

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
September 14, 2018  
Consent Items



## HOUSING CREDITS

### *Consent*

#### I. HOUSING CREDITS

- A. Request Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Partner Board Members and Officers for Pendana at West Lakes Senior Residences (RFA 2017-113/2018-274C)

<b>Development Name: Pendana at West Lakes Senior Residences</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: West Lakes Phase II, LP</b>	<b>Set-Asides: 10% @ 40% AMI and 90% @ 60% AMI</b>
<b>Developers/Principals: New Affordable Housing Partners, LLC &amp; LIFT Orlando Community Development, LLC</b>	<b>Demographic/Number of Units: Elderly Non-ALF/120</b>
<b>Requested Amounts: \$2,110,000 Housing Credits (HC)</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

#### 1. Background/Present Situation

- a) West Lakes Phase II, LP (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-113 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. The funds are being utilized to finance the construction of a 120-unit Elderly Non-ALF development in Orange County. On June 6, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On August 8, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit A](#). The Applicant purports that the board members/officers of the non-profit, LIFT Orlando Community Development, LLC, will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

#### 2. Recommendation

- a) Approve the RFA waiver, exempting the non-profit board members/officers from having to submit the IRS Form 8821, provided each board member/officer submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

## HOUSING CREDITS

### *Consent*

**B. Request Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Partner Board Members/Officers for Cathedral Townhouse (RFA 2017-114/2018-071C)**

<b>Development Name: Cathedral Townhouse</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Cathedral Townhouse, Ltd.</b>	<b>Set-Asides: 20% @ 33% AMI and 76% @ 60% AMI</b>
<b>Developers/Principals: Cathedral Townhouse Redevelopment Associates LLC</b>	<b>Demographic/Number of Units: Elderly Non-ALF/177</b>
<b>Requested Amounts: \$1,660,000 Housing Credits (HC)</b>	<b>Development Category/Type: Acquisition and Preservation/High-Rise</b>

**1. Background/Present Situation**

- a) Cathedral Townhouse, Ltd. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-114 for Housing Credit Financing for Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the acquisition and preservation of a 177-unit Elderly Non-ALF development in Duval County. On July 30, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On August 7, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit B](#). The Applicant purports that the board members/officers of the non-profit, Cathedral Townhouse, Ltd., will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

**2. Recommendation**

- a) Approve the RFA waiver, exempting the non-profit board members/officers from having to submit the IRS Form 8821, provided each board member submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

## HOUSING CREDITS

### *Consent*

#### C. Request Approval of Developer Change and Developer Principal Change for Cathedral Townhouse (RFA 2017-114/2018-071C)

<b>Development Name: Cathedral Townhouse</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Cathedral Townhouse, Ltd.</b>	<b>Set-Asides: 20% @ 33% AMI and 76% @ 60% AMI</b>
<b>Developers/Principals: Cathedral Townhouse Redevelopment Associates LLC</b>	<b>Demographic/Number of Units: Elderly Non-ALF/177</b>
<b>Requested Amounts: \$1,660,000 Housing Credits (HC)</b>	<b>Development Category/Type: Acquisition and Preservation/High-Rise</b>

#### 1. Background/Present Situation

- a) Cathedral Townhouse, Ltd. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-114 for Housing Credit Financing for Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the acquisition and preservation of a 177-unit Elderly Non-ALF development in Duval County. On July 30, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) On August 6, 2018, staff received a request from the Applicant for a structure change of the Developer, Blue Sky Communities III, LLC (current and proposed Developer structures are provided as [Exhibits C](#) and [D](#)).
- c) Regarding the structure of the Developer, the Applicant proposes to replace Blue Sky Communities III, LLC (70% member) with Blue Sky Communities, LLC (70% member). The ownership interest of Blue Sky Communities, LLC will remain the same except that Weedon Enterprises II, LLC (66.5% member) will be replaced with Weedon Enterprises, LLC (61.5% member). Furthermore, Scott Macdonald (5% member) will now be a 10% member.
- d) Per the RFA, the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. Staff has reviewed this request and finds that the development meets all of the requirements of RFA 2017-114.
- e) In the original Application, the Principal with the required Developer experience was Shawn Wilson, who will remain as a Principal of proposed entity, Blue Sky Communities, LLC. Staff reviewed this request and finds that the Developer still meets the prior Developer experience requirements of RFA 2017-114.

#### 2. Recommendation

- a) Approve the request to allow for the change in Principals of the Developer as referenced above.

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### *Consent*

**D. Request Approval of RFA Waiver for the Green Building Features Requirement for Protected Harbor Home II (RFA 2015-105/2015-271G)**

<b>Development Name: Protected Harbor Home II</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: Protected Harbor, Inc.</b>	<b>Set-Asides: 2 BR @ 40% AMI and 4 BR @ 60% AMI</b>
<b>Developers/Principals: N/A</b>	<b>Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amounts: \$392,000 Grant Funding</b>	<b>Development Category/Type: New Construction/CRH</b>

**1. Background/Present Situation**

- a) Protected Harbor, Inc. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2015-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 11, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 17, 2015, staff issued a Letter of Preliminary Award and subsequently, on May 11, 2016, staff issued an invitation to enter credit underwriting to Protected Harbor, Inc.
- d) On December 9, 2016, the Board approved the Credit Underwriting Report, and on December 12, 2016, staff issued a firm commitment for Grant funding in the amount of \$392,000. The grant subsequently closed on March 23, 2017 and was recorded in Lee County on April 7, 2017.
- e) On August 2, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the Green Building Features requirement that all Developments must include an Energy Star Qualified refrigerator, dishwasher, and washing machine if provided. The letter is provided as [Exhibit E](#).
- f) The Applicant purports that some of the appliances installed during construction were not Energy Star rated, which was revealed at the final inspection. At this point, the home had already been placed into service and the appliances had been used for several months.

**2. Recommendation**

- a) Approve the RFA waiver, exempting the Applicant from installing Energy Star Qualified appliances required in RFA 2015-105, with the caveat that as the above-mentioned appliances are replaced, they are replaced with Energy Star appliances.

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- E. **Request Approval of Developer Principal Change, Approval of RFA Waiver to Allow a Change in a Principal of the Applicant Prior to Issuance of the Carryover Allocation Agreement and Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Officers/Board Members for Residences at Dr. King Boulevard (RFA 2017-112/2018-088C)**

<b>Development Name: Residences at Dr. King Boulevard</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Residences at Dr. King Boulevard, Ltd.</b>	<b>Set-Asides: 10% @ 28% AMI, 10% @ 30% AMI, and 70% @ 60% AMI</b>
<b>Developers/Principals: Residences at Dr. King Boulevard Development, LLC</b>	<b>Demographic/Number of Units: Family/120</b>
<b>Requested Amounts: \$2,436,070 Housing Credits (HC)</b>	<b>Development Category/Type: New Construction/ High Rise</b>

1. **Background/Present Situation**

- a) Residences at Dr. King Boulevard, Ltd. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-112 for Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County. The funds are being utilized to finance the construction of a 120-unit Family development in Miami-Dade County. On July 30, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On August 20, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit F](#). The Applicant purports that the board members/officers of the non-profit, Martin Luther King Economic Development Corporation, Inc., will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.
- d) The August 20<sup>th</sup> letter also includes a request to add a Principal to the Developer and the Applicant. Martin Luther King Economic Development Corporation, Inc. is the manager and sole member of the Co-General Partner of the Applicant and the Co-Member of the Developer. Christine King was left off from the original organizational structure and should be included as an officer (President/CEO) of the corporation. The original and proposed organizational charts are included as Exhibits [G](#), [H](#), [I](#) and [J](#).

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- e) Per the RFA, the Principals of each Developer identified in the Application, including all Co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to credit underwriting. Furthermore, the RFA states that the Applicant entity cannot be changed in any way, materially or non-materially, until after the Carryover Allocation Agreement is in effect.

### 2. **Recommendation**

- a) Approve the RFA waiver, exempting the non-profit board members/officers from having to submit the IRS Form 8821, provided each board member/officer submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way. Approve the RFA waiver to allow a change in a Principal of the Applicant prior to issuance of the Carryover Allocation Agreement. Approve the request to add a Principal to the Developer.

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**F. Request Approval of Developer Change and Developer Principal Change for Sweetwater Villas (2015-564C)**

<b>Development Name: Sweetwater Villas</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Blue Humphrey Street, LLC</b>	<b>Set Aside(s): 100% @ 60% AMI</b>
<b>Developer/Principal: Blue Sky Communities, LLC</b>	<b>Demographic/Number of units: Family / 56 units</b>
<b>Requested Amounts: \$452,709 Housing Credits</b>	<b>Development Category/Type: Garden Apartments</b>

**1. Background/Present Situation**

- a) Sweetwater Villas (2015-564C) is a 4% Housing Credit Development providing 56 set-aside units in Hillsborough County, Florida. The Applicant was invited to enter credit underwriting on September 6, 2016.
- b) On July 17, 2018, staff received a request from the Applicant for a structure change of the Developer, Blue Sky Communities III, LLC (current and proposed Developer structures are provided as Exhibits [K](#) and [L](#)).
- c) Regarding the structure of the Developer, the Applicant proposes to revert back to the original Developer entity and thus replace Blue Sky Communities III, LLC (Developer) with Blue Sky Communities, LLC. The ownership interest of Blue Sky Communities, LLC will remain the same except that Weedon Enterprises II, LLC (66.5% member) will be replaced with Weedon Enterprises, LLC (61.5% member). Furthermore, Scott Macdonald (5% member) will now be a 10% member.
- d) Per F.A.C. 67-21.003(8)(b) Principals of each Developer, including all Co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to Credit Underwriting.
- e) AmeriNat, the underwriter on this Development has provided a positive recommendation for this change.

**2. Recommendation**

- a) Approve the request to allow for the change of the Developer and Developer Principals as referenced above.



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### *Consent*

**G. Request Approval of Developer Change and Developer Principal Change for Cathedral Towers (RFA 2015-111/2016-294C)**

<b>Development Name: Cathedral Towers</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Cathedral Towers, Ltd.</b>	<b>Set Aside(s): 20% @ 35% AMI and 71% @ 60% AMI</b>
<b>Developer/Principal: Cathedral Towers Redevelopment Associates, LLC</b>	<b>Demographic/Number of units: Elderly / 203 units</b>
<b>Requested Amounts: \$1,660,000 Housing Credits</b>	<b>Development Category/Type: Acquisition / Preservation / High Rise</b>

**1. Background/Present Situation**

- a) Cathedral Towers (RFA 2015-111/2016-294C) is a Competitive Housing Credit, Preservation Development providing 185 set-aside units in Duval County, Florida. The Applicant was invited to enter credit underwriting on October 28, 2016. Subsequently, Florida Housing issued an allocation of \$1,660,000.00 in Housing Credits in December of 2016.
- b) On March 24, 2017, the Board approved a change in the Developer ownership structure, replacing Blue Sky Communities, LLC (70% member of Developer Entity) with Blue Sky Communities III, LLC. A further clarification was needed and approved by the Board on July 28, 2017.
- c) On July 17, 2018, staff received a request from the Applicant for a structure change of a Principal of the Developer, Cathedral Towers Redevelopment Associates, LLC (current and proposed Developer structure is provided as Exhibit [M](#) and [N](#)).
- d) Regarding the structure of the Developer, the Applicant proposes to revert back to the original 70% member and thus replace Blue Sky Communities III, LLC (70% member) with Blue Sky Communities, LLC (70% member). The ownership interest of Blue Sky Communities, LLC will remain the same except that Weedon Enterprises II, LLC (66.5% member) will be replaced with Weedon Enterprises, LLC (61.5% member). Furthermore, Scott Macdonald (5% member) will now be a 10% member.
- e) Per the RFA, the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. Staff has reviewed this request and finds that the development meets all of the requirements of RFA 2015-111.

## HOUSING CREDITS

### *Consent*

- f) In the original Application, the Principal with the required Developer experience was Shawn Wilson, who will remain as a Principal of proposed entity, Blue Sky Communities, LLC. Staff reviewed this request and finds that the Developer still meets the prior Developer experience requirements of RFA 2015-111.
- g) First Housing, the underwriter on this Development, has provided a positive recommendation for this change.

### 2. **Recommendation**

- a) Approve the request to allow for the change in Principals of the Developer as referenced above.

## HOUSING CREDITS

### *Consent*

#### H. Request Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Officers and Board Members for St. Andrew Tower I (RFA 2017-114/2018-069C)

<b>Development Name: St. Andrew Tower I</b>	<b>Location: Broward County</b>
<b>Applicant/Borrower: St. Andrew Towers I, Ltd.</b>	<b>Set-Asides: 20% @ 28% AMI and 80% @ 60% AMI</b>
<b>Developers/Principals: St. Andrew Towers I Development, LLC</b>	<b>Demographic/Number of Units: Elderly Non-ALF/219</b>
<b>Requested Amounts: \$1,660,000 Housing Credits (HC)</b>	<b>Development Category/Type: Acquisition / Preservation / High Rise</b>

#### 1. Background/Present Situation

- a) St. Andrew Towers I, Ltd. ("Applicant") applied for and was awarded funding from Request for Applications (RFA) 2017-114 for Housing Credit Financing for Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the acquisition and preservation of a 219-unit Elderly Non-ALF development in Broward County. On July 30, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On August 8, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit O](#). The Applicant purports that the board members/officers of the non-profit, Catholic Health Services, Inc., and the board members/officers of CHS St. Andrew Towers I, Inc., the co-general partner of the Applicant and the non-profit's general partner pass-through entity, will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

#### 2. Recommendation

- a) Approve the RFA waiver, exempting the non-profit board members/officers from having to submit the IRS Form 8821, provided each board member/officer submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

## HOUSING CREDITS

### *Consent*

#### I. Request Approval of Applicant Principal Change for Isles of Pahokee Phase II (RFA 2015-111/2016-281C/2018-353C)

<b>Development Name: Isles of Pahokee Phase II</b>	<b>Location: Palm Beach County</b>
<b>Applicant/Borrower: Isles of Pahokee II, LLC</b>	<b>Set-Asides: 20% @ 33% AMI and 80% @ 60% AMI</b>
<b>Developers/Principals: HTG Isles of Pahokee II Developer, LLC/Pahokee Development Corporation</b>	<b>Demographic/Number of Units: Elderly Non-ALF/129</b>
<b>Requested Amounts: \$1,209,190 Housing Credits (HC)</b>	<b>Development Category/Type: Acquisition and Preservation/Quadraplexes</b>

#### 1. Background/Present Situation

- a) Isles of Pahokee II, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2015-111 for Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the acquisition and preservation of a 129-unit Elderly Non-ALF development in Palm Beach County. On October 28, 2016, staff issued an invitation to the Applicant to enter credit underwriting. Subsequently, on December 21, 2016, a Carryover Allocation was issued to the Applicant. On June 15, 2018, the Board approved a rule waiver, allowing the Applicant to return their 2016 Housing Credit Allocation and receive a 2018 Housing Credit Allocation. In turn, a 2018 Carryover Allocation was issued to the Applicant on June 29, 2018.
- b) On July 26, 2018, staff received a request from the Applicant for a structure change of the Applicant, Isles of Pahokee II, LLC (current and proposed Applicant structures are provided as Exhibits [P](#) and [Q](#)).
- c) Regarding the structure of the Applicant, the Applicant proposes to add HTG Isles of Pahokee II Member, LLC as a single purpose entity between the Applicant and the current Managers and Members. In addition, Rieger Holdings, LLC was a member of the Applicant entity and is now being moved as a member of HTG Isles of Pahokee II Member, LLC. Matthew Rieger Trust, dated February 28, 2017, will replace Matthew Rieger as the sole member of Rieger Holdings, LLC.
- d) According to the RFA, once the Carryover Agreement has been executed by all parties, replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change.

#### 2. Recommendation

- a) Approve the request to allow for the change in Principals of the Applicant as referenced above.

**LEGAL**

*Consent*

**II. LEGAL**

**A. In Re: Edward Waters College Senior Citizens Home, Inc. - FHFC Case No. 2018-063VW**

<b>Development Name: (“Development”):</b>	<b>Campus Towers</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Edward Waters College Senior Citizens Home, Inc.</b>
<b>Number of Units: 192</b>	<b>Location: Duval County</b>
<b>Type: Rehabilitation garden apts</b>	<b>Set Asides: 100% @ 50% AMI</b>
<b>Demographics: Elderly</b>	<b>Funding: EHCL: \$750,000</b>

**1. Background**

- a) Edward Waters College Senior Citizens Home, Inc. (“Petitioner”) was awarded \$750,000 in Elderly Housing Community Loan (“EHCL”) funding under RFA 2016-108 to assist in the rehabilitation of a 192-unit development serving the elderly in Duval County. On August 17, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), F.A.C. to allow Petitioner to extend the Firm Loan Commitment Issuance deadline for an additional three months. A copy of the Petition is attached as [Exhibit A](#).

**2. Present Situation**

- a) Rule 67-48.0072(21)(b), F.A.C., provides:

(21) Information required by the Credit Underwriter shall be provided as follows:

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(b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. . . . Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. . . . If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner received its invitation to enter credit underwriting on December 19, 2016. The EHCL Award Firm Loan Commitment Issuance deadline was September 27, 2017. On September 22, 2017, Petitioner received an extension of this deadline to March 27, 2018, and on March 16, 2018, Petitioner received an additional extension of the deadline to September 27, 2018.

## LEGAL

### *Consent*

- c) Petitioner has stated that more time is needed to complete certain third-party reports. At this point it appears that the only remaining item to be submitted to the credit underwriter is the Plan & Cost report. Petitioner has also stated that it intends to seek refinancing of the Development project, but represents that this refinancing will not delay the use of EHCL funds for life safety improvements at the Development.
- d) On August 20, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 162. To date, Florida Housing has received no comments concerning the Petition.
- e) 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.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. The Corporation finds that Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), F.A.C. to allow Petitioner to extend the Firm Loan Commitment Issuance deadline until December 27, 2018. Petitioner’s attempt to refinance or seek other financing for the Development were not considered for this waiver, and will not form the basis for any extension of time to close on the EHCL loan.

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**B. In Re: Lofts at Lavilla 2, Ltd. - FHFC Case No. 2018-061VW**

<b>Development Name: (“Development”):</b>	<b>Lofts at Jefferson Station</b>
<b>Developer/Principal: (“Developer”):</b>	<b>TVC Development, Inc. John Rood</b>
<b>Number of Units: 98</b>	<b>Location: Duval County</b>
<b>Type: Mid-rise 5 to 6 stories</b>	<b>Set Asides: 10.2% at 33% AMI 71.4% at 60% AMI 18.4% at market rate</b>
<b>Demographics: Family</b>	<b>9% HC: \$1,660,000</b>

**1. Background**

- a) Petitioner was selected to receive 9% Housing Credit Financing for Affordable Multifamily Housing Developments under RFA 2017-113 to assist in the construction of a development serving low-income families in Jacksonville, Florida. On August 10, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(j), F.A.C., to change the total set-aside percentage. A copy of the amended Petition is attached as [Exhibit B](#).

**2. Present Situation**

- a) Rule 67-48.004(3)(j), Fla. Admin. Code, provides:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

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(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application. For the HOME Program, the total number of HOME-Assisted Units committed to in the Set-Aside Commitment section of the Application. Notwithstanding the foregoing, the Total Set-Aside Percentage, or total number of HOME-Assisted Units, as applicable, may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant’s request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development, as well as review of 24 CFR Part 92 to ensure continued compliance for the HOME Program.

## LEGAL

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- b) Petitioner has received approval from staff to increase the total number of units from 98 to 133, pursuant to Rule 67-48.004(3)(i). Petitioner now seeks a waiver from Rule 67-48.004(3)(j) to reduce the Total Set-Aside Percentage from 81.6% to 60.1%. This would have the effect of allowing the development of 35 additional units and for these units to be rented at market rate.
- c) Without this waiver, these additional units would also have to be limited to low-income tenants, which the Petitioner asserts would negatively affect the financial viability of this Development. Petition has committed to provide an additional 4 ELI units (limited to tenants with income at or below 33% AMI) out of the total 80 set-aside units.
- d) On August 14, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 158. To date, Florida Housing has received no comments concerning the Petition.
- e) 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.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.
- g) Additionally, Petitioner is seeking a waiver of Section 6(d)(2)(a)i of RFA 2017-113, which states: “If the proposed Development has a Demographic Commitment of Family or Elderly Non-ALF, the Applicant must set aside a total of at least 80 percent of the Development’s total units at 60 percent AMI or less.” If the rule waiver is granted, the Applicant will only set aside 60.1% of the Development’s total units at 60% AMI or less, but will maintain the total number of set-aside units originally committed to in the application.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.004(3)(j), Fla. Admin. Code, and of Section 6(d)(2)(a)i of RFA 2017-113, so that Petitioner will be able to reduce its Total Set-Aside Percentage from 81.6% to 60.1% and add 35 additional units at market rate. As a condition of this waiver, Petition must provide four additional ELI units, which results in a new set-aside commitment of 14 units (10.5%) at 33% AMI or less and 66 units (49.6%) at 60% AMI or less. This waiver will not decrease the total number of units set aside for low-income tenants and will increase the number of ELI units being delivered at the Development.



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#### C. In Re: Shull Manor REH, Ltd. - FHFC Case No. 2018-062VW (App. 2017-191C)

<b>Development Name: (“Development”):</b>	<b>Osprey Pointe</b>
<b>Developer/Principal: (“Developer”):</b>	<b>DDER Development, LLC/Lisa Lacock</b>
<b>Number of Units: 65</b>	<b>Location: Brevard County</b>
<b>Type: Garden Apartments (Acquisition and Preservation)</b>	<b>Set-Asides: 20% @ 40% AMI 80% @ 60% AMI 100% PBRA</b>
<b>Demographics: Family</b>	<b>HC \$645,000</b>

#### 1. Background

- a) Petitioner was selected to receive financing under RFA 2016-116 (Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments) to assist in the preservation and rehabilitation of a Development in Brevard County, Florida.
- b) On August 17, 2018, Florida Housing received a “Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(96)” (the Petition), requesting a waiver of Subsection II.K. of the 2016 Qualified Allocation Plan (“2016 QAP”), which is incorporated by reference by the Rule below. A copy of the Petition is attached as [Exhibit C](#).

#### 2. Present Situation

- a) R. 67-48.002(95), Fla. Admin. Code, provides:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, 2016 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-09578>.

- b) Section II.K. of the 2016 QAP provides:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the

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Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant's control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

- c) Petitioner was invited to credit underwriting on June 19, 2017, and on September 26, 2017 executed a Carryover Allocation Agreement establishing a Placed-In-Service date of September 30, 2019. Petitioner was granted an extension to the 10% test deadline by Corporation staff until September 26, 2018.
- d) Petitioner now requests a waiver of the above provision of the 2016 QAP, to permit it to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019, effectively extending the Placed-In-Service date to September 30, 2020.
- e) On August 20, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 162. To date, Florida Housing has received no 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) As grounds for this request, Petitioner cites several circumstances that make it impossible to meet the current deadlines as set forth above. The recent changes to corporate tax liability resulted in a decrease in the equity pricing of the tax credits, which necessitated Petitioner seeking additional funding under RFA 2018-109 Development Viability Loan Funding). Increases in construction costs due to the impact of hurricanes, etc. have also introduced unexpected delays in construction. Additionally, Petitioner is now seeking additional funding from the U.S. Department of Housing and Urban Development (HUD) under its Section 221(d)(4) loan program, which has resulted in an increased scope of rehabilitation as well as additional design requirements. Petitioner expects to receive a firm commitment from HUD on or about August 31, 2018, but not expected to close on the loan for at least two months.

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- h) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of R. 67-48.002(95), Fla. Admin. Code, and Section II.K. of the 2016 QAP, to permit Petitioner to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019.

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#### D. In Re: Pinnacle at Peacefield, Ltd. - FHFC Case No. 2018-067VW (App. 2017-211C)

<b>Development Name: (“Development”):</b>	<b>Pinnacle at Peacefield</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Pinnacle Housing Group/David O. Deutch</b>
<b>Number of Units: 120</b>	<b>Location: Broward County</b>
<b>Type: Garden Apartments</b>	<b>Set-Asides: 10% @ 30% AMI 90% @ 60% AMI</b>
<b>Demographics: Elderly (non-ALF)</b>	<b>HC \$2,561,000</b>

#### 1. Background

- a) Petitioner was selected to receive financing under RFA 2016-113 (Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties) to assist in the construction of the above Development.
- b) On August 24, 2018, Florida Housing received an “Amended Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(96)” (the Petition), requesting a waiver of Subsection II.K. of the 2016 Qualified Allocation Plan (“2016 QAP”), which is incorporated by reference by the Rule below. A copy of the Petition is attached as [Exhibit D](#).

#### 2. Present Situation

- a) R. 67-48.002(95), Fla. Admin. Code, provides:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2016 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-09578>.

- b) Section II.K. of the 2016 QAP provides:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures

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attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant's control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

- c) Petitioner was invited to credit underwriting on September 27, 2017, and on December 13, 2017 executed a Carryover Allocation Agreement establishing a Placed-In-Service date of December 31, 2019. Petitioner was granted an extension to the original 10% test deadline by Corporation staff until December 13, 2018.
- d) Petitioner now requests a waiver of the above provision of the 2016 QAP, to permit it to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019, effectively extending the Placed-In-Service date to September 30, 2020.
- e) On August 20, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 162. To date, Florida Housing has received no 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) As grounds for this request, Petitioner cites several circumstances that make it impossible to meet the current deadlines as set forth above. The recent changes to corporate tax liability resulted in a decrease in the equity pricing of the tax credits. The effects of Hurricane Irma also caused delays in the development, as the landowner of the subject property (the City of Hollywood) and the local Community Redevelopment Agency became involved in the recovery effort, to the detriment of the Development timeline. Lastly, due to the uncertainty in the market and the above delays, the tax credit investor has asked Petitioner to make this request to mitigate the risk of not meeting deadlines.

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- h) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of R. 67-48.002(95), Fla. Admin. Code, and Section II.K. of the 2016 QAP, to permit Petitioner to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019.

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### E. In Re: Verbena, Ltd. - FHFC Case No. 2018-068VW (App. 2017-161C)

<b>Development Name: (“Development”):</b>	<b>Verbena</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Pinnacle Housing Group/David O. Deutch</b>
<b>Number of Units: 110</b>	<b>Location: Miami-Dade County</b>
<b>Type: Mid-Rise (5-6)</b>	<b>Set-Asides: 10% @ 30% AMI 90% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>HC \$2,300,000</b>

#### 1. Background

- a) Petitioner was selected to receive financing under RFA 2016-114 (Housing Credit Financing for Affordable Housing Developments in Miami-Dade County) to assist in the construction of the above Development.
- b) On August 24, 2018, Florida Housing received an “Amended Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(96)” (the Petition), requesting a waiver of Subsection II.K. of the 2016 Qualified Allocation Plan (“2016 QAP”), which is incorporated by reference by the Rule below. A copy of the Petition is attached as [Exhibit E](#).

#### 2. Present Situation

- a) R. 67-48.002(95), Fla. Admin. Code, provides:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2016 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-09578>.

- b) Section II.K. of the 2016 QAP provides:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other

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pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant's control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

- c) Petitioner was invited to credit underwriting on August 2, 2017, and on November 15, 2017 executed a Carryover Allocation Agreement establishing a Placed-In-Service date of November 30, 2019. Petitioner was granted an extension to the 10% test deadline by Corporation staff until November 15, 2018.
- d) Petitioner now requests a waiver of the above provision of the 2016 QAP, to permit it to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019, effectively extending the Placed-In-Service date to September 30, 2020.
- e) On August 22, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 164. To date, Florida Housing has received no 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) As grounds for this request, Petitioner cites several circumstances that make it impossible to meet the current deadlines as set forth above. The recent changes to corporate tax liability resulted in a decrease in the equity pricing of the tax credits. Additionally, recent and unexpected increases in construction costs and delays in the permitting process with Miami-Dade County have left no margin for error under the current deadlines. As a result, the tax credit investor/syndicator is unwilling to take the risk, and has asked Petitioner to seek this credit swap to insure the development remains a viable investment.
- h) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.



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#### **3. Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of R. 67-48.002(95), Fla. Admin. Code, and Section II.K. of the 2016 QAP, to permit Petitioner to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019.

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#### F. In Re: Suwannee Pointe, LP - FHFC Case No. 2018-070VW (App. 2017-100C)

<b>Development Name: (“Development”):</b>	<b>Suwannee Pointe</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Royal American/Joseph F. Chapman</b>
<b>Number of Units: 36</b>	<b>Location: Suwannee County</b>
<b>Type: Garden Apartments</b>	<b>Set-Asides: 10% @ 50% AMI 90% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>HC \$477,091</b>

#### 1. Background

- a) Petitioner was selected to receive financing under RFA 2016-110 – Housing Credit Financing for Affordable Housing Developments Located in Medium Counties - to assist in the construction of a Development in Suwannee County, Florida.
- b) On August 21, 2018, Florida Housing received a “Petition for Waiver of Rule 67-48.002(95)” (the Petition), requesting a waiver of Subsection II.K. of the 2016 Qualified Allocation Plan (“2016 QAP”), which is incorporated by reference by the above Rule. A copy of the Petition is attached as [Exhibit F](#).

#### 2. Present Situation

- a) R. 67-48.002(95), Fla. Admin. Code, provides:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2016 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-09578>.

- b) Section II.K. of the 2016 QAP provides:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the

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Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant's control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

- c) Petitioner was invited to credit underwriting on June 19, 2017, and on November 15, 2017 executed a Carryover Allocation Agreement establishing the due date of the 10% Test for May 31, 2018 and an original Placed-In-Service date of November 30, 2019.
- d) Petitioner now requests a waiver of the above provision of the 2016 QAP, to permit it to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019, effectively extending the Placed-In-Service date to September 30, 2020.
- e) On August 23, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 165. To date, Florida Housing has received no 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) As grounds for this request, Petitioner reports several unforeseen circumstances that have delayed construction of the Development. Petitioner experienced delays related to the reduction in tax credit pricing resulting from recent changes to corporate tax laws, and now reports the tax credit investor/syndicator will not close without this "credit swap." Petitioner also faces increased interest rates than those originally quoted by lenders, as well as the discovery of a potential sinkhole on the site, which will require modification of the development site plan and architecture.
- h) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

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#### **3. Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of R. 67-48.002(95), Fla. Admin. Code, and Section II.K. of the 2016 QAP, to permit Petitioner to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019.

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### G. In Re: Spinal Cord Living-Assistance Development, Inc. (SCLAD) - FHFC Case No. 2018-069VW

<b>Development Name: (“Development”):</b>	<b>Le Jeune Gardens</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Spinal Cord Living-Assistance Development, Inc.</b>
<b>Number of Units: 18</b>	<b>Location: Miami-Dade County</b>
<b>Type: New barrier-free</b>	<b>Set Asides: 25% at 33% AMI 75% at 60% AMI</b>
<b>Demographics: Family; Special Needs</b>	<b>SAIL: \$3,420,00 ELI Gap: \$352,600</b>

#### 1. Background

- a) Petitioner was selected to receive State Apartment Incentive Loan (SAIL) and Extremely Low Income (ELI) funding under Request for Applications (RFA) 2015-101, to assist in the construction of a Development serving low-income families with special needs in Miami-Dade County, Florida. On February 14, 2018, Florida Housing received a “Petition for Waiver of Rule 67-48.0072(4)(c)” (the “Petition”) requesting to extend the SAIL/ELI loan closing date from September 14, 2018 to December 14, 2018. A copy of the Petition is attached as [Exhibit G](#).

#### 2. Present Situation

- a) R. 67-48.0072(4)(c), Fla. Admin. Code, provides:
- (c) For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. . . . In the event the loan does not close by the end of the 12 month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.
- b) Petitioner was invited to credit underwriting on June 22, 2015, and received a 12-month extension of the closing deadline and of the credit underwriting deadline to June 22, 2017. Petitioner’s credit underwriting deadline was extended from June 22, 2017 to December 8, 2017. It was again extended from December 8, 2017 to June 8, 2018, and from June 8, 2018 to July 27, 2018. The July 27, 2018 credit underwriting deadline was met by Petitioner. Petitioner’s closing deadlines for both the SAIL and ELI loans were extended from June 22, 2017 to March 31, 2018, and then until September 14, 2018. Petitioner now requests an additional extension of the closing deadlines to December 14, 2018. Because the credit underwriting process has been completed, Petition believes it may be in a position to close the SAIL and ELI funding by the September 14

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deadline, but is seeking this extension in the event that the permit process is further delayed.

- c) On August 22, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 164. To date, Florida Housing has received no comments concerning the Petition.

- d) 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.

- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code, so that the SAIL and ELI loan closing deadlines may be extended from September 14, 2018 to December 14, 2018.

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**H. In Re: Glorieta Partners, Ltd. - FHFC Case No. 2018-064VW**

<b>Development Name: (“Development”):</b>	<b>Gardens-Glorieta Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Globe-op Development, LLC/Ashok Kumar</b>
<b>Number of Units: 330</b>	<b>Location: Miami-Dade County</b>
<b>Type: Acquisition and Rehabilitation</b>	<b>Set Asides: 100% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>4% HC: \$1,654,690</b>

**1. Background**

- a) Glorieta Partners, Ltd., (“Petitioner”) submitted an application for 4% Housing Tax Credits to be used in conjunction with tax-exempt multi-family bonds to assist in the acquisition and rehabilitation of a development serving low-income families in the City of Opa Locka, Miami-Dade County. On August 17, 2018, Florida Housing received a Petition for Waiver of Rule 67-21.003(1)(b), Fla. Admin. Code, to waive the requirement that 15% of the total proposed equity be paid at construction closing. An amended petition was filed with Florida Housing on August 24, 2018. A copy of the amended Petition is attached as [Exhibit H](#).

**2. Present Situation**

- a) The Non-Competitive Application (“NCA”) package is incorporated by reference in Rule 67-21.003(1)(b), Fla. Admin. Code. The NCA provides, in relevant part:

7. Applicant Certification

By completing, executing and submitting this Application form and all applicable exhibits, the Applicant certifies and acknowledges that:

\*\*\*

- j. The proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (15 percent criteria). . . .
- b) In 2015, Petitioner acquired and began rehabilitating a 330-unit development in Miami-Dade County known as Gardens-Glorieta. The financing included tax exempt bond financing from Capital Trust Agency. Construction of the Development was completed at the end of 2017, and all work contracted for under the construction contract has been completed. On October 19, 2017, Petitioner submitted an Application for Non-Competitive Housing Credits. At the time of the closing of construction financing, less than 15% of the total proposed equity was paid by the equity provider. Following the closing in 2015, the equity provider paid additional equity into the Development, and as of the date of this Petition the equity provider has paid 55% of the total proposed equity. Petitioner argues that the 15 percent criteria only applied at the time that it submitted its NCA and that it would be unfair and unworkable to require it to comply with the 15 percent criteria at this time. Petitioner also argues that

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because 55% of the total proposed equity has already been paid, the intent of the 15 percent criteria has been met.

c) On August 21, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 163. To date, Florida Housing has received no comments concerning the Petition.

d) 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.

e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that it would violate principles of fairness if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-21.003(1)(b), Fla. Admin. Code, and waive the requirement that 15% of the total proposed equity be paid at construction closing.



## LEGAL

### *Consent*

#### I. In Re: Glorieta Partners, Ltd. - FHFC Case No. 2018-065VW

<b>Development Name: (“Development”):</b>	<b>Gardens-Glorieta Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Globe-op Development, LLC/Ashok Kumar</b>
<b>Number of Units: 330</b>	<b>Location: Miami-Dade County</b>
<b>Type: Acquisition and Rehabilitation</b>	<b>Set Asides: 100% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>4% HC: \$1,654,690</b>

#### 1. Background

- a) Glorieta Partners, Ltd., (“Petitioner”) submitted an application for 4% Housing Tax Credits to be used in conjunction with tax-exempt multi-family bonds to assist in the acquisition and rehabilitation of a development serving low-income families in the City of Opa Locka, Miami-Dade County. On August 17, 2018, Florida Housing received a Petition for Waiver of Rule 67-21.026(10), F.A.C., to allow the use of a stipulated sum contract with its general contractors. An amended petition was filed with Florida Housing on August 24, 2018. A copy of the amended Petition is attached as [Exhibit I](#).

#### 2. Present Situation

- a) Rule 67-21.026(10), F.A.C. (2016) provides as follows:

The Corporation’s assigned Credit Underwriter shall require a guaranteed maximum price construction contract, acceptable to the Corporation, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant’s sole expense, and review a pre-construction analysis for all new construction units or a physical needs assessment for rehabilitation units and review the Development’s costs.

- b) In 2015, Petitioner acquired and began rehabilitating a 330-unit development in Miami-Dade County known as Gardens-Glorieta, and entered into a stipulated sum contract with its general contractor on September 3, 2015 to accomplish this. The financing included tax exempt bond financing from Capital Trust Agency. Construction of the Development was completed at the end of 2017, and all work contracted for under the construction contract has been completed. On October 19, 2017, Petitioner submitted an Application for Non-Competitive Housing Credits. While the rule in effect at the time prohibited the use of a stipulated sum contract, the work contracted for under that contract has been completed, rendering it impossible to retroactively have the work performed under a guaranteed maximum price contract. Petitioner has demonstrated and agreed that the general contractor will be paid no more under the stipulated sum contract than would have been allowed had it performed the work under a guaranteed maximum price contract, that there will be no cost savings billed or

## LEGAL

### *Consent*

paid under the contract, and that the contractor's fee will be limited to the maximum amount allowed under Rule 67-21.026(12)(b), Fla. Admin. Code.

- c) On August 21, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 163. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120. 542(2), Florida Statutes provides in pertinent part:
  - (1) 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.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.026(10), Fla. Admin. Code, to allow the use of a stipulated sum contract, with the condition that the construction contract be amended to provide that there will be no cost savings billed or paid under the contract, and that the contractor's fee will be limited to the maximum amount allowed under Rule 67-21.026(12)(b), Fla. Admin. Code.

## MULTIFAMILY BONDS

### *Consent*

### III. MULTIFAMILY BONDS

#### A. Request Approval of Credit Underwriting Report for Emerald Villas Phase Two (2016-367BS)

<b>Development Name: Emerald Villas Phase Two</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Emerald Villas Phase Two, LLC</b>	<b>Set Aside(s): 10% @ 40% AMI (MMRB, SAIL, ELI, and 4% HC) 90% @ 60% AMI (MMRB, SAIL and 4% HC)</b>
<b>Developer/Principal: Emerald Villas Phase Two Developer, LLC / Alberto Milo, Jr.</b>	<b>Demographic/Number of units: Elderly / 96</b>
<b>Requested Amounts: \$10,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,950,000 State Apartment Incentive Loan (SAIL) \$426,200 Extremely Low Income (ELI) \$733,652 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

#### 1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, the Board approved the final scores and recommendations for RFA 2016-109, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 24, 2017, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On March 31, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- e) Staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL, and ELI Funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-109.

#### 2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with the closing activities, 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 Credit Underwriting Report for Ambar Key Homes (2016-167BS)**

<b>Development Name: Ambar Key Homes</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Ambar Key Homes, Ltd.</b>	<b>Set Aside(s):</b> 5% @ 28% AMI (MMRB, SAIL, and 4% HC) 40% @ 60% AMI (MMRB, SAIL, and 4% HC) 55% @80% AMI (SAIL Workforce)
<b>Developer/Principal: Ambar3, LLC / Elena Adames</b>	<b>Demographic/Number of units:</b> Family / 155
<b>Requested Amounts:</b> \$16,500,000 Multifamily Mortgage Revenue Bonds (MMRB) \$8,500,000 State Apartment Incentive Loan (SAIL) \$287,322 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction and Rehabilitation / Townhomes

**1. Background/Present Situation**

- a) On October 21, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-112 for SAIL Financing for the Construction of Workforce Housing in Miami-Dade County and Monroe County.
- b) On February 3, 2017, the Board approved the final scores and recommendations for RFA 2016-112 and directed staff to proceed with all necessary credit underwriting activities.
- c) On April 24, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- d) Staff received a final credit underwriting report with a positive recommendation for MMRB and SAIL Funding ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-112.

**2. Recommendation**

- a) Approve the final credit underwriting report and direct staff to proceed with the closing activities, 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 of Credit Underwriting Report for Ambar Key (2018-064BS)**

<b>Development Name: Ambar Key</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Ambar Key, Ltd.</b>	<b>Set Aside(s):</b> 5% @ 28% AMI (MMRB, SAIL, and 4% HC) 40% @ 60% AMI (MMRB, SAIL, and 4% HC) 55% @80% AMI (SAIL Workforce)
<b>Developer/Principal: Ambar3, LLC / Elena Adames</b>	<b>Demographic/Number of units:</b> Family / 94
<b>Requested Amounts:</b> \$11,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$8,465,000 State Apartment Incentive Loan (SAIL) \$282,616 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction / Townhomes

**1. Background/Present Situation**

- a) On August 22, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) RFA 2017-107 for SAIL Financing for the Construction of Workforce Housing.
- b) On December 8, 2017, the Board approved the final scores and recommendations for RFA 2017-107 and directed staff to proceed with all necessary credit underwriting activities.
- c) On January 18, 2018, staff issued an at risk opportunity to enter credit underwriting to the Applicant.
- d) Staff received a final credit underwriting report with a positive recommendation for MMRB and SAIL Funding ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2017-107.

**2. Recommendation**

- a) Approve the final credit underwriting report and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing Staff.

# MULTIFAMILY BONDS

## *Consent*

### **D. Request Approval of the Method of Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of a Recommended Professional**

#### **1. Background**

- a) Pursuant to staff's request for approval to issue bonds to finance the construction of the proposed Developments referenced below, the final credit underwriting reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals for the transactions and approval of the recommended method of sales. A brief description of the Developments are detailed below, along with staff's recommendation.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structures by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond/note sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendations for the method of bond sale for the Developments. The recommendation letters are attached as Exhibit D through F.

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

- a) Florida Housing staff, the Credit Underwriter, and the IRMA have reviewed the financial structures for the proposed Developments.

#### **3. Recommendation**

- a) Approve the assignment of the recommended professionals and the Independent Registered Municipal Advisor's recommendation for the method of bond sale, as shown in the chart below, 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>Exhibit</b>
Emerald Villas Phase Two	Orange County	96	Negotiated Public Offering	RBC Capital Markets, LLC	<a href="#">Exhibit D</a>
Ambar Key Homes	Miami-Dade County	155	Negotiated Private Placement	RBC Capital Markets, LLC	<a href="#">Exhibit E</a>
Ambar Key	Miami-Dade County	94	Negotiated Private Placement	RBC Capital Markets, LLC	<a href="#">Exhibit F</a>

## MULTIFAMILY BONDS

### *Consent*

**E. Request Approval of the Transfer of Ownership for Grande Court Blanding fka Grande Court Apartments (2001 Series L / 2001-529C)**

<b>Development Name: Grande Court Blanding fka Grande Court Apartments</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Grande Court Blanding Associates, Ltd.</b>	<b>Set Aside(s): 40% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)</b>
<b>Developer/Principal: Vestcor Development Corporation, Inc. / Steve Moore</b>	<b>Demographic/Number of units: Family / 252 units</b>
<b>Requested Amounts: \$8,300,000 Multifamily Mortgage Revenue Bond (MMRB) \$531,736 Non-Competitive Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing originally financed the above referenced Development in 2001 with \$8,300,000 in tax exempt MMRB designated as 2001 Series L. In addition, \$531,736 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in December, 2015.
- b) Grande Court Blanding Associates, Ltd. has requested Florida Housing's consent to the transfer of the Development to SREIT Grande Court, LLC. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption of the Land Use Restriction Agreement (LURA) and Extended Low Income Housing Agreement (ELIHA), and the subordination of the LURA and ELIHA to the new first mortgage lender ([Exhibit G](#)).

**2. Recommendation**

- a) Approve the transfer of ownership interest and the assignment, assumption, and subordination of the LURA and ELIHA, subject to the conditions in the credit underwriting report and further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

**F. Request Approval of the Transfer of Partnership Interest for Groves of Delray fka Groves of Delray II (2009 K / 2011-510C / 93S-012 / 94L-007)**

<b>Development Name: Groves of Delray Apartments fka Groves of Delray II</b>	<b>Location: Palm Beach County</b>
<b>Applicant/Borrower: Groves of Delray II, Ltd.</b>	<b>Set Aside(s): 85% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)</b>
<b>Developer/Principal: Florida Affordable Housing, Inc. / Thomas Hinners</b>	<b>Demographic/Number of units: Elderly / 158 units</b>
<b>Requested Amounts: \$9,350,000 Multifamily Mortgage Revenue Bond (MMRB) \$536,519 Non-Competitive Housing Credits (4% HC)</b>	<b>Development Category/Type: Acquisition and Rehabilitation / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing originally financed the above referenced Development in 1993 with \$1,502,000 State Apartment Incentive Loan (“SAIL”) Program funds and \$738,961 in competitive Housing Credits (“9% HC”). Florida Housing subsequently financed the acquisition and rehabilitation of the Development in 2009 with \$9,350,000 in tax exempt bonds and \$536,519 in 4% HC.
- b) Groves of Delray II, Ltd. has requested Florida Housing’s consent to the transfer of general partnership interest to entities affiliated with Dominion Development and Acquisition, LLC. In addition, the Borrower requested consent to release the existing Guarantors from various guarantees and replace with new Guarantors. Seltzer Management Group, Inc. has reviewed these requests and provided a positive recommendation for the transfer, the assignment and assumption of the Land Use Restriction Agreements (“LURA”) and Extended Low Income Housing Agreements (“ELIHA”), and the replacement of Guarantors ([Exhibit H](#)).

**2. Recommendation**

- a) Approve the transfer of ownership interest, the assignment and assumption of the LURA and ELIHA, and the replacement of Guarantors, subject to the conditions in the credit underwriting report and further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.



## MULTIFAMILY BONDS

### *Consent*

**G. Request Approval of RFA Waiver for Hibiscus Apartments (2018-035BS)**

<b>Development Name: Hibiscus Apartments</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: BDG Hibiscus Apartments, LP</b>	<b>Set Aside(s): MMRB: 10% @ 40% &amp; 70% @ 60% AMI, SAIL &amp; ELI: 10% @ 40% &amp; 90% @ 60% AMI, HC: 100% @ 60% AMI</b>
<b>Developer/Principal: Judd Roth Real Estate Development, Inc. &amp; BDG Hibiscus Apartments Developer, LLC / Judd Roth &amp; Louis Vogt</b>	<b>Demographic/Number of units: Family / 96</b>
<b>Requested Amounts: \$9,400,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,125,000 State Apartment Incentive Loan (SAIL) \$510,800 Extremely Low Income (ELI) \$689,594 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation**

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 8, 2017, the Board approved the final scores and recommendations for RFA 2017-108 and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On May 9, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On August 15, 2018, staff received a letter from the Borrower requesting an RFA waiver due to the inability of the Development to use the National Housing Trust Fund (NHTF) monies which were awarded in conjunction with the SAIL, ELI, MMRB and 4% HC. The NHTF funds were awarded to proposed developments which met one of the eight medium and large county new construction goals as outlined in the RFA. Hibiscus Apartments was preliminarily awarded \$482,726 from the NHTF pool to fund three deep targeted units for persons with special needs at 22% AMI. As part of the credit underwriting process an environmental analysis of the site was conducted which determined that wetland mitigation will be required. The NHTF funding does not allow for wetland impacts on any portion of the development site, and as such, NHTF monies cannot be used without a waiver from HUD. Staff has corresponded with HUD the need for a waiver, but a response has not been received at this time. The Borrower has proposed returning the award of NHTF funds along with the requirement for three units at 22% AMI in exchange for providing two additional ELI units without receiving any additional ELI funding. The Borrower is prepared to move ahead with the Development and an Army Corps of Engineers (ACOE) permit is already in place to mitigate the

## MULTIFAMILY BONDS

### *Consent*

wetland allowing the site plan to be finalized and move forward with credit underwriting. Further delays will result in substantial hardship to the Borrower due to rising interest rates, construction material and labor cost since submission of the application in 2017.

### 2. Recommendation

- a) Approve the RFA Waiver to remove the NHTF funding award and units in exchange for two additional ELI units as outlined above and allowing the Development to proceed with credit underwriting activities.

## MULTIFAMILY PROGRAMS

### *Consent*

#### IV. MULTIFAMILY PROGRAMS

##### A. Request Approval of Credit Underwriting Report for Marlberry CRH Renovations (2016-412G)

<b>Development Name: Marlberry CRH Renovations</b>	<b>Location: Martin County</b>
<b>Applicant/Borrower: ARC of Martin County, Inc.</b>	<b>Set Aside(s): 33% @ 40% AMI and 67% at 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents</b>
<b>Requested Amounts: \$173,000 Grant Funding</b>	<b>Development Category/Type: Renovation/CRH</b>

##### 1. Background/Present Situation

- a) On October 26, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-107 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On February 3, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 14, 2017, staff issued a Letter of Preliminary Award and subsequently, on March 16, 2017, staff issued an invitation to enter credit underwriting to ARC of Martin County, Inc.
- d) On August 24, 2018, staff received a positive recommendation for a grant amount of \$173,000 to be allocated to the Development ([Exhibit A](#)).

##### 2. Recommendation

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

## MULTIFAMILY PROGRAMS

### *Consent*

#### B. Request Approval of Credit Underwriting Report for Honey Hill CRH Renovations (2016-417G)

<b>Development Name: Honey Hill CRH Renovations</b>	<b>Location: Martin County</b>
<b>Applicant/Borrower: ARC of Martin County, Inc.</b>	<b>Set Aside(s): 33% @ 40% AMI and 67% at 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents</b>
<b>Requested Amounts: \$178,000 Grant Funding</b>	<b>Development Category/Type: Renovation/CRH</b>

#### 1. Background/Present Situation

- a) On October 26, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-107 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On February 3, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 14, 2017, staff issued a Letter of Preliminary Award and subsequently, on March 17, 2017, staff issued an invitation to enter credit underwriting to ARC of Martin County, Inc.
- d) On August 24, 2018, staff received a positive recommendation for a grant amount of \$178,000 to be allocated to the Development ([Exhibit B](#)).

#### 2. Recommendation

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

**MULTIFAMILY PROGRAMS**

*Consent*

**C. Request Approval of Credit Underwriting Report for CASL Fruitville Residences (2016-419G)**

<b>Development Name: CASL Fruitville Residences</b>	<b>Location: Sarasota County</b>
<b>Applicant/Borrower: Community Affordable Supported Living, Inc.</b>	<b>Set Aside(s): 34% @ 35% AMI and 66% at 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities / 3 Residents</b>
<b>Requested Amounts: \$242,000 Grant Funding</b>	<b>Development Category/Type: Acquisition with Rehabilitation/Single Family/SLU</b>

**1. Background/Present Situation**

- a) On October 26, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-107 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On February 3, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 14, 2017, staff issued a Letter of Preliminary Award and subsequently, on June 12, 2017, staff issued an invitation to enter credit underwriting to Community Affordable Supported Living, Inc.
- d) On August 28, 2018, staff received a positive recommendation for a grant amount of \$242,000 to be allocated to the Development ([Exhibit C](#)).

**2. Recommendation**

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

## MULTIFAMILY PROGRAMS

### *Consent*

#### D. Request Approval of Credit Underwriting Report Update and Restrictive Covenant and Grant Agreement Amendment for Quanset House (2015-023G)

<b>Development Name: Quanset House</b>	<b>Location: Martin County</b>
<b>Applicant/Borrower: ARC of Martin County, Inc.</b>	<b>Set Aside(s): 33% @ 40% AMI and 67% at 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents</b>
<b>Requested Amounts: \$367,000 Grant Funding</b>	<b>Development Category/Type: New Construction &amp; Rehabilitation/CRH</b>

#### 1. Background/Present Situation

- a) On October 24, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-112 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On January 30, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 6, 2015, staff issued a Letter of Preliminary Award and subsequently, on March 30, 2015, staff issued an invitation to enter credit underwriting to ARC of Martin County, Inc.
- d) On October 15, 2015, the credit underwriting report was approved by the board, and the Restrictive Covenant and Grant Agreement was recorded in Martin County on May 11, 2016. The Development suffered many setbacks including opposition from the community HOA and having to secure a new general contractor. The Development has secured a new general contractor, and therefore an update to the credit underwriting report and amendment to the Restrictive Covenant and Grant Agreement is necessary. On August 28, 2018, staff received an update to the credit underwriting report with a positive recommendation for the change to the general contractor ([Exhibit D](#)).

#### 2. Recommendation

- a) Staff recommends that the Board approve the update to the credit underwriting report and direct staff to proceed with an amendment to the Restrictive Covenant and Grant Agreement.

## MULTIFAMILY PROGRAMS

### *Consent*

#### E. Request Approval of Credit Underwriting Report for Luna Trails (2017-016C/2018-340V)

<b>Development Name: Luna Trails</b>	<b>Location: Brevard County</b>
<b>Applicant/Borrower: HTG Luna, LLC</b>	<b>Set-Aside(s): 10% @ 40% AMI &amp; 90% @ 60% AMI</b>
<b>Developer/Principal: HTG Luna Developer, LLC / Matthew Rieger</b>	<b>Demographic/Number of Units: Elderly/86</b>
<b>Requested Amounts: Viability Loan \$1,250,000, Annual 9% HC \$1,510,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

#### 1. Background/Present Situation

- a) On October 7, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-110 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties.
- b) On March 24, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 28, 2017, the Board approved the Final Order resolving all pending litigation pertaining to RFA 2016-110, allowing staff to proceed with all necessary credit underwriting activities. The Applicant was invited to enter credit underwriting on August 2, 2017.
- d) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding (Viability Loan) for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes.
- e) On May 4, 2018, the Board approved the final scores and recommendations for RFA 2018-109, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 7, 2018.
- f) On August 28, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit E](#)). Staff has reviewed this report and finds that it meets all the requirements of RFA 2016-110 and RFA 2018-109.

#### 2. Recommendation

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

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

*Consent*

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

**A. Request Approval of Credit Underwriting Report for Delphin Downs (2016-356S/2018-331V)**

<b>Development Name: Delphin Downs</b>	<b>Location: Escambia County</b>
<b>Applicant/Borrower: SP Downs LLC</b>	<b>Set-Aside(s): 10% @ 40% AMI &amp; 90% @ 60% AMI</b>
<b>Developer/Principal: Southport Development Services, Inc. / J. David Page</b>	<b>Demographic/Number of Units: Family/72</b>
<b>Requested Amounts: SAIL \$4,180,000 ELI \$400,000 Annual 4% HC \$500,000 Viability Loan \$1,000,000</b>	<b>Development Category/Type: New Construction/ Mid-Rise, 4 stories</b>

**1. Background/Present Situation**

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, the Board approved the final scores and recommendations for RFA 2016-109, and directed staff to proceed with all necessary credit underwriting activities. On March 24, 2017, the Board approved the Final Order resolving all pending litigation pertaining to RFA 2016-109, allowing staff to proceed with all necessary credit underwriting activities. On March 31, 2017, staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant, giving them a firm loan commitment issuance deadline of January 5, 2018.
- c) On December 8, 2017, the Board approved a request to extend the firm loan commitment issuance deadline from January 5, 2018 to July 5, 2018.
- d) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding (Viability Loan) for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes.
- e) On May 4, 2018, the Board approved the final scores and recommendations for RFA 2018-109, and directed staff to proceed with all necessary credit



## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 6, 2018.

- f) On June 15, 2018, the Board approved a Rule waiver request for an additional extension of the firm loan commitment issuance deadline from July 5, 2018 to January 5, 2019.
- g) On August 30, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-109 and RFA 2018-109.

### 2. **Recommendation**

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

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

*Consent*

**B. Request Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Partner Board Members for Heritage Park at Crane Creek (RFA 2018-103/2018-344CS)**

<b>Development Name: Heritage Park at Crane Creek</b>	<b>Location: Brevard County</b>
<b>Applicant/Borrower: Rosemary Village Apartments, LLLP</b>	<b>Set-Asides: 15% @ 35% AMI and 85% @ 60% AMI</b>
<b>Developers/Principals: Carrfour Supportive Housing, Inc.</b>	<b>Demographic/Number of Units: Special Needs/Homeless/80</b>
<b>Requested Amounts: \$4,228,900 State Apartment Incentive Loan (SAIL) \$240,600 Extremely Low Income (ELI) \$1,510,000 Housing Credits (HC)</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) Rosemary Village Apartments LLLP (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2018-103 Housing Credits and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties. The funds are being utilized to finance the construction of an 80-unit Special Needs/Homeless development in Brevard County. On June 27, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On August 27, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit B](#). The Applicant purports that the board members of the non-profit, Carrfour Supportive Housing, Inc., will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

**2. Recommendation**

- a) Approve the RFA waiver, exempting the non-profit board members from having to submit the IRS Form 8821, provided they each submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

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

*Consent*

**C. Request Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Partner Board Members for Preserve at Sabal Park 2 (RFA 2018-103/2018-346CS)**

<b>Development Name: Preserve at Sabal Park 2</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Blue Broadway 2, LLC</b>	<b>Set-Asides: 15% @ 40% AMI and 85% @ 60% AMI</b>
<b>Developers/Principals: Blue Sky Communities, LLC &amp; Metropolitan Ministries Developer, LLC</b>	<b>Demographic/Number of Units: Special Needs/Homeless/112</b>
<b>Requested Amounts: \$4,214,500 State Apartment Incentive Loan (SAIL) \$285,500 Extremely Low Income (ELI) \$2,110,000 Housing Credits (HC)</b>	<b>Development Category/Type: New Construction/Mid-Rise Apartments</b>

**1. Background/Present Situation**

- a) Blue Broadway 2, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2018-103 Housing Credits and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties. The funds are being utilized to finance the construction of a 112-unit Special Needs/Homeless development in Hillsborough County. On June 27, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On August 7, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit C](#). The Applicant purports that the board members of the non-profit, Metropolitan Ministries Developer, LLC, will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

**2. Recommendation**

- a) Approve the RFA waiver, exempting the non-profit board members from having to submit the IRS Form 8821, provided they each submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

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

*Consent*

**D. Request Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Partner Board Members for Northside Commons (RFA 2018-108/2018-348CS)**

<b>Development Name: Northside Commons</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Northside Commons Residential, LLC</b>	<b>Set-Asides: 15% @ 28% AMI and 75% @ 60% AMI</b>
<b>Developers/Principals: Carrfour Supportive Housing, Inc. &amp; GM Northside Commons Dev, LLC</b>	<b>Demographic/Number of Units: Special Needs/Homeless/80</b>
<b>Requested Amounts: \$3,638,600 State Apartment Incentive Loan (SAIL) \$361,400 Extremely Low Income (ELI) \$2,465,000 Housing Credits (HC)</b>	<b>Development Category/Type: New Construction/High Rise Apartments</b>

**1. Background/Present Situation**

- a) Northside Commons Residential, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2018-108 Financing for the Development of Housing for Persons with a Disabling Condition or Developmental Disabilities. The funds are being utilized to finance the construction of an 80-unit Special Needs/Homeless development in Miami-Dade County. On June 27, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On August 27, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit D](#). The Applicant purports that the board members of the non-profit, Carrfour Supportive Housing, Inc., will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

**2. Recommendation**

- a) Approve the RFA waiver, exempting the non-profit board members from having to submit the IRS Form 8821, provided they each submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

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

*Consent*

**E. Request Approval of Replacement Guarantors for The Renaissance at West River f/k/a Bethune Residences I at West River (2016-376S)**

<b>Development Name: The Renaissance at West River f/k/a Bethune Residences I at West River</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: West River Phase 1A, LP</b>	<b>Set-Aside(s): 10% @ 40% AMI &amp; 90% @ 60% AMI</b>
<b>Developer/Principal: WRDG Bethune I, LLC/ Banc of America Community Development Corporation &amp; Housing Authority of the City of Tampa, Florida</b>	<b>Demographic/Number of Units: Elderly/160</b>
<b>Requested Amounts: SAIL \$7,000,000 ELI \$600,000 Annual 4% HC \$1,771,131</b>	<b>Development Category/Type: New Construction/Mid-Rise (5 to 6 stories)</b>

**1. Background/Present Situation**

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 24, 2017, the Board approved the Final Order resolving all pending litigation pertaining to RFA 2016-109, allowing staff to proceed with all necessary credit underwriting activities.
- d) On March 31, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to West River Phase 1A, LP with a firm loan commitment issuance deadline of January 4, 2018.
- e) On July 27, 2018, the Board approved a final credit underwriting report and on July 30 staff issued a firm commitment letter for the SAIL and ELI loans.
- f) On August 24, 2018, staff received a request from the Borrower to replace the Guarantor, Banc of America Community Development Corporation (BOACDC) serving as the Class B Limited Partner of the Borrower and Manager and Managing Member of the Developer entity with the Housing Authority of the City of Tampa, Florida (THA) for the Environmental Indemnity Guaranty. THA will also provide an additional Operating Deficit Guaranty and Continuing, Absolute and Unconditional Guaranty of Recourse Obligations. THA is the sole member of Tampa Housing Authority Development Corporation which is the sole member of the general partner of the Applicant.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

- g) Staff received a credit underwriting update letter ([Exhibit E](#)) with a positive recommendation for the modifications to the Guaranty structure. Staff has reviewed this letter and finds that it meets all requirements of the RFA.

### 2. Recommendation

- a) Approve the replacement of the Environmental Indemnity Guaranty from BOACDC with a Guaranty from THA and the addition of an Operating Deficit Guaranty and Recourse Obligations from THA as presented above.

## SPECIAL ASSETS

### *Consent*

#### VI. SPECIAL ASSETS

- A. Request Approval of Transfer of Managing Member Interests and Release of Guarantors in 350 NW, LLC, a Florida Limited Liability Company, for Labre Place (2006-74CS/ 2009-063CTX/(RFP 2009-04)

<b>Development Name: Labre Place (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Biscayne Housing Group (“Developer”)/350 NW, LLC (“Borrower”)</b>	<b>Set-Aside: SAIL 55% @ 33%, 45% @ 60%; TCEP 15% @ 33%, 85% @ 60% AMI SAIL: 50 years; TCEP: 50 years</b>
<b>Number of Units: 90</b>	<b>Allocated Amount: SAIL \$4,000,000; TCEP \$19,188,358</b>
<b>Demographics: Homeless &amp; Family</b>	<b>Servicer: First Housing Development Corporation</b>

#### 1. Background

- a) During the 2006 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded funds from the State Apartment Incentive Loan (“SAIL”) Program in the amount of \$4,000,000, and Tax Credit Exchange Program (“TCEP”) in the amount of \$19,188,358, to 350 NW, LLC (“Borrower”), a Florida limited liability company, for the development of a 90-unit property in Miami-Dade County, Florida. The SAIL loan closed on July 30, 2010 and matures on July 30, 2025. The TCEP loan closed on July 30, 2010 and matures on July 30, 2025.

#### 2. Present Situation

- a) The Borrower requests approval to transfer the managing member interests in 350 NW, LLC from MM 350 NW, LLC, to Camillus House, Inc.
- b) The Borrower also requests the release of the Biscayne Housing Group, LLC, its affiliates and principals, as current guarantors, and the substitution of CH Labre Place Manager, LLC, CH Labre Place, LLC, and Camillus House, Inc., as the replacement guarantors.
- c) Staff received a credit underwriting report ([Exhibit A](#)) from First Housing Development Corporation with a positive recommendation for approval of the transfer of managing member interests, and the release and replacement of the guarantors.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

- a) Approve the transfer of the managing member interests, and the release and replacement of guarantors, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.



## SPECIAL ASSETS

### *Consent*

- B. Request Approval to Refinance the First Mortgage for Lennard Road Partners, Ltd., a Florida Limited Partnership, for Grove Park Apartments (RFA 2014-103/2014-301S/2013-521C)**

<b>Development Name: Grove Park Apartments (“Development”)</b>	<b>Location: St. Lucie County</b>
<b>Developer/Principal: Atlantic Housing Partners (“Developer”)/Lennard Road Partners, Ltd. (“Borrower”)</b>	<b>Set-Aside: ELI 10%@40%; SAIL 70%@60%; HC 80%@60% AMI LURA &amp; ELI: 30 years; EUA: 30 years</b>
<b>Number of Units: 210</b>	<b>Allocated Amount: SAIL \$4,200,000, ELI Gap \$1,575,000; HC \$1,075,068</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group, Inc.</b>

**1. Background**

- a) During the 2014 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loans (“SAIL”) in the original amount of \$4,200,000 and an Extremely Low-Income (“ELI”) Gap Loan in the amount of \$1,575,000 to Lennard Road Partners, Ltd., a Florida limited partnership (“Borrower”), for the development of a 210-unit apartment complex in St. Lucie County, Florida. The SAIL and ELI Gap loans both closed on August 12, 2016 and both mature on January 1, 2051. The Development also received a 2013 allocation of low-income housing tax credits (“HC”) of \$1,075,068.

**2. Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage, and subordinate the SAIL and ELI Gap loan documents, the SAIL Land Use Restriction Agreement (“LURA”), and the HC Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage.
- b) Staff has received a credit underwriting report ([Exhibit B](#)) from Seltzer Management Group with a positive recommendation for approval of the refinancing of the first mortgage and subordination of the SAIL and ELI Gap loan documents, SAIL LURA, and HC ELIHA to the new first mortgage.

**3. Recommendation**

- a) Approve the refinancing of the first mortgage loan, and subordination of the SAIL and ELI Gap loan documents, SAIL LURA, and HC ELIHA, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

- C. **Request Approval of the Refinance of the First Mortgage, Transfer of Ownership, Assumption of the SAIL ELI Loan Documents, and Release of Guarantors for Tuscan Isle Community, Ltd., a Florida Limited Partnership, for Tuscan Isle (fka Heron Cove) Apartments (MR 2002O1&2/GUAR/HUD Risk/2002-534C/SMI#26/SAIL ELI 2014-108-1)**

<b>Development Name: Tuscan Isle (fka Heron Cove) Apartments (“Development”)</b>	<b>Location: Collier County</b>
<b>Developer/Principal: Creative Choice (“Original Developer”); The Vestcor Companies (“Current Developer”)/ Creative Choice Homes XIV, Ltd. (“Original Borrower”); Tuscan Isle Community, Ltd. (“Current Borrower”)</b>	<b>Set-Aside: MMRB 80% @ 60%; ELI: 17.5% @ 33%; HC 3% @ 35%, 18% @ 50%, 79% @ 60% AMI ELI: 15 years; EUA: 30 years;</b>
<b>Number of Units: 298</b>	<b>Allocated Amount: MMRB \$15,900,000; \$2,650,000; SMI \$892,357.00; HC \$784,257</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

1. **Background**

- a) During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$15,900,000 and taxable bonds in the original amount of \$2,650,000 to Creative Choice Homes XIV, Ltd., a Florida limited partnership (“Original Borrower”), for the development of a 298-unit apartment complex in Collier County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on December 1, 2002 and were scheduled to mature on October 15, 2042. The Development received a 2002 allocation of low-income housing tax credits (“HC”) of \$784,257.
- b) The Development also received a loan under the Subordinate Mortgage Initiative (“SMI”) in the original amount of \$892,357.00, but only \$558,060.00 was disbursed, which closed on September 27, 2010, and was scheduled to mature on October 15, 2020. The Development was HUD risk sharing with Florida Housing’s Guarantee Program (“Guarantee Program”).
- c) The Development is also funded with State Apartment Incentive Loan Extremely Low- Income Program (“SAIL ELI”) funds in the original amount of \$3,975,000. The SAIL ELI loan closed on November 6, 2013 and matures on November 6, 2029.
- d) In October 2014, the Board approved the refinance of the existing first mortgage loan, the proceeds of which were used to satisfy the existing first mortgage, redeeming the underlying MMRB, and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan was also repaid. The Board also approved a transfer of ownership from the Original Borrower to Tuscan Isle Community, Ltd. (“Current Borrower”). The MMRB Land Use Restriction Agreement (“LURA”) remains outstanding.

## SPECIAL ASSETS

### *Consent*

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

- a) The Current Borrower requests approval to transfer the ownership of the Development from Tuscan Isle Community, Ltd. to SREIT Tuscan Isle, L.L.C (“Buyer”), which is wholly owned by SREIT Vestcor Holdings, L.L.C. (“SREIT VH”). Thereafter, SREIT VH will transfer its ownership interests to SREIT Multifamily Holdings, LLC, a wholly owned subsidiary of Starwood Real Estate Income Trust, Inc. (“Starwood REIT”).
- b) The Current Borrower also requests the release of the Current Developer, its affiliates and principals, as current guarantors, and the substitution of SREIT VH, Starwood REIT, and approved subsidiaries or affiliates, as the replacement guarantors.
- c) The Buyer requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage.
- d) The Buyer also requests consent from the Board to assume and subordinate the SAIL ELI loan documents, the MMRB LURA, and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage.
- e) Staff received a credit underwriting report ([Exhibit C](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, assumption and subordination of the SAIL ELI loan documents, the MMRB LURA, and the ELIHA, transfer of ownership, and the release and substitution of the guarantors.

#### 3. **Recommendation**

- a) Approve the refinance of the first mortgage, assumption and subordination of the SAIL ELI loan documents, the MMRB LURA, and the ELIHA to the new first mortgage, transfer of ownership, and the release and substitution of guarantors, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

- D. **Request Approval of the Refinance of the First Mortgage, Transfer of Ownership, Assumption and Extension of the SAIL ELI Loans and Release of Guarantors, for Vestcor Fund XV, Ltd., a Florida Limited Partnership, for Noah’s Landing Apartments (MR2001H 1&2/SAIL ELI 2011-05-09/SAIL ELI 2012-04-02/GUAR/RISK/SMI #29/2001-523C)**

<b>Development Name: Noah’s Landing Apartments (“Development”)</b>	<b>Location: Collier County</b>
<b>Developer/Principal: Vestcor (“Developer”)/Vestcor Fund XV, Ltd. (“Borrower”)</b>	<b>Set-Aside: MMRB 50% @ 60%; SAIL ELIs 25% @ 28%, 5% @ 28%; HC 100% @ 60% AMI SAIL ELIs: 15/15 years; EUA: 30 years</b>
<b>Number of Units: 264</b>	<b>Allocated Amount: MMRB \$16,950,000; SMI \$819,118; SAIL ELIs \$4,950,000 &amp; \$2,490,000; HC \$603,737</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group, Inc.</b>

#### 1. Background

- a) During the 2001 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$10,370,000, and FHFC issued taxable bonds in the original amount of \$6,580,000 to fund a first mortgage loan to Vestcor Fund XV, Ltd., a Florida limited partnership (“Borrower”), for the development of a 264-unit apartment complex in Collier County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on November 1, 2001 and was scheduled to mature on September 1, 2041. The first mortgage loan was guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”) with HUD Risk sharing. The Development also received a 2001 annual allocation of low-income housing tax credits (“HC”) of \$603,737.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$819,118 and two State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loans of \$4,950,000 and \$2,490,000. The SMI loan closed on September 30, 2009 and was scheduled to mature on October 1, 2019. The first SAIL ELI loan closed on April 25, 2012 and will mature on April 25, 2027. The second SAIL ELI loan closed on December 11, 2012 and will mature on December 11, 2027.
- c) In December 2012, the Board approved the restructure of the existing first mortgage loan, the proceeds of which were used to satisfy the existing first mortgage, redeeming the underlying MMRB, and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan was also repaid. The MMRB Land Use Restriction Agreement (“LURA”) remains outstanding.

#### 2. Present Situation

- a) The Borrower requests approval to transfer the ownership of the Development from Vestcor Fund XV, Ltd. to SREIT Noah’s Landing, L.L.C (“Buyer”), which is wholly owned by SREIT Vestcor Holdings, L.L.C. (“SREIT VH”). Thereafter, SREIT VH will transfer its ownership interests to SREIT

## SPECIAL ASSETS

### *Consent*

Multifamily Holdings, LLC, a wholly owned subsidiary of Starwood Real Estate Income Trust, Inc. (“Starwood REIT”).

- b) The Borrower also requests the release of the Developer, its affiliates and principals, as current guarantors, and the substitution of SREIT VH, Starwood REIT, and approved subsidiaries or affiliates, as the replacement guarantors.
- c) The Buyer requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage.
- d) The Buyer also requests consent from the Board to assume and subordinate the SAIL ELI loan documents, the MMRB LURA, and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The SAIL ELI loans will also be extended to be co-terminus with the new first mortgage loan.
- e) Staff received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, assumption and subordination of the SAIL ELI loan documents, the MMRB LURA, and the ELIHA, extension of the SAIL ELI loans, transfer of ownership, and the release and substitution of the guarantors.

### **3. Recommendation**

- a) Approve the refinance of the first mortgage, assumption and subordination of the SAIL ELI loan documents, the MMRB LURA, and the ELIHA to the new first mortgage, extension of the SAIL ELI loans, transfer of ownership, and the release and substitution of the guarantors, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

**E. Request Approval of the Refinance of the First Mortgage, Renegotiation of the SAIL Loan, Transfer of Ownership, Assumption of the SAIL Loan, and Release of Guarantors for Vestcor Fund XVI, Ltd., a Florida Limited Partnership, for Lindsey Terrace**

<b>Development Name: Lindsey Terrace Apartments (“Development”)</b>	<b>Location: Duval County</b>
<b>Developer/Principal: Vestcor (“Developer”); Vestcor Fund XVI, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 15.3153% @28%, 79.8798% @60%; HC 4% @30%, 91% @60% AMI LURA 50 years; EUA 50 years</b>
<b>Number of Units: 336</b>	<b>Allocated Amount: SAIL \$2,500,000; HC \$735,921</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group, Inc.</b>

**1. Background**

- a) During the 2001 funding cycle, Florida Housing awarded a \$2,500,000 State Apartment Incentive Loan (“SAIL”) to Vestcor Fund XVI, Ltd., a Florida limited partnership (“Borrower”), for the development of a 336-unit apartment complex in Duval County, Florida. The SAIL loan closed on August 20, 2002 and matures on January 1, 2034. The Development also received a 2002 allocation of low-income housing tax credits (“HC”) of \$735,921.
- b) In August 2015, the Board approved the refinance of the existing first mortgage. The Borrower obtained a first mortgage loan from PNC Capital, the proceeds of which were used to satisfy the existing first mortgage from the Housing Finance Authority of Duval County, redeeming the underlying bonds, and effectively terminating the mortgage.
- c) The Board also approved that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with Section 420.5087, F.S. and as stated in Rule 67-48.

**2. Present Situation**

- a) The Borrower requests approval to transfer the ownership of the Development from Vestcor Fund XVI, Ltd. to SREIT Lindsey Terrace, L.L.C (“Buyer”), which is wholly owned by SREIT Vestcor Holdings, L.L.C. (“SREIT VH”). Thereafter, SREIT VH will transfer its ownership interests to SREIT Multifamily Holdings, LLC, a wholly owned subsidiary of Starwood Real Estate Income Trust, Inc. (“Starwood REIT”).
- b) The Borrower also requests the release of the Developer, its affiliates and principals, as current guarantors, and the substitution of SREIT VH, Starwood REIT, and approved subsidiaries or affiliates, as the replacement guarantors.
- c) The Buyer requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage.

## SPECIAL ASSETS

### *Consent*

- d) The Buyer also requests consent from the Board to assume and subordinate the SAIL loan, the SAIL Land Use Restriction Agreement (“LURA”), and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The Buyer also agrees to make a principal payment in the amount of \$1,630,000, and to pay all outstanding accrued SAIL interest.
- e) Staff received a credit underwriting report ([Exhibit E](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, renegotiation of the SAIL loan, assumption and subordination of the SAIL loan, the SAIL LURA, and the ELIHA, transfer of ownership, and the release and substitution of the guarantors.

### **3. Recommendation**

- a) Approve the refinance of the first mortgage, renegotiation of the SAIL loan, assumption and subordination of the SAIL loan, the SAIL LURA, and the ELIHA to the new first mortgage, transfer of ownership, and the release and substitution of guarantors, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

- F. **Request Approval of Subordinate Financing for Centro Campesino-Farmworker Center, Inc., a Florida non-profit corporation, for Palm Villas Apartments (HOME 94DRHR-005/HC 95L-016)**

<b>Development Name: Palm Villas Apartments (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Centro Campesino (“Developer”)/ Palm Drive Associates, Ltd. (“Original Borrower”); Centro Campesino-Farmworker Center, Inc. (“Current Borrower”)</b>	<b>Set-Aside: HOME and HC 21%@40%; 46%@50%; 33%@60% LURA and EUA: 50 years</b>
<b>Number of Units: 91</b>	<b>Allocated Amount: HOME \$1,210,657; HC \$465,382</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

1. **Background**

- a) During the 1994 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a \$1,210,657 Home Investment Partnership Program Loan (“HOME”) to Palm Drive Associates, Ltd., a Florida limited partnership (“Original Borrower”) for the construction of a 91-unit development in Miami-Dade County. The HOME loan closed on August 31, 1995 and will mature on August 31, 2025. The Development also received a 1995 allocation of low-income housing tax credits of \$465,382.
- b) Ownership of the Development transferred to the Current Borrower on June 30, 2015.

2. **Present Situation**

- a) The Borrower requests approval of subordinate financing for the Development. The Borrower has been awarded \$1,000,000 in HOME funds from Miami Dade County and \$650,000 in funds from the Small Business Administration. The funding will be used for hurricane recovery repairs associated with hurricane Irma. The loans will be subordinate to FHFC’s HOME loan.
- b) Staff received a credit underwriting report ([Exhibit F](#)) from First Housing Development Corporation with a positive recommendation for approval of the subordinate financing.

3. **Recommendation**

- a) Approve the subordinate financing, subject to the conditions outlined in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.



## SPECIAL ASSETS

### *Consent*

**G. Request Approval of Partial Release of Land for Winter Haven Lakeside Terrace, Ltd. LLLP, a Florida Limited Partnership, for Lakeside Terrace Senior Apartments (2006-057C)**

<b>Development Name: Lakeside Terrace Senior Apartments (“Development”)</b>	<b>Location: Polk County</b>
<b>Developer/Principal: Winter Haven Housing Authority (“Developer”); Winter Haven Lakeside Terrace, Ltd. LLLP (“Owner”)</b>	<b>Set-Aside: HC 15% @ 40%; 85% @ 60% AMI; EUA 50 years</b>
<b>Number of Units: 84</b>	<b>Allocated Amount: HC - \$1,235,623</b>
<b>Demographics: Elderly</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) Florida Housing Finance Corporation (“Florida Housing”) awarded a 2006 allocation of low-income housing tax credits (“HC”) of \$1,235,623 to Winter Haven Lakeside Terrace, Ltd. LLLP, a Florida Limited Partnership (“Owner”) for the construction of an 84-unit development in Polk County.

**2. Present Situation**

- a) The Owner requests approval of the Board to release approximately 3.05 acres of vacant land currently encumbered by an Extended Low-Income Housing Agreement (“ELIHA”) and to modify the legal description of the ELIHA so the vacant land can be used for the construction of 81 affordable housing units.
- b) Staff received a credit underwriting report ([Exhibit G](#)) from First Housing Development Corporation with a positive recommendation for the partial release of land, and the modification of the legal description in the HC ELIHA.

**3. Recommendation**

- a) Approve the partial release of land, and the modification of the legal description in the HC ELIHA, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

- H. **Request Approval of the Extension of the SAIL Loan for CHPC Gainesville Horizon Sunset, LLC, a Florida Limited Liability Company, for Horizon House Sunset Apartments (2000-066S)**

<b>Development Name: Horizon House Sunset Apartments (“Development”)</b>	<b>Location: Alachua County</b>
<b>Developer/Principal: Community Housing Partners Corp. (“Developer”)/ CHPC Gainesville Horizon Sunset, LLC (“Borrower”)</b>	<b>Set-Aside: SAIL 15.19% @ 33% &amp; 84.81% @ 50% AMI LURA: 50 years</b>
<b>Number of Units: 80</b>	<b>Allocated Amount: SAIL \$2,000,000</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

1. **Background**

- a) During the 2000 funding cycle, Florida Housing Finance Corporation awarded a \$2,000,000 State Apartment Incentive Loan (“SAIL”) to CHPC Gainesville Horizon Sunset, LLC, a Florida Limited Liability Company (“Borrower”), for the construction of an 80-unit development in Alachua County, Florida. The SAIL loan closed on October 29, 2003 and will mature on October 29, 2018.

2. **Present Situation**

- a) The Borrower has requested approval to extend the SAIL loan maturity date to October 29, 2019. The Borrower needs the additional time to explore a potential sale of the Development with pay off of the loan. The Borrower has agreed to an extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding one year to the current 50 years).

3. **Recommendation**

- a) Approve the extension of the SAIL loan maturity date to October 29, 2019, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities, as needed.