTIFAMILY BONDS

Action Supplement

Commercial Mortgage, LLC d/b/a Oak Grove Capital first mortgage and Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds.

d) A Final Credit Underwriting Report dated March 10, 2014, is attached as Exhibit A.

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report recommending and allocating $14,000,000 in tax exempt Multi-Family Mortgage Revenue Bonds for the acquisition and rehabilitation of the Development and the transfer of the Development, the assignment, assumption, and subordination of the SAIL LURA and the existing EUA subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.
MULTIFAMILY BONDS

Action Supplement

B. Request Approval of the Final Credit Underwriting Report for Caravel Arms Apartments (2013-102B)

<table>
<thead>
<tr>
<th>Development Name: Caravel Arms Apartments</th>
<th>Location: Broward County</th>
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<tbody>
<tr>
<td>Developer/Principal (“Applicant”): Southport Development, Inc.</td>
<td>Set-Asides: 100% @ 60% AMI (MMRB) 100% @ 60% AMI (4% Housing Credits)</td>
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<tr>
<td>Funding Source: Multi-Family Mortgage Revenue Bonds (MMRB) and 4% Housing Tax Credits (HC)</td>
<td>Amount: $6,300,000 MMRB $411,674 Housing Credits</td>
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<tr>
<td>Number of Units: 110</td>
<td>Type: Family</td>
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</table>

1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development using the Non-Competitive Application package. Applicant applied for Multi-Family Mortgage Revenue Bonds in the amount of $6,300,000 and non-competitive Housing Credits in the amount of $435,000 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) Development costs for the acquisition/rehabilitation are $12,699,590, which is an increase of $296,013 or 2.4% from Application primarily due to increases in hard construction costs. The Application included an equity letter of intent from PNC Bank. However, during underwriting the Applicant submitted an equity letter of intent from Boston Financial Investment Management, LP.

c) A Final Credit Underwriting Report dated March 10, 2014, is attached as Exhibit B.

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report recommending and allocating $6,300,000 in tax exempt Multi-Family Mortgage Revenue Bonds for the acquisition and rehabilitation of the Development subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.
C. Assignment of Bond Underwriters and Structuring Agents

1. Background

   a) Pursuant to staff’s request for approval to issue bonds to finance the acquisition and construction 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. A brief description of the Developments are detailed below along with the Staff’s recommendation 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

   The Credit Underwriter, the Senior Financial Advisor and Florida Housing staff has reviewed the financial structure for each of the proposed Developments.

3. Recommendation

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

<table>
<thead>
<tr>
<th>Development Name</th>
<th>Location of Development</th>
<th>Number of Units</th>
<th>Method of Bond Sale</th>
<th>Recommended Professional</th>
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</thead>
<tbody>
<tr>
<td>Castle Woods Apartments</td>
<td>Seminole County</td>
<td>304</td>
<td>Negotiated</td>
<td>RBC Capital Markets, LLC</td>
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<tr>
<td>Caravel Arms Apartments</td>
<td>Broward County</td>
<td>110</td>
<td>Negotiated Private Placement</td>
<td>RBC Capital Markets, LLC</td>
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</table>
MULTIFAMILY BONDS

Action Supplement

D.  Request Approval of the Method of Bond Sale Recommendation 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 recommendation 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 two proposed bond structures by the Senior Financial Advisor in order to make recommendations to the Board for the method of bond sale for each development.

   c)  TIBOR PARTNERS, Inc. has prepared an analysis and recommendation for the method of bond sale for the each of the Developments. The recommendation letters are attached as Exhibit C and Exhibit D.


<table>
<thead>
<tr>
<th>Development Name</th>
<th>Location of Development</th>
<th>Number of Units</th>
<th>Method of Bond Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Castle Woods Apartments</td>
<td>Seminole County</td>
<td>304</td>
<td>Negotiated</td>
</tr>
<tr>
<td>Caravel Arms Apartments</td>
<td>Broward County</td>
<td>110</td>
<td>Negotiated Private Placement</td>
</tr>
</tbody>
</table>

2.  Recommendation

That the Board approves the recommendation of the Senior Financial Advisor for the method of bond sale for each of the above Developments.