

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

August 5, 2022

Consent Items



COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

Consent

I. COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

A. Request Approval of CDBG-DR Credit Underwriting Report for Lower Keys Scattered Sites (RFA 2019-101 / 2020-003D)

Development Name: Lower Keys Scattered Sites	Location: Monroe County
Applicant/Borrower: Monroe County Housing Authority	Set-Aside(s): 90% @ 80% AMI (Workforce) 10% @ 25% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)
Developer/Principal: Monroe County Housing Authority/Randy Sterling	Demographic/Number of Units: Disaster Relief/Workforce/12 units
Requested Amounts: Community Development Block Grant – Disaster Relief (CDBG-DR) \$3,342,602 (Development Funding); \$1,353,989 (Site Acquisition Funding)	Development Category/Type: New Construction/Single Family Homes

1. Background/Present Situation

- a) On July 2, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-101 for Community Development Block Grant – Disaster Recovery Financing for Workforce Housing for Hurricane Recovery in Monroe County.
- b) On September 20, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the four (4) eligible Applicants.
- c) On October 1, 2019, staff issued a preliminary commitment letter. In accordance with the RFA, the Developer had an October 1, 2020 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA the Applicants may request one extension of the deadline of up to six months.
- d) On September 4, 2020, the Board approved an extension of the October 1, 2020 firm loan commitment deadline for six months until April 1, 2021.
- e) On March 12, 2021, the Board approved the developer’s request to waive the RFA requirement and grant an additional six-month extension on the firm loan commitment deadline until October 1, 2021 due to conditions created by the COVID-19 pandemic, as well as approved the waiver of the extension fee.
- f) On July 30, 2021, the Board approved a waiver of the RFA requirement to grant an additional six-month extension on the firm loan commitment deadline from October 1, 2021 until April 1, 2022, as well as waived the extension fee. The extension was necessary to obtain additional local government financing to bridge a funding gap created by significant material cost increases.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)

Consent

- g) On January 21, 2022, the Board approved to waive the RFA requirement and granted an additional three-month extension on the firm loan commitment deadline from April 1, 2022 until July 1, 2022, as well as waived the extension fee. The extension was necessary to complete the third-party reports needed for the credit underwriting report.
- h) On June 17, 2022, the Board approved to waive the RFA requirement and grant an additional four-month extension on the firm loan commitment deadline from July 1, 2022 until November 1, 2022, as well as to waive the extension fee. The extension was necessary to identify gap funding due to continued increased construction costs and to complete the third-party reports required for the credit underwriting report.
- i) On July 27, 2022, staff received a final credit underwriting report with a positive recommendation for CDBG-DR funding in the amount of \$4,696,591 ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA.

2. **Recommendation**

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

HOUSING CREDITS

Consent

I. HOUSING CREDITS

A. Request Approval of Applicant Organizational Structure Change for Lakeview Tower Apartments (2020-505C)

Development Name: Lakeview Tower Apartments	Location: Polk County
Applicant/Borrower: Lakeview Tower Venture LP	Set Aside(s): 80 Units @ 40% AMI; 76 Units @ 80% AMI
Developer/Principal: MRK Partners Inc./Sydne Garchik	Demographic/Number of units: Elderly, Non-ALF/156
Requested Amounts: \$817,021 Housing Credits	Development Category/Type: Acquisition and Rehabilitation/High Rise

1. Background/Present Situation

- a) Lakeview Tower Venture LP (“Applicant”) applied for an allocation of 4% Housing Credits on August 19, 2020. The funds are being utilized to rehabilitate a 156-unit Elderly development in Polk County. On November 13, 2020, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting. On February 16, 2021, staff received a 4% Housing Credit update to the approved, final credit underwriting report that was prepared for the Housing Finance Authority of Polk County (“4% HC Update”) with a positive recommendation for a 4% Housing Credit Allocation of \$817,021. On February 26, 2021, Housing Credit staff issued the Preliminary Determination Certificate for said amount of credits. Subsequently, on January 11, 2022, the Extended Use Agreement was recorded in Polk County.
- b) On May 2, 2022, Florida Housing received a letter from the Applicant requesting to make changes to the Applicant organizational structure. The request letter and current and proposed Principal Disclosure Forms for the Applicant are provided as [Exhibit A](#).
- c) Under the proposed change, BEAR Family Trust replaces 1431 Family Trust as the 90% member of Lakeview MRK, LLC, the Non-Investor Limited Partner of the Applicant. The Trustees of BEAR Family Trust will be Sydne Garchik and Brian Gray and the Beneficiary will be Sydne Garchik.
- d) The Non-Competitive Application Instructions state the Applicant entity shall be the recipient of the Housing Credits and the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form and cannot be changed in any way (materially or non-materially) until after the Preliminary Determination is issued. Once the Preliminary Determination has been issued, (a) any material change in the ownership structure of the named Applicant will require Board approval prior to the change.

HOUSING CREDITS

Consent

- e) Florida Housing staff consulted with Seltzer Management Group, Inc. (“Seltzer”), the underwriter assigned to this Development about the proposed ownership change and they reported that the change would not have affected their conclusions and recommendation within their February 16, 2021 4% HC Update.
- f) Staff has reviewed this request and finds that the development meets all other requirements of the Non-Competitive Application Instructions and Rule Chapter 67-21, F.A.C.

2. **Recommendation**

- a) Approve the Applicant organizational structure change as described above.

HOUSING CREDITS

Consent

B. Request Approval of Applicant Organizational Structure Change for Praxis of Deerfield Beach (2018-522C)

Development Name: Praxis of Deerfield Beach	Location: Broward County
Applicant/Borrower: Praxis Venture LP	Set Aside(s): 100% @ 60% AMI
Developer/Principal: MRK Partners Inc./Sydne Garchik	Demographic/Number of units: Elderly, Non-ALF/224
Requested Amounts: \$1,393,641 Housing Credits	Development Category/Type: Acquisition & Rehabilitation/Mid-Rise 4 stories

1. Background/Present Situation

- a) Praxis Venture LP (“Applicant”) applied for an allocation of 4% Housing Credits on June 17, 2019. The funds are being utilized to rehabilitate a 224-unit Elderly development in Broward County. On July 30, 2019, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting. On June 4, 2021, staff received a credit underwriting report with a positive recommendation for a 4% Housing Credit Allocation of \$1,405,269 and on June 14, 2021, Housing Credit staff issued the Preliminary Determination Certificate for said amount of credits. Subsequently, on January 26, 2022, the Extended Use Agreement was recorded in Broward County. Most recently, the Applicant submitted a draft Final Cost Certification Application Package requesting an allocation of \$1,393,641 in 4% Housing Credits.
- b) On May 2, 2022, Florida Housing received a letter from the Applicant requesting to make changes to the Applicant organizational structure. The request letter and current and proposed Principal Disclosure Forms for the Applicant are provided as [Exhibit B](#).
- c) Under the proposed change, Praxis Investments LLC (“Praxis”) was recategorized from Investor Limited Partner to Non-Investor Limited Partner at the first principal disclosure level. With this change, Sydne Garchik will serve as Manager of Praxis; BEAR Family Trust and The 1298 Family Trust will serve as Members of Praxis. The Trustees of BEAR Family Trust will be Sydne Garchik and Brian Gray and the Beneficiary will be Sydne Garchik. The Trustee of The 1298 Family Trust will be Marc Russell and the Beneficiaries will be Brian Russell, Evan Russell, Travis Russell, and Jaime Dunn.
- d) The Non-Competitive Application Instructions state that the Applicant entity shall be the recipient of the Housing Credits and cannot be changed in any way (materially or non-materially) until after the Preliminary Determination is issued. Once the Preliminary Determination has been issued, (a) replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change.

HOUSING CREDITS

Consent

- e) Florida Housing staff consulted with First Housing Development Corporation of Florida (“First Housing”), the underwriter assigned to this Development about the proposed ownership change and they reported that the change would not have affected their conclusions and recommendation within their June 4, 2021 Credit Underwriting Report.
- f) Staff has reviewed this request and finds that the development meets all other requirements of the Non-Competitive Application Instructions and Rule Chapter 67-21, F.A.C.

2. **Recommendation**

- a) Approve the Applicant organizational structure change as described above.

HOUSING CREDITS

Consent

C. Request Approval of Applicant Organizational Structure Change for Casa Devon Apartments (2019-507C)

Development Name: Casa Devon Apartments	Location: Miami-Dade County
Applicant/Borrower: Casa Devon Venture LP	Set Aside(s): 100% @ 60% AMI
Developer/Principal: MRK Partners Inc./Sydne Garchik	Demographic/Number of units: Elderly, Non-ALF/210
Requested Amounts: \$2,341,496 Housing Credits	Development Category/Type: Acquisition & Rehabilitation/Mid-Rise 4 stories

1. Background/Present Situation

- a) Casa Devon Venture LP (“Applicant”) applied for an allocation of 4% Housing Credits on November 20, 2019. The funds are being utilized to rehabilitate a 210-unit Elderly development in Miami-Dade County. On December 17, 2019, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting. On May 5, 2020, staff received a 4% Housing Credit update to the approved, final credit underwriting report that was prepared for the Housing Finance Authority of Miami-Dade County (“4% HC Update”) with a positive recommendation for a 4% Housing Credit Allocation of \$2,385,068. On May 13, 2020, Housing Credit staff issued the Preliminary Determination Certificate for said amount of credits. Subsequently, on April 19, 2021, the Extended Use Agreement was recorded in Miami-Dade County. Most recently, the Applicant submitted a draft Final Cost Certification Application Package requesting an allocation of \$2,341,496 in 4% Housing Credits.

- b) On May 2, 2022, Florida Housing received a letter from the Applicant requesting to make changes to the Applicant organizational structure. The request letter and current and proposed Principal Disclosure Forms for the Applicant are provided as [Exhibit C](#).

- c) Under the proposed change, Casa Devon Investments LLC (“Casa”) was recategorized from an Investor Limited Partner to a Non-Investor Limited Partner at the first principal disclosure level. With this change, Sydne Garchik will serve as Manager of Casa; BEAR Family Trust (“BEAR”) and Cypress AHS LLC (“Cypress”) will serve as members of Casa. At the third principal disclosure level, Sydne Garchik and Brian Gray will serve as Trustees of BEAR and Sydne Garchik will serve as Beneficiary of BEAR. Additionally, Michael Sorochinsky will serve as Manager of Cypress; M&L Sorochinsky Family Trust (“M&L”) and Arrambide Family Trust (“Arrambide”) will serve as Members of Cypress. At the fourth principal disclosure level, Michael Sorochinsky and Lauren Sorochinsky will serve as both Trustees and Beneficiaries of M&L. John J. Arrambide and Alla Sorochinsky will serve as Trustees of Arrambide and Emma Arrambide will serve as the Beneficiary of Arrambide.

HOUSING CREDITS

Consent

- d) The Non-Competitive Application Instructions state that the Applicant entity shall be the recipient of the Housing Credits and cannot be changed in any way (materially or non-materially) until after the Preliminary Determination is issued. Once the Preliminary Determination has been issued, (a) replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change.
- e) Florida Housing staff consulted with Seltzer Management Group, Inc. (“Seltzer”), the underwriter assigned to this Development about the proposed ownership change and they reported that the change would not have affected their conclusions and recommendation within their May 5, 2020 4% HC Update.
- f) Staff has reviewed this request and finds that the development meets all other requirements of the Non-Competitive Application Instructions and Rule Chapter 67-21, F.A.C.

2. **Recommendation**

- a) Approve the Applicant organizational structure change as described above.

HOUSING CREDITS

Consent

D. Request Approval of Applicant Entity Structure Change for McCown Tower (RFA 2020-204/2021-047C)

Development Name: McCown Tower	Location: Sarasota County
Applicant/Borrower: McCown Tower, LLLP	Set-Asides: 20% @ 30% AMI and 80% @ 60% AMI
Developer/Principal: McCown Fortis Development, LLC/Darren Smith; SHA Affordable Development, LLC/William Russell	Demographic/Number of Units: Elderly, Non-ALF/100
Requested Amounts: \$1,475,000.00 Housing Credits	Development Category/Type: Acquisition and Preservation/High Rise

1. Background/Present Situation

- a) McCown Tower, LLLP (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2020-204 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 100-unit Elderly, Non-ALF, development in Sarasota County. On February 3, 2021, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting, and subsequently executed a Carryover Allocation Agreement on June 2, 2021.
- b) On July 7, 2022, Florida Housing received a letter from the Applicant requesting to make a material change to the Applicant entity structure. The Applicant proposes to insert McCown Tower Preservation Corp (“MTP”) as the new .0050% General Partner in the place of Sarasota Housing Opportunities Corp (“SHO”) as the current .0050% General Partner. The Executive Director, Officers and Directors of MTP are also the Executive Director, Officers and Directors of SHO. The Investor LP (Sarasota Housing Authority) and the Non-Investor LP (McCown Fortis Development, LLC) are not changing. The Developer organizational structure will remain the same. The letter and the current and proposed Applicant Principal Disclosures are provided as [Exhibit D](#).
- c) The Applicant requests this change to satisfy a requirement instituted by Raymond James Tax Credit Funds, Inc. and Truist Bank that the General Partner is a Single Purpose Entity. SHO is currently serving as General Partner on another 9% LIHTC transaction, and therefore, does not meet this requirement.
- d) Per the RFA, the Applicant entity shall be the recipient of the Housing Credits and cannot be changed in any way (materially or non-materially) until after the Carryover Allocation Agreement is in effect. Once the Carryover Allocation Agreement has been executed by all parties, (a) replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.
- e) Staff has reviewed this request and finds that the development meets all other requirements of the RFA.

HOUSING CREDITS

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2. **Recommendation**

- a) Approve the request to change the Applicant entity structure as described above.

HOME RENTAL

Consent

I. HOME RENTAL

A. Request Approval of Loan Closing Deadline Extension for Sandcastle Pines (2021-284H)

Development Name: Sandcastle Pines (“Development”)	Location: Bradford County
Developer: Sandcastles Foundation, Inc., Panhandle Affordable II, LLC, FBC Holdings, LLC, MTF Holdings, LLC, Michael McPhillips and Martin Flynn (“Developer”)	Set-Asides: 20% @ 50% AMI 80% @ 60% AMI 25 HOME Units
Type: New Construction/Single Family	HOME: \$5,826,000 Viability: \$186,042.33
Total Number of Units: 25	Demographic: Family

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021 approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 19, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On March 4, 2022 the Board approved the final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$5,826,000 and a Viability Loan of \$186,042.33. The loan was scheduled to close July 8, 2022.
- e) On July 21, 2022, the Applicant requested a 90-day extension of the loan closing deadline until October 6, 2022, due to significant increased construction costs ([Exhibit A](#)).

2. Recommendation

- a) Approve the request to extend the loan closing deadline from July 8, 2022 until October 6, 2022, subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing Staff.

HOMEBUYER LOAN PROGRAMS

Consent

I. HOMEBUYER LOAN PROGRAMS

A. Request Approval of the Eligible Occupations List for the Florida Hometown Heroes Loan Program

1. Background/Present Situation

- a) The Florida Legislature appropriated \$100 million in the 2022 state budget “to establish a Florida Hometown Hero Housing Program to provide down payment and closing cost assistance to eligible homebuyers.”
- b) Hometown Heroes is designed to make homeownership more affordable for eligible frontline community workers such as law enforcement officers, firefighters, educators, healthcare professionals, childcare employees, as well as active-duty military and veterans.
- c) This program provides down payment and closing cost assistance to first-time, income-qualified homebuyers so they can purchase a primary residence in the community in which they work and serve. Hometown Heroes also offers a lower first mortgage interest rate and lower closing costs.
- d) Hometown Heroes was launched on June 1, 2022. As of July 5, 2022, there were 837 loan reservations for over \$233 million in first mortgage loans paired with \$12.1 million in down payment and closing cost assistance.
- e) Staff has developed a list of eligible occupations ([Exhibit A](#)) for use in the program.

2. Recommendation

- a) Approve the list of eligible occupations for the Hometown Heroes Program.

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I. LEGAL

- A. In Re: Marquis Partners, Ltd. - FHFC Case No. 2022-043VW
Water’s Edge Associates, Ltd. - 2022-044VW
Solimar Associates, Ltd. - 2022-045VW**

Development Name: (“Development”):	Various
Developer/Principal: (“Developer”):	Cornerstone Group Development LLC Cornerstone Group Partners, LLC Mara Mades
Number of Units: various	Location: Broward, Miami-Dade, and Miami-Dade Counties
Type: Various	Set Asides: Various
Demographics: Various	Funding: Various

1. Background

- a) On July 18, 2022, Florida Housing received three Petitions for Waiver of Rules 67-48.002(9), 67-48.002(93), 67-48.002(94), 67-21.002(9), and 67-21.002(85), Fla. Admin. Code (2017 and 2018) and Board approval of the organizational structure change as required by the RFAs, for three Developments funded through various RFAs from 2017 and 2018. These rules required the disclosure of all natural person Principals by the third disclosure level. Copies of the Petitions are attached as Exhibits [A](#), [B](#), and [C](#).
- b) For estate planning purposes, each Petitioner would like to replace one of its natural person principals at the second principal disclosure level with that person's Florida limited liability company, which has two trusts as its members that would be disclosed at the third principal disclosure level, and then disclose the natural person beneficiaries and trustees of the two trusts at the fourth principal disclosure level.
- c) While this is now permitted under the current version of the rules, it was not permitted at the time the applications were submitted.

2. Present Situation

- a) Rule 67-48.002(9) and (94), Fla. Admin. Code (2018) provide, in relevant part:

(9) “Applicant” means any person or legal entity of the type and with the management and ownership structure described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to Rule Chapter 67-60, F.A.C., for one or more of the Corporation’s programs. . . . Unless otherwise stated in a competitive solicitation, as used herein, a ‘legal entity’ means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that consists exclusively of all natural persons by the third principal disclosure level. . . . The terms ‘first principal disclosure level’ and ‘third principal disclosure level’ have the meanings

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attributed to them in the definition of “Principal.”

(94) “Principal” means:

(a) With respect to an Applicant that is:

2. A limited partnership, at the first principal disclosure level, any general partner or limited partner of the Applicant limited partnership, and, unless otherwise excluded at subsection 67-48.002(9), F.A.C., with respect to any general partner or limited partner of the Applicant limited partnership, at the second principal disclosure level, that is:...

c. A limited liability company, any manager or member of the limited liability company, or ...

with respect to any entity identified at the second principal disclosure level that is:...

g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person, or...(emphasis added). (emphasis added).

- b) Rules 67-21.002(9) and (85), Fla. Admin. Code (2018) and Rule 67-48.002(93), Fla. Admin. Code (2017) are essentially identical to Rules 67-48.002(9) and (94), Fla. Admin. Code.
- c) Since the loans have already closed, Petitioners also request that the Board approve the changes to its organizational structure as required by Section 4.A.3.d.(3) of RFA 2018-116, which in relevant part provides:

For purposes of the following, a material change shall mean 33.3 percent or more of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant, and a non-material change shall mean less than 33.3 percent of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant. The name of the Applicant entity stated in the Application 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. The Applicant entity shall be the recipient of the Housing Credits, and the borrowing entity for the SAIL loan(s) and, if applicable, the MMRB loan, and cannot be changed in any way until after the closing of the loan(s). After loan closing, (a) any material change will require review and approval of the Credit Underwriter, as well as approval of the Board prior to the change, and (b) any non-material change will require review and approval of the Corporation, as well as approval of the Board prior to the change. Changes to the Applicant entity (material or non-material) prior to the loan closing or without Board approval after the loan closing may result in disqualification from receiving funding and may be deemed a material misrepresentation. Changes to the officers or directors of a Public Housing Authority or the investor-

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limited partner of an Applicant limited partnership or the investor-member of an Applicant limited liability company owning the syndicating interest therein will not result in disqualification. (emphasis added).

- d) Sections 4.A.3.d.(3) of RFA 2017-108 and of RFA 2018-114 are essentially identical to Section 4.A.3.d.(3) of RFA 2018-116.
- e) In each of the three waiver requests, if granted, the limited liability company will be inserted at the second principal disclosure level, the members of which will be trusts, disclosed at the third principal disclosure level, with the natural persons as trustees and beneficiaries at the fourth principal disclosure level, as follows:
- At the second level, substitute MSM Interests, LLC for Mara S. Mades (25%)
- At the third level would appear the principals of MSM Interests, LLC (a) Mara S. Mades (Manager); (b) Mara S. Mades Revocable Trust (60%, Member); and (c) Mades Family Trust (40%, Member)
- At the fourth level would appear the principals of the trust:
- (a) For the Mara S. Mades Revocable Trust, Mara S. Mades would be the trustee and beneficiary.
- (b) For the Mades Family Trust, Jackson R. Mades would be the beneficiary and Jodie Susan Bakes would serve as the trustee.
- f) Petitioners wish to make these organizational changes for estate planning purposes so that the trusts can be held by a limited liability company. If the waiver requests are denied, the members of the applicant entities will suffer a substantial and unnecessary operational hardship. As noted above, Florida Housing revised its rules in 2019 to expressly permit these same organizational structures.
- g) On July 19, 2022, Notice of the Petitions for Marquis Partners, Ltd, Water's Edge Associates, Ltd., and Solimar Associates, Ltd. were published in the Florida Administrative Register in Volume 48, Number 139. To date, Florida Housing has received no comments concerning the Petitions.
- h) 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.
- i) Granting the requested waivers 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. Petitioners have demonstrated that they would suffer substantial hardships if the waivers are not granted. Petitioners

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have 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 waivers are granted.

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioners’ requests for waiver of Rules 67-48.002(9), 67-48.002(93), 67-48.002(94), 67-21.002(9), and 67-21.002(85), Fla. Admin. Code (2018 and 2017), to allow Petitioners to change its organizational structure post-closing and permit Petitioners to insert a limited liability company at the second disclosure level causing the trusts to be disclosed at the third principal disclosure level and the natural person principal trustees and beneficiaries to be disclosed at the fourth principal disclosure level, as described above.

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B. In Re: Fairfield Miami Gardens LP - FHFC Case No. 2022-040VW

Development Name: (“Development”):	Emerald Dunes Apartments
Developer/Principal: (“Developer”):	Fairfield Affordable Housing Fund Tranche V LLC/ Richard Boynton
Number of Units: 141	Location: Miami-Dade
Type: Garden / Acquisition and Rehabilitation	Set Asides: 100% @ 60% AMI
Demographics: Family	Funding: 4% HC: \$1,759,733.00

1. **Background**

- a) Petitioner has applied for non-competitive 4% housing credits to assist in the acquisition and rehabilitation of a 141-unit affordable housing development named Emerald Dunes Apartments in Miami-Dade County, Florida (the “Development”). On July 8, 2022, Florida Housing received a Petition for Waiver of Rule 67-21.0025(7)(c) and 67-21.003(1)(b), to waive the requirements that 1) a natural person Principal be disclosed by the third Principal disclosure level; 2) the Principals Disclosure Form not include any type of entity that is not specifically included in the Rule definition of Principals; 3) county bond credit underwriting be completed before submitting Petitioner’s application; and 4) prohibit changes to the ownership structure before of the issuance of the Preliminary Determination. A copy of the Petition is attached as [Exhibit D](#).

2. **Present Situation**

- a) Rule 67-21.0025(7)(c), Fla. Admin. Code (2021), provides in relevant part:

(7) Disclosure of the Principals of the Applicant must comply with the following...

(c) The Applicant must disclose all of the Principals of all of the entities identified in paragraph (b) above (third principal disclosure level). Unless the entity is a trust, all of the Principals must be natural persons...

- b) Rule 67-21.003(1)(b), Fla. Admin. Code (2021) incorporates by reference the Non-Competitive Application Package (Rev. 03-2021) (“NCA”). Section A.6.a. of the NCA provides, in relevant part:

Principals Disclosure for the Applicant and for each Developer:

a. The Principals of the Applicant and Developer(s) Disclosure Form in effect at the time of Application submission (“Principal Disclosure Form”), must be submitted, in Excel format, as part of the Application package.

The Principal Disclosure Form must identify, pursuant to subsections 67-21.002(86) and 67-21.0025(7) and (8), F.A.C., the Principals of the Applicant and Developer(s). For Housing Credits, the investor limited partner of an Applicant limited partnership or the investor member of an Applicant limited liability company must be identified on the

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Principal Disclosure Form. *A Principals Disclosure Form should not include, for any organizational structure, any type of entity that is not specifically included in the Rule definition of Principals....*

c) The NCA further provides:

Non-Competitive Housing Credits (4 Percent HC) only, to be used for a Tax-Exempt Bond Financed Development where the bonds are issued by a County Housing Finance Authority (HF A) established pursuant to Section 159.604, F.S. *The Non-Competitive Application Form can be submitted anywhere from the time the Applicant completes Credit Underwriting for the Bonds up until the last Corporation business day of December of the year the Development is placed in service.* (emphasis added).

d) Section A.6.b(1) of the NCA provides, in relevant part:

6. Principals Disclosure for the Applicant and for each Developer...

(1) For Applicants requesting Non-Competitive Housing Credits only:

The Applicant entity shall be the recipient of the Housing Credits and *the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form and cannot be changed in any way (materially or nonmaterially) until after the Preliminary Determination is issued. Once the Preliminary Determination has been issued, (a) any material change in the ownership structure of the named Applicant will require Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.* The ownership structure of the Applicant entity may be changed without Corporation or Board approval after a Final Housing Credit Allocation Agreement has been approved and the IRS Forms 8609 have been issued; however, the Corporation must still be notified in writing of the change. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapter 67-21, F.A.C. for the duration of the Compliance Period. *Changes to the ownership structure of the Applicant entity prior to the issuance of the Preliminary Determination or without Board approval or Corporation approval, as applicable, prior to the approval of the Final Housing Credit Allocation and issuance of the IRS Forms 8609 shall result in a disqualification from receiving funding and shall be deemed a material misrepresentation.* Changes prior to the issuance of the Preliminary Determination to the officers or directors of a Public Housing Authority, officers or directors of a Non-Profit entity, or the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval. (emphasis added)

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- e) Petitioner requests a waiver of the above Rules and NCA terms to allow 1) third disclosure level principals that are not natural persons; 2) the Principals Disclosure Form to include a type of entity that is not specifically included in the Rule definition of Principals; 3) consideration of Petitioner's application before Petitioner's county bond transaction has completed credit underwriting; and 4) Petitioner to change its ownership structure before the issuance of the Preliminary Determination.
- f) Petitioner avers it cannot meet the requirement to have a natural person principal by the third principal disclosure level because Petitioner is majority owned by the California State Teachers' Retirement System pension fund ("CalSTRS"). The pension fund participants of the CalSTRS are numerous and ever-changing, and participants have no authority over CalSTRS investments. Petitioner claims that it is not practical or feasible to include all CalSTRS pension fund participants on the principal disclosure form.
- g) Petitioner further states that Petitioner will be pursuing a Development re-syndication during the pendency of its application. In the process of re-syndication, Petitioner's current ownership structure will be amended to admit a new limited partner and make certain changes to the ownership of the Petitioner's General Partner. Petitioner claims that its proposed organizational structure will be substantially the same as Petitioner's current ownership structure.
- h) Petitioner also requests that Florida Housing consider Petitioner's application before Petitioner's county bond transaction has completed credit underwriting. To complete its county bond credit underwriting process, Petitioner states that it must finalize its ownership structure; as stated above, Petitioner is in the process of re-syndication. Thus, Petitioner requests a waiver of the requirement to submit a final Credit Underwriting Report with its application to prevent further delay to the Development.
- i) On July 11, 2022, the Notice of Petition was published in the Florida Administrative Register in Volume 48, Number 133. To date, Florida Housing has received no comments concerning the Petition.
- j) 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.
- k) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. 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 Rules 67-21.0025(7) and 67-21.003(1)(b), Fla. Admin. Code (2021), and the above-cited Sections of the Non-Competitive Application Package to allow:
- (1) Petitioner to have a public pension fund in its corporate structure without the requirement to disclose all natural person Principals by the third principal disclosure level on the Principal Disclosure Form;
 - (2) Petitioner to submit a 4% Housing Credit Application prior to the completion of the credit underwriting for the bonds;
 - (3) Petitioner permission to make a future change in the ownership structure prior to issuance of the Preliminary Determination. As part of this recommendation, staff recommends that the Board require the Applicant to make a formal request when the change in ownership structure actually occurs, allowing staff to approve this change, with a recommendation from the credit underwriter, if necessary.

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C. In Re: Casa II Venture – FHFC Case No. 2022-048VW

Development Name: (“Development”):	Sol Vista
Developer/Principal: (“Developer”):	MRK Partners, Inc. / Sydne Garchik
Number of Units: 227	Location: Miami-Dade County
Type: New Construction, High Rise	Set Asides: 100% @ 60% AMI
Demographics: Elderly Non-ALF	Funding: 4% HC: \$2,896,396

1. **Background**

- a) Petitioner has submitted an application for 4% non-competitive housing credits (“HC”) to Florida Housing to partially fund construction of a 227-unit multifamily housing development to be known as Sol Vista in Miami-Dade County, Florida (the “Development”). Florida Housing Finance Corporation (“Florida Housing”) received the Petition for Waiver of Rule 67-21.003(1)(b) and 67-21.003(8)(l) (“Petition”) on July 20, 2022, from Casa II Venture LP (“Petitioner”) requesting that the Petitioner be allowed to supplement its Applicant Certification and Acknowledgement by “striking through” paragraph 16.p., which states that all Principals are in good standing among other state agencies and have not been prohibited from applying for funding, and that the Petitioner be allowed to submit its Application before completing the county bond credit underwriting. A copy of the Petition is attached as [Exhibit E](#).

2. **Present Situation**

- a) Rule 67-21.003(8)(1), Fla. Admin. Code (2021), in relevant portion, states:
- (8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and **cannot be revised, corrected or supplemented** after the Application is deemed complete. Those items are as follows:

...

(l) **The Application must include a properly completed Applicant Certification...**

- b) Rule 67-21.003(1)(b), Fla. Admin. Code (2021), in relevant portion, states:
- (1) Applicants shall apply for MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC, and funding from the following Corporation programs will not be considered to be other Corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.

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...

(b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or NCA (Rev. 03-2021) is adopted and incorporated herein by reference...

- c) Rule 67-21.003(1)(b), Fla. Admin. Code (2021), incorporates by reference the Non-Competitive Application Package (Rev. 03-2021) (“NCA”). The NCA at Section A.16. includes the following requirement:

16. Applicant Certification:

The Applicant Certification and Acknowledgement Form Application must be signed by the Authorized Principal Representative and provided as "Exhibit 10" to the Application form. The Applicant Certification and Acknowledgement Form may be found on the Non-Competitive Application website.

- d) Section p. of the Applicant Certification and Acknowledgment Form of the NCA includes the following representation:

The Applicant certifies and acknowledges that...

p. The Applicant, the Developer and all Principals are in good standing among all other state agencies and have not been prohibited from applying for funding.

- e) The NCA at page 1 also provides in pertinent part:

Non-Competitive Housing Credits (4 Percent HC) only, to be used for a Tax-Exempt Bond- Financed Development where the bonds are issued by a County Housing Finance Authority (HFA) established pursuant to Section 159.604, F.S. **The Non-Competitive Application Form can be submitted anywhere from the time the Applicant completes Credit Underwriting for the Bonds up until the last Corporation business day of December of the year the Development is placed in service;**

(emphases added).

- f) Petitioner requests a waiver from Rule 67-21.003(8)(1) and 67- 21.003(1)(b), which adopts and incorporates the NCA. More specifically, Petitioner requests waiver of the requirement in Applicant Certification and Acknowledgement, as contained in the NCA, that all principals be in good standing among other state agencies and have not been prohibited from applying for funding and a waiver of the Timing Requirements of the NCA so that it may submit its Application before it completes credit underwriting for the bonds.

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- g) Petitioner has submitted an application for HC, which are to be used in conjunction with tax-exempt bonds for developments wherein the bonds are issued by a county housing finance authority, to Florida Housing to partially fund construction of the Development. Petitioner has also submitted an application to the Housing Finance Authority of Miami-Dade County, Florida for issuance of multifamily revenue bonds.
- h) Petitioner cannot make the certification because certain Principals and the Developer (the "Affected Parties") are currently prohibited from applying for funding in Virginia for reasons that would not be the basis for a funding prohibition in Florida. The Affected Parties are working to remedy the situation with Virginia Housing to return to good standing. Petitioner states that the basis for the prohibition were additional design guidelines related to the rehabilitation of a project in Virginia (the "VA Project"). The guidelines were not necessary for issuance of 8609s but were required by Virginia Housing. Affected Parties understood from prior discussions with Virginia Housing that such matters would not be the basis for a prohibition on funding applications.
- i) Virginia Housing's application prohibitions do not go through prior board discussion or approval and there is no opportunity to correct or dispute deficiencies in Virginia prior to the issuance of a prohibition. The Affected Parties were placed out of good standing before steps could be taken to address Virginia Housing's concerns. This was a first time offense by the Affected Parties and Petitioner argues that it does not think the issues in the VA Project rose to the level to warrant an immediate prohibition but, the Affected Parties are currently in the process of remediating the design deficiencies indicated by Virginia Housing and intend to have the work necessary to have Virginia Housing release the prohibition as soon as possible.
- j) As such, for Petitioner to submit an application for HC and comply with Section A.16. thereof, it must be able to submit the Applicant Certification and Acknowledgement with Section 16(p) struck through. Petitioner argues that the basis for the Affected Parties' current prohibition in Virginia would not have resulted in a similar prohibition in Florida and are working to resolve the current lack of good standing in Virginia as quickly as possible. Further the Affected Parties have participated in a number of prior deals in Florida, currently consisting of over 1,500 units, over 1,000 of which have been recently renovated and are in the process of or have already received their 8609s, for which the Affected Parties remain in good standing in connection therewith.
- k) Further Petitioner requests a waiver of the Timing Requirement, which requires Petitioner complete credit underwriting for the county bonds before submitting the Application. In order to complete credit underwriting report, Petitioner states that it must confirm the Affected Parties are permissible in the ownership structure which it will not be able to do until this Petition is granted. However, Petitioner cannot submit this Petition without first submitting an Application and cannot submit an Application until completing the Credit Underwriting and cannot complete Credit Underwriting and finalize its Credit Underwriting Report without first granting of this Petition.

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- l) Consequently, Petitioner states that it will need to submit the Application before completing Credit Underwriting in order to address this issue in advance with the Corporation. Therefore, Petitioner is requesting a waiver of the requirement to submit a final Credit Underwriting Report with its Application in order to prevent any further delay to the closing and construction commencement of the Development.
- m) On July 21, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 141. To date, Florida Housing has received no comments concerning the Petition.
- n) 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.
- o) 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 67-21.003(1)(b) and 67-21.003(8)(l), Fla. Admin. Code (2021); and of Section A.16. and the applicable Timing Requirements on page 1 of the NCA (03/2021), incorporated by rule; so that Petitioner may supplement its Applicant Certification and Acknowledgement by “striking through” Paragraph 16.p. of the certification, which states that all Principals are in good standing among other state agencies and have not been prohibited from applying for funding, and to allow the Petitioner to submit its Application before completing the county bond credit underwriting.

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D. In Re: Arbours at Quincy, LLC - FHFC Case No. 2022-046VW (RFA 2019-116/App. No.2020-419BS/2019-569C)

Development Name: (“Development”):	Arbours at Quincy
Developer/Principal: (“Developer”):	Arbour Valley Development, LLC / Sam Johnston
Number of Units: 80	Location: Gadsden County
Type: Garden	Set Asides: 10% at 33% AMI 90% at 60% AMI
Demographics: Family	Funding: SAIL: \$4,312,000 ELI: \$600,000 MMRB: \$11,700,000

1. Background

- a) Petitioner successfully applied for State Apartment Incentive Loan (“SAIL”) funding, Extremely Low Income (“ELI”), and Multifamily Mortgage Revenue Bonds (“MMRB”) in RFA 2019-116 to assist in the construction of an 80-unit affordable housing development named Arbours at Quincy to be located in Gadsden County, Florida (the “Development”). On July 19, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.0072(26), Fla. Adm. Code (the “Petition”), to extend the time allowed under the Rule to close Petitioner’s loan. A copy of the Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-48.0072(26), Fla. Admin. Code (2019), provides in relevant part:

(26) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar Days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days. 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. The Board shall consider the facts and circumstances of each Applicant’s request, inclusive of the Applicant’s ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one (1) percent of each Corporation loan amount if the Board approves the request to extend the loan closing deadline beyond the applicable 120 Calendar Day period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original loan closing deadline. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void

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and the funds shall be de-obligated.

- b) Petitioner requests a waiver of the above-cited Rule to extend the time allowed for Petitioner to close its loan. As justification for the extension, Petitioner claims that the Development has suffered several unforeseen hardships that will prevent the Development from meeting the September 12, 2022, loan closing deadline, including:

Delays related to finalizing costs relating to extreme construction material price fluctuations requiring Petitioner to seek FHFC-CHIRP funding. Petitioner entered into FHFC-CHIRP underwriting on May 10, 2022, and the draft of the CUR recommended an increase in the project's SAIL loan funding.

The timeline related to HUD 221(d)(4) financing reviews and approvals. And

Impacts related to the COVID-19 pandemic. Most of Petitioner's many government agencies have been working remotely, which has delayed document signatures and plan coordination.

- c) Despite these delays, Petitioner states that it has been working diligently to close its loans
- d) On July 20, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 140. To date, Florida Housing has received no comments concerning the Petition.
- e) 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.

- f) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact 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 67-48.0072(26), Fla. Admin. Code (2019) to extend Petitioner's loan closing deadline from September 12, 2022 until December 12, 2022.

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E. In Re: MHP FL X LLLP - FHFC Case No. 2022-047VW (RFA 2020-205/App. No.2021-253BSN)

Development Name: (“Development”):	Arbor Park
Developer/Principal: (“Developer”):	MHP FL X Developer, LLC / Christopher Shear
Number of Units: 136	Location: Sarasota County
Type: Mid-Rise	Set Asides: 17.647% at 30% AMI 29.412% at 60% AMI 52.941% at 70% AMI
Demographics: Elderly, Non-ALF	Funding: SAIL: \$5,810,714 ELI: \$600,000 NHTF: \$653,873 MMRB: \$15,000,000

1. Background

- a) Petitioner successfully applied for State Apartment Incentive Loan (“SAIL”) funding, Extremely Low Income (“ELI”) funding, National Housing Trust Fund Loan (“NHTF Loan”), and Multifamily Mortgage Revenue Bonds (“MMRB”) in RFA 2020-205 to assist in the construction of a 136-unit affordable housing development named Arbor Park to be located in Sarasota County, Florida (the “Development”). On July 19, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), Florida Administrative Code (the “Petition”) to exempt Petitioner from the extension fee imposed by the rule. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (2020), provides in relevant part:
- (21) Information required by the Credit Underwriter shall be provided as follows:
- ...
- (b) ...The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved...
- b) Petitioner requests a waiver of the above-cited Rule to exempt Petitioner from the extension fee imposed by the same. Petitioner was initially invited to credit underwriting on June 22, 2021. During the credit underwriting process, Petitioner submitted a petition for waiver of Rule 67-21.003(8)(i), Fla. Admin. Code (2020), to allow Petitioner to adopt the Average Income Test.
- c) On April 29, 2022, the Board approved Petitioner’s waiver of Rule 67-21.003(8)(i). On May 11, 2022, Petitioner submitted its revised set-aside mix of the units, and on May 28, 2022, Petitioner submitted its average income test election worksheet.

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- d) On June 10, 2022, Florida Housing’s underwriter contacted Petitioner with questions/concerns regarding the set-aside terms pertaining to the Development’s NHTF-affected units. Petitioner worked swiftly to resolve the questions/concerns relating to the correlation between the unit mix, average income test, and the NHTF units; however, despite Petitioner’s best efforts in resolving the issue, Petitioner’s CUR was not included in the June Board agenda because the deadline for the finalization of the CUR had elapsed. As a result, Petitioner was unable to meet the Commitment Deadline and the CUR will be submitted to the Board for approval at the August Board meeting.
- e) On June 28, 2022, the Petitioner paid the extension fee within seven (7) days of the firm loan commitment issuance deadline as the Rule requires.
- f) On July 20, 2022, notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 140. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact 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 67-48.0072(21)(b), Fla. Admin. Code (2020) to exempt Petitioner from the extension fee related to Petitioners six month extension request.

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F. In Re: Fairfield Cedar Grove LP - FHFC Case No. 2022-041VW

Development Name: (“Development”):	Cedar Grove Apartments
Developer/Principal: (“Developer”):	Fairfield Affordable Housing Fund Tranche V LLC/ Richard Boynton
Number of Units: 288	Location: Miami-Dade
Type: Garden / Acquisition and Rehabilitation	Set Asides: 100% @ 60% AMI
Demographics: Family	Funding: 4% HC: \$4,535,083.00

1. **Background**

- a) Petitioner has applied for non-competitive 4% housing credits to assist in the acquisition and rehabilitation of a 288-unit affordable housing development named Cedar Grove Apartments in Miami-Dade County, Florida (the “Development”). On July 8, 2022, Florida Housing received a Petition for Waiver of Rule 67-21.0025(7)(c) and 67-21.003(1)(b), to waive the requirements that 1) a natural person Principal be disclosed by the third Principal disclosure level; 2) the Principals Disclosure Form not include any type of entity that is not specifically included in the Rule definition of Principals; 3) county bond credit underwriting be completed before submitting Petitioner’s application; and 4) prohibit changes to the ownership structure before the issuance of the Preliminary Determination. A copy of the Petition is attached as [Exhibit H](#).

2. **Present Situation**

- a) Rule 67-21.0025(7)(c), Fla. Admin. Code (2021), provides in relevant part:

(7) Disclosure of the Principals of the Applicant must comply with the following...

(c) The Applicant must disclose all of the Principals of all of the entities identified in paragraph (b) above (third principal disclosure level). Unless the entity is a trust, all of the Principals must be natural persons...

- b) Rule 67-21.003(1)(b), Fla. Admin. Code (2021) incorporates by reference the Non-Competitive Application Package (Rev. 03-2021) (“NCA”). Section A.6.a. of the NCA provides, in relevant part:

Principals Disclosure for the Applicant and for each Developer:

a. The Principals of the Applicant and Developer(s) Disclosure Form in effect at the time of Application submission (“Principal Disclosure Form”), must be submitted, in Excel format, as part of the Application package.

The Principal Disclosure Form must identify, pursuant to subsections 67-21.002(86) and 67-21.0025(7) and (8), F.A.C., the Principals of the Applicant and Developer(s). For Housing Credits, the investor limited partner of an Applicant limited partnership or the investor member of

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an Applicant limited liability company must be identified on the Principal Disclosure Form. *A Principals Disclosure Form should not include, for any organizational structure, any type of entity that is not specifically included in the Rule definition of Principals....*

c) The NCA further provides:

Non-Competitive Housing Credits (4 Percent HC) only, to be used for a Tax-Exempt Bond Financed Development where the bonds are issued by a County Housing Finance Authority (HF A) established pursuant to Section 159.604, F.S. *The Non-Competitive Application Form can be submitted anywhere from the time the Applicant completes Credit Underwriting for the Bonds up until the last Corporation business day of December of the year the Development is placed in service.* (emphasis added).

d) Section A.6.b(1) of the NCA provides, in relevant part:

6. Principals Disclosure for the Applicant and for each Developer...

(1) For Applicants requesting Non-Competitive Housing Credits only:

The Applicant entity shall be the recipient of the Housing Credits and *the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form and cannot be changed in any way (materially or nonmaterially) until after the Preliminary Determination is issued. Once the Preliminary Determination has been issued, (a) any material change in the ownership structure of the named Applicant will require Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.* The ownership structure of the Applicant entity may be changed without Corporation or Board approval after a Final Housing Credit Allocation Agreement has been approved and the IRS Forms 8609 have been issued; however, the Corporation must still be notified in writing of the change. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapter 67-21, F.A.C. for the duration of the Compliance Period. *Changes to the ownership structure of the Applicant entity prior to the issuance of the Preliminary Determination or without Board approval or Corporation approval, as applicable, prior to the approval of the Final Housing Credit Allocation and issuance of the IRS Forms 8609 shall result in a disqualification from receiving funding and shall be deemed a material misrepresentation.* Changes prior to the issuance of the Preliminary Determination to the officers or directors of a Public Housing Authority, officers or directors of a Non-Profit entity, or the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval. (emphasis added)

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- e) Petitioner requests a waiver of the above Rules and NCA terms to allow 1) third disclosure level principals that are not natural persons; 2) the Principals Disclosure Form to include a type of entity that is not specifically included in the Rule definition of Principals; 3) consideration of Petitioner's application before Petitioner's county bond transaction has completed credit underwriting; and 4) Petitioner to change its ownership structure before the issuance of the Preliminary Determination.
- f) Petitioner avers it cannot meet the requirement to have a natural person principal by the third principal disclosure level because Petitioner is majority owned by the California State Teachers' Retirement System pension fund ("CalSTRS"). The pension fund participants of the CalSTRS are numerous and ever-changing, and participants have no authority over CalSTRS investments. Petitioner claims that it is not practical or feasible to include all CalSTRS pension fund participants on the principal disclosure form.
- g) Petitioner further states that Petitioner will be pursuing a Development re-syndication during the pendency of its application. In the process of re-syndication, Petitioner's current ownership structure will be amended to admit a new limited partner and make certain changes to the ownership of the Petitioner's General Partner. Petitioner claims that its proposed organizational structure will be substantially the same as Petitioner's current ownership structure.
- h) Petitioner also requests that Florida Housing consider Petitioner's application before Petitioner's county bond transaction has completed credit underwriting. To complete its county bond credit underwriting process, Petitioner states that it must finalize its ownership structure; as stated above, Petitioner is in the process of re-syndication. Thus, Petitioner requests a waiver of the requirement to submit a final Credit Underwriting Report with its application to prevent further delay to the Development.
- i) On July 11, 2022, the Notice of Petition was published in the Florida Administrative Register in Volume 48, Number 133. To date, Florida Housing has received no comments concerning the Petition.
- j) 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.
- k) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. 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 Rules 67-21.0025(7) and 67-21.003(1)(b), Fla. Admin. Code and the above-cited Sections of the Non-Competitive Application Package to allow:
- (1) Petitioner to have a public pension fund in its corporate structure without the requirement to disclose all natural person Principals by the third principal disclosure level on the Principal Disclosure Form;
 - (2) Petitioner to submit a 4% Housing Credit Application prior to the completion of the credit underwriting for the bonds;
 - (3) Petitioner permission to make a future change in the ownership structure prior to issuance of the Preliminary Determination. As part of this recommendation, staff recommends that the Board require the Applicant to make a formal request when the change in ownership structure actually occurs, allowing staff to approve this change, with a recommendation from the credit underwriter, if necessary.

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G. In Re: Southwest Hammocks, LLLP - FHFC Case No. 2022-049VW (RFA 2021-106/App. No. 2021-304CS)

Development Name: (“Development”):	Southwest Hammocks
Developer/Principal: (“Developer”):	Carrfour Supportive Housing Inc. / Stephanie Berman
Number of Units: 100	Location: Broward County
Type: Garden Apartments; New Construction	Set Asides: 15% @ 25% AMI (SAIL, ELI & HC) 85% at 60% AMI (SAIL & HC)
Demographics: Persons with a Disabling Condition	Funding: SAIL: \$3,402,400 CHIRP: \$4,300,000 (Additional Loan Funding) Extremely Low Income: \$597,600 9% HC: \$2,882,000

1. **Background**

- a) Petitioner successfully applied for SAIL, ELI and competitive housing credits in RFA 2021-106 to assist in financing the construction of a 100-unit development to be known as Southwest Hammocks located in Broward County, Florida (the “Development”). The Petitioner has also submitted an application in response to the Construction Housing Inflation Response Program. On July 20, 2022, Florida Housing Finance Corporation (“Florida Housing”) received a Petition for Waiver of the 2020 Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations (the “Petition”) to allow Petitioner to waive the requirements in the 2020 Qualified Allocation Plan (“QAP”) and exchange its 2021 housing credits now for an immediate allocation of 2022 (or later) housing credits. A copy of the Petition is attached as [Exhibit J](#).

2. **Present Situation**

- a) Rule 67-48.002(96) Fla. Admin. Code (2020), adopts and incorporates the 2020 QAP.
- b) Subsection II.K of the 2020 QAP states:

Notwithstanding any other provision of this QAP, where a **Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and the Applicant has returned its Housing Credit Allocation after the end of the second calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation will reserve allocation in an amount not to exceed the amount of Housing Credits returned, and will issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service pursuant to Section 42 of the IRC, 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) A site inspection reflecting the percentage of Development completion must be completed. If the Development is at least fifty (50) percent completed, as reflected in the site inspection, the approval may be made by Corporation staff. If the Development is less than fifty (50) percent completed, as reflected in the site inspection, the approval must be made by the Board. In making such determination, the Board must find and determine that the delay was caused by circumstances beyond the Applicant's control, and that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay; and (iii) The Corporation or Board, as applicable, must find 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. A Development located in a HUD-designated DDA or QCT at the time of original allocation may retain its designation as such.

(emphasis added)

- c) Petitioner requests a waiver of the 2020 QAP to allow the immediate return of its 2021 Housing Credit Allocation, and an immediate allocation of new Housing Credits (2022 or later).
- d) On September 17, 2021, Petitioner and Florida Housing entered into the carryover allocation agreement. Pursuant to the Carryover Agreement, Petitioner must meet its 10% Test by March 31, 2022, which was extended to September 17, 2022. In order to meet the 10% test, Petitioner asserts that it will need to have closed its debt and equity financing by this date as well. Petitioner is unsure that it will meet these deadlines due to circumstances out of its control and is requesting an exchange of tax credits.
- e) In support of its request for a waiver, Petitioner states that it became obvious that due to the significant increase in construction costs throughout the affordable housing industry that a budgetary gap existed that could not be bridged without further assistance from Florida Housing. Without additional assistance, Petitioner was unable to proceed towards closing the financing for the Development. Petitioner filed its application for Construction Housing Inflation Response Program ("CHIRP") on May 11, 2022.
- f) The final credit underwriting report for the CHIRP funding for Petitioner is being finalized as comments to the draft report have been provided by Petitioner. It is progressing towards closing the debt and equity financing sources for the Development and commencing construction. Petitioner has been advised that final building permits are now available, pending only the payment of applicable permit fees. Closing on funding and commencement of construction is expected to occur in late August 2022. Petitioner indicates that construction completion is scheduled to occur late in the fourth quarter of 2023. The tax credit investor for the transaction requires a cushion of three months between scheduled construction completion and the required placed in service date (December 31, 2023) in order to proceed to closing on the equity financing. Petitioner argues that this situation is not an issue for other similarly situated developers who, pursuant to the CHIRP program, are expected to receive an additional tax credit allocation and an exchange of previous tax credits for 2022

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or 2023 tax credits. The RFA that Petitioner originally submitted under is one that Florida Housing has determined is not eligible to receive an additional allocation of tax credits under the CHIRP program but rather is permitted to be allocated additional loan funds, Petitioner is (as a result) not receiving a later allocation of tax credits as are other CHIRP recipients.

- g) Petitioner has been working diligently and has completed pre-development activities and has secured an executed construction contract for the Development. In addition, the issuance of building permits is pending only the payment of permit fees. Petitioner argues that due to the events above, the delays have been caused by circumstances outside its control.
- h) Petitioner indicates that the delay makes it difficult to meet the September 17, 2022, 10% test deadline, and places in jeopardy Petitioner's ability to meet the December 31, 2023, placed in service deadline. Petitioner states that due to circumstances beyond its control, the 10% Test cannot be met. Petitioner requests to exchange its 2021 Housing Credits for an allocation of 2022 Housing Credits now rather than wait until the third quarter of 2023 and, thereby, extend the placed-in-service deadline to December 31, 2024.
- i) On July 22, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 142. To date, Florida Housing has received no comments concerning the Petition.
- j) 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.
- k) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact 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 67-48.002(96), Fla. Admin. Code (2020) and the timing provisions of Subsection II.K of the 2020 QAP to allow Petitioner to exchange its 2021 housing credits for an allocation of 2022 housing credits and thereby extend the associated deadlines.

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H. In Re: SP Park, LLC - FHFC Case No. 2022-039VW (RFA 2016-109/2016-388BS)

Development Name: (“Development”):	Cedar Park
Developer/Principal: (“Developer”):	Southport Development, Inc. d/b/a Southport Development Services, Inc./J. David Page
Number of Units: 72	Location: Columbia County
Type: Garden Apartments; Acquisition and Rehabilitation	Set Asides: 30% at 45% AMI 70% at 60% AMI
Demographics: Family	Funding: MMRB: \$6,000,000 SAIL: \$3,200,000 ELI: \$272,300 4% HC: \$370,000

1. **Background**

- a) Petitioner successfully applied for Multifamily Mortgage Revenue Bonds (“MMRB”), State Apartment Incentive Loan (“SAIL”) funding, Extremely Low Income (“ELI”) loan funding, and non-competitive housing credits (collectively referred to as the “Financing”) to assist in financing the acquisition and rehabilitation of Cedar Park, an affordable housing development in Columbia County, Florida. On July 5, 2022, Florida Housing received a Petition for Waiver of Rule 67-21.002(9), F.A.C. (2016) and Rule 67-21.002(85)(a)3, F.A.C. (2016) (the “Petition”). A copy of the Petition is attached as [Exhibit K](#). Petitioner requests waiver of the requirement to disclose natural person Principals by the third Principal disclosure level.

2. **Present Situation**

- a) Rule 67-21.002(9), Fla. Admin. Code (2016), states:

(9) “Applicant” means any person or legal entity of the type and with the management and ownership structure [sic] described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to Rule Chapter 67-60, F.A.C., for one or more of the Corporation’s programs. For purposes of Rule 67-21.031, F.A.C., Applicant also includes any assigns or successors in interest of the Applicant. Unless otherwise stated in a competitive solicitation, as used herein, a ‘legal entity’ means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that consists exclusively of all natural persons by the third principal disclosure level. For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required. The terms ‘first principal disclosure level’ and ‘third principal disclosure level’ have the meanings attributed to them in the definition of ‘Principal.’

(Emphasis added).

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- b) Rule 67-21.002(85)(a)3 Fla. Admin. Code (2016), in relevant part, defines Principal with respect to an Applicant that is:

3. A limited liability company, at the first principal disclosure level, any manager or member of the Applicant limited liability company, and, unless otherwise excluded at subsection 67-21.002(9), F.A.C., with respect to any manager or member of the Applicant limited liability company, at the second principal disclosure level, that is:

a. A corporation, any officer, director, executive director, or shareholder of the corporation,

b. A limited partnership, any general partner or limited partner of the limited partnership,

c. A limited liability company, any manager or member of the limited liability company, or

d. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons; and with respect to any entity identified at the second principal disclosure level that is:

e. A corporation, by the third principal disclosure level, any officer, director, executive director, or shareholder of the corporation, each of whom must be a natural person,

f. A limited partnership, by the third principal disclosure level, any general partner or limited partner of the limited partnership, each of whom must be a natural person,

g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person, or

(a) h. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons.

(Emphasis added).

- c) Petitioner requests a waiver or variance from the requirement that only natural persons may be Principals at the third Principal disclosure level of the Petitioner pursuant to the above-cited Rules in order for the Current Manager to transfer its interest in the Petitioner to the Successor Manager and so that Petitioner may admit the Successor Manager to the Petitioner. In connection with a purchase and sale agreement dated October 8, 2021, the current manager/member of Petitioner (“Current Manager”) anticipates that it will transfer its interest to a successor entity (the “Prospective Transfer”). After closing on the Prospective Transfer, Petitioner will have nine tiers of ownership due to the equity structure of the successor manager/member (the “Successor Manager”). The Financing, which has already been closed on or disbursed to Petitioner, would survive the

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Prospective Transfer.

- d) Due to the complex equity structure within the corporate structure, Petitioner will not be able to meet the third level Principal disclosure requirement following the Prospective Transfer. Petitioner states that it has fully disclosed to Florida Housing the organizational structure of the Successor Manager showing the full ownership at each tier. The organizational structure of the Successor Manager shows that even though there are various levels of ownership, the ultimate control of the Successor Manager, and thus Petitioner, will, after the Prospective Transfer, primarily rest with two natural persons, who will also act as non-member managers of the Successor Manager.
- e) Petitioner asserts that if the waiver request is denied that among other hardships, Petitioner would not be able to bring in Successor Manager to continue the operations of the Development in a manner that provides safe, sanitary, and affordable housing to its residents.
- f) On July 7, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 131. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact 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 has reviewed the organizational structure as it will exist after the Prospective Transfer and recommends the Board **GRANT** Petitioner’s request for a waiver of Rules 67-21.002(9) and 67-48.002(85)(a)3, Fla. Admin. Code (2016) to waive the definitions of “Applicant” and “Principal” to the extent that those definitions require that only natural persons be disclosed by or at the third Principal disclosure level in order to allow the disclosure of Principals beyond the third disclosure level as stated in the Petition. It should be noted that this recommendation is supported by Staff because it is with regard to a development ownership transfer request. Staff does not intend this recommendation to serve as a precedent for waiver of principal disclosure requirements for Applicants applying for funding allocation.

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I. In Re: SP Village, LLC - FHFC Case No. 2022-025VW (RFA 2017-108/2018-019BS)

Development Name: (“Development”):	Choctaw Village
Developer/Principal: (“Developer”):	Southport Development, Inc. d/b/a Southport Development Services, Inc./J. David Page
Number of Units: 48	Location: Okaloosa County
Type: Garden Apartments; Acquisition and Rehabilitation	Set Asides: 10% at 33% AMI 90% at 60% AMI
Demographics: Family	Funding: MMRB: \$3,280,000 SAIL: \$2,500,000 ELI: \$396,300 4% HC: \$300,000

1. **Background**

- a) Petitioner successfully applied for Multifamily Mortgage Revenue Bonds (“MMRB”), State Apartment Incentive Loan (“SAIL”) funding, Extremely Low Income (“ELI”) loan funding, and non-competitive housing credits (collectively referred to as the “Financing”) to assist in financing the acquisition and rehabilitation of Choctaw Village, an affordable housing development in Okaloosa County, Florida. On February 16, 2022, Florida Housing received a Petition for Waiver of Rules Rule 67-21.002(9), F.A.C. (2017), Rule 67-21.002(85)(a)3, F.A.C. (2017), Rule 67-48.002(9), F.A.C. (2017) and Rule 67-48.002(93)(a)3, F.A.C. (2017) (the “Petition”). A copy of the Petition is attached as [Exhibit L](#). Petitioner waived the requirement for an agency to grant or deny a petition within 90 days of receipt pursuant to Fla. Stat. Sec. 120.542(8). On July 5, 2022, Florida Housing received an Amended Petition for Waiver of Rules Rule 67-21.002(9), F.A.C. (2017), Rule 67-21.002(85)(a)3, F.A.C. (2017), Rule 67-48.002(9), F.A.C. (2017) and Rule 67-48.002(93)(a)3, F.A.C. (2017) (the “Amended Petition”). A copy of the Amended Petition is attached as [Exhibit M](#). Petitioner requests waiver of the requirement to disclosure natural person Principals by the third Principal disclosure level.

2. **Present Situation**

- a) Rule 67-21.002(9), Fla. Admin. Code (2017), states:
- (9) “Applicant” means any person or legal entity of the type and with the management and ownership structure [sic] described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to Rule Chapter 67-60, F.A.C., for one or more of the Corporation’s programs. For purposes of Rule 67-21.031, F.A.C., Applicant also includes any assigns or successors in interest of the Applicant. Unless otherwise stated in a competitive solicitation, as used herein, a ‘legal entity’ means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that consists exclusively of all natural persons by the third principal disclosure level. For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required. The terms ‘first principal disclosure level’ and ‘third principal disclosure

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level’ have the meanings attributed to them in the definition of “Principal.”

(Emphasis added).

- b) Rule 67-21.002(85)(a)3, Fla. Admin. Code (2017), in relevant part, defines Principal with respect to an Applicant that is:

3. A limited liability company, at the first principal disclosure level, any manager or member of the Applicant limited liability company, and, unless otherwise excluded at subsection 67-21.002(9), F.A.C., with respect to any manager or member of the Applicant limited liability company, at the second principal disclosure level, that is:

a. A corporation, any officer, director, executive director, or shareholder of the corporation,

b. A limited partnership, any general partner or limited partner of the limited partnership,

c. A limited liability company, any manager or member of the limited liability company, or

d. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons; and with respect to any entity identified at the second principal disclosure level that is:

e. A corporation, by the third principal disclosure level, any officer, director, executive director, or shareholder of the corporation, each of whom must be a natural person,

f. A limited partnership, by the third principal disclosure level, any general partner or limited partner of the limited partnership, each of whom must be a natural person,

g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person, or

h. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons.

(Emphasis added).

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- c) Rule 67-48.002(9), Fla. Admin. Code (2017), states:

(9) “Applicant” means any person or legal entity of the type and with the management and ownership structure described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to Rule Chapter 67-60, F.A.C., for one or more of the Corporation’s programs. For purposes of Rules 67-48.0105, 67-48.0205 and 67-48.031, F.A.C., Applicant also includes any assigns or successors in interest of the Applicant. Unless otherwise stated in a competitive solicitation, as used herein, a ‘legal entity’ means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that consists exclusively of all natural persons by the third principal disclosure level. For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required. The terms ‘first principal disclosure level’ and ‘third principal disclosure level’ have the meanings attributed to them in the definition of “Principal.”

(Emphasis added).

- d) Rule 67-48.002(93)(a)3, Fla. Admin. Code (2017), in relevant part, defines Principal with respect to an Applicant that is:

3. A limited liability company, at the first principal disclosure level, any manager or member of the Applicant limited liability company, and, unless otherwise excluded at subsection 67-48.002(9), F.A.C., with respect to any manager or member of the Applicant limited liability company, at the second principal disclosure level, that is:

a. A corporation, any officer, director, executive director, or shareholder of the corporation,

b. A limited partnership, any general partner or limited partner of the limited partnership,

c. A limited liability company, any manager or member of the limited liability company, or

d. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons; and, with respect to any entity identified at the second principal disclosure level that is:

e. A corporation, by the third principal disclosure level, any officer, director, executive director, or shareholder of the corporation, each of whom must be a natural person,

f. A limited partnership, by the third principal disclosure level, any general partner or limited partner of the limited partnership, each of whom must be a natural person,

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g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person, or

h. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons.

(Emphasis added).

- e) Petitioner requests a waiver or variance from the requirement that only natural persons may be Principals at the third Principal disclosure level of the Petitioner pursuant to the above-cited Rules in order for the Current Manager to transfer its interest in the Petitioner to the Successor Manager and so that Petitioner may admit the Successor Manager to the Petitioner. In connection with a purchase and sale agreement dated October 8, 2021, the current manager/member of Petitioner (“Current Manager”) anticipates that it will transfer its interest to a successor entity (the “Prospective Transfer”). After closing on the Prospective Transfer, Petitioner will have nine tiers of ownership due to the equity structure of the successor manager/member (the “Successor Manager”). The Financing, which has already been closed on or disbursed to Petitioner, would survive the Prospective Transfer.
- f) Due to the complex equity structure within the corporate structure, Petitioner will not be able to meet the third level Principal disclosure requirement following the Prospective Transfer. Petitioner states that it has fully disclosed to Florida Housing the organizational structure of the Successor Manager showing the full ownership at each tier. The organizational structure of the Successor Manager shows that even though there are various levels of ownership, the ultimate control of the Successor Manager, and thus Petitioner, will, after the Prospective Transfer, primarily rest with two natural persons, who will also act as non-member managers of the Successor Manager.
- g) Petitioner asserts that if the waiver request is denied that among other hardships, Petitioner would not be able to bring in Successor Manager to continue the operations of the Development in a manner that provides safe, sanitary, and affordable housing to its residents.
- h) On March 10, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 48. To date, Florida Housing has received no comments concerning the Petition.
- i) 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.

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- j) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact 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 has reviewed the organizational structure as it will exist after the Prospective Transfer and recommends the Board **GRANT** Petitioner’s request for a waiver of Rules 67-21.002(9), 67-21.002(85)(a)3, 67-48.002(9), and 67-48.002(93)(a)3, Fla. Admin. Code (2017), to waive the definitions of “Applicant” and “Principal” to the extent that those definitions require that only natural persons be disclosed by or at the third Principal disclosure level in order to allow the disclosure of Principals beyond the third disclosure level as stated in the Amended Petition. It should be noted that this recommendation is supported by Staff because it is with regard to a development ownership transfer request. Staff does not intend this recommendation to serve as a precedent for waiver of principal disclosure requirements for Applicants applying for funding allocation.

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J. In Re: SP Daytona, LLLP - FHFC Case No. 2022-024VW (2018-100B/2018-523C)

Development Name: (“Development”):	Daytona Gardens Apartments
Developer/Principal: (“Developer”):	Southport Development, Inc. d/b/a Southport Development Services, Inc./J. David Page Trillium Housing Services Incorporated
Number of Units: 230	Location: Volusia County
Type: Garden Apartments; Acquisition and Rehabilitation	Set Asides: 100% at 60% AMI
Demographics: Family	Funding: MMRB: \$20,000,000 4% HC: \$1,257,306

1. Background

- a) Petitioner successfully filed a non-competitive application for Multifamily Mortgage Revenue Bonds (“MMRB”) and non-competitive housing credits (collectively referred to as the “Financing”) to assist in financing the acquisition and rehabilitation of Daytona Gardens Apartments, an affordable housing development in Volusia County, Florida. On February 16, 2022, Florida Housing received a Petition for Waiver of Rule 67-21.021(9) [sic], F.A.C. (2018) and Rule 67-21.002(85)(a)3, F.A.C. (2018) (the “Petition”). A copy of the Petition is attached as [Exhibit N](#). Petitioner waived the requirement to grant or deny a petition within 90 days of receipt pursuant to Fla. Stat. Sec. 120.542(8). On July 20, 2022, Florida Housing received an Amended Petition for Waiver of Rule 67-21.021(9) [sic], F.A.C. (2018) and Rule 67-21.002(85)(a)3, F.A.C. (2018) (the “Amended Petition”). A copy of the Amended Petition is attached as [Exhibit O](#). Petitioner requests waiver of the requirement to disclosure natural person Principals by the third Principal disclosure level.

2. Present Situation

- a) Rule 67-21.002(9), Fla. Admin. Code (2018), states:

(9) “Applicant” means any person or legal entity of the type and with the management and ownership structure [sic] described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to rule chapter 67-60, F.A.C., for one or more of the Corporation’s programs. For purposes of rule 67-21.031, F.A.C., Applicant also includes any assigns or successors in interest of the Applicant. Unless otherwise stated in a competitive solicitation, as used herein, a ‘legal entity’ means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that consists exclusively of all natural persons by the third principal disclosure level. For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the

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first principal disclosure level and no other disclosure is required. The terms ‘first principal disclosure level’ and ‘third principal disclosure level’ have the meanings attributed to them in the definition of “Principal.”

(Emphasis added).

- b) Rule 67-21.002(85)(a)3, Fla. Admin. Code (2018), in relevant part, defines Principal with respect to an Applicant that is:

3. A limited liability company, at the first principal disclosure level, any manager or member of the Applicant limited liability company, and, unless otherwise excluded at subsection 67-21.002(9), F.A.C., with respect to any manager or member of the Applicant limited liability company, at the second principal disclosure level, that is:

a. A corporation, any officer, director, executive director, or shareholder of the corporation,

b. A limited partnership, any general partner or limited partner of the limited partnership,

c. A limited liability company, any manager or member of the limited liability company, or

d. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons; and with respect to any entity identified at the second principal disclosure level that is:

e. A corporation, by the third principal disclosure level, any officer, director, executive director, or shareholder of the corporation, each of whom must be a natural person,

f. A limited partnership, by the third principal disclosure level, any general partner or limited partner of the limited partnership, each of whom must be a natural person.

g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person, or

h. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons.

(Emphasis added).

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- c) Petitioner requests a waiver or variance from the requirement that only natural persons may be Principals at the third Principal disclosure level of the Petitioner pursuant to the above-cited Rules in order for the current administrative general partner of the Petitioner (“Current GP”) to transfer its interest in the Petitioner to the non-managing partner of the successor general partner (“Successor GP”) and so that Petitioner may admit the Successor GP to the Petitioner. In connection with a Contribution Agreement dated June 9, 2022 (the “Purchase Agreement”), the Current GP anticipates that it will contribute its interests, in one or a series of transfers to a successor entity (the “Prospective Transfer”). After closing on the Prospective Transfer, Petitioner will have six tiers of ownership due to the equity structure of the Successor GP. The Financing, which has already been closed on or disbursed to Petitioner, would survive the Prospective Transfer.
- d) Due to the complex equity structure within the corporate structure, Petitioner will not be able to meet the third level Principal disclosure requirement following the Prospective Transfer. Petitioner states that it has fully disclosed to Florida Housing the organizational structure of the Successor GP showing the full ownership at each tier. The organizational structure of the Successor GP shows that even though there are various levels of ownership, the ultimate control of the Successor GP, and thus Petitioner, after the Prospective Transfer, will primarily rest with two natural persons, who will also act as non-member managers of the controlling owner of the Successor GP.
- e) Petitioner asserts that if the waiver request is denied that among other hardships, Petitioner would not be able to bring in Successor GP to continue the operations of the Development in a manner that provides safe, sanitary, and affordable housing to its residents.
- f) On February 18, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 34. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact 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.

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3. **Recommendation**

- a) Staff has reviewed the organizational structure as it will exist after the Prospective Transfer and recommends the Board **GRANT** Petitioner's request for a waiver of 67-21.002(9) and 67-21.002(85)(a)3, Fla. Admin. Code (2018), to waive the definitions of "Applicant" and "Principal" to the extent that those definitions require that only natural persons be disclosed by or at the third Principal disclosure level in order to allow the disclosure of Principals beyond the third disclosure level as stated in the Amended Petition. It should be noted that this recommendation is supported by Staff because it is with regard to a development ownership transfer request. Staff does not intend this recommendation to serve as a precedent for waiver of principal disclosure requirements for Applicants applying for funding allocation.

MULTIFAMILY BONDS

Consent

I. MULTIFAMILY BONDS

- A. **Request Approval of Credit Underwriting Report, Authorizing Resolutions and Assignment, Assumption and Subordination of the Existing HOME LURA and ELIHA for Brittany Bay Apartments I (2021-115B / 2021-550C / 2001HR-120 / 2002-518C)**

Development Name: Brittany Bay Apartments I	Location: Collier County
Applicant/Borrower: Brittany Bay Apartments I, LLC	Set-Asides: 40% @ 60% AMI (MMRN) 100% @ 60% AMI (4% HC) 80% @ 60% AMI (Existing HOME) 20% @ 50% AMI (Existing HOME)
Developers/Principals: Spira BB I Development, LP / Robert Lee; Co-Developer: Marais Development Partners, LLC / Hana Eskra	Demographic/Number of Units: Family / 184 units
Requested Amounts: \$36,600,000 Multifamily Mortgage Revenue Notes (MMRN) \$2,667,079 Credits (4% HC)	Development Category/Type: Acquisition & Rehabilitation / Garden Apartments

1. Background/Present Situation

- a) Florida Housing financed the above referenced Development in 2001 with \$1,780,000 in HOME Investment Partnership Program Loan (“HOME”) funding and \$462,503 in 4% Housing Credits, in conjunction with local bonds. The HOME loan was subsequently paid off.
- b) On April 4, 2022, the Applicant submitted a Non-Competitive Application package requesting tax-exempt MMRB in the amount of \$37,000,000 and Non-Competitive Housing Credits in the amount of \$2,687,870. Subsequently, the MMRB request amount was reduced to \$36,600,000.
- c) On April 20, 2022, staff issued an invitation to enter credit underwriting to the Applicant. The acceptance was acknowledged on April 20, 2022.
- d) On July 27, 2022, staff received a final credit underwriting report with a positive recommendation for MMRN funding and the Assignment, Assumption and Subordination of the existing HOME Land Use Restriction Agreement (“HOME LURA”) and Extended Low Income Housing Agreement (“ELIHA”). ([Exhibit A](#)). Staff finds that the development meets all requirements of the Non-Competitive Application.
- e) Staff reviewed the authorizing resolutions ([Exhibit B](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Notes to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the final credit underwriting report and authorizing resolutions, and the Assignment, Assumption and Subordination of the existing HOME LURA and ELIHA and direct staff to proceed with closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of the Credit Underwriting Report, Authorizing Resolutions, and Firm Loan Commitment Deadline Extension for Arbor Park (RFA 2020-205 / 2021-253BSN / 2020-535C / 2022 CHIRP ITP)

Development Name: Arbor Park	Location: Sarasota County
Applicant/Borrower: MHP FL X, LLLP	Set-Aside(s): 40% @ 60% AMI (MMRN) 52.941% @ 70% AMI (SAIL & 4% HC) 29.412% @ 60% AMI (SAIL & 4% HC) 17.647% @ 30% AMI (SAIL, ELI, & 4% HC) 2.206% @ 22% AMI (NHTF)
Developer/Principal: MHP FL X Developer, LLC / Christopher L. Shear	Demographic/Number of Units: Elderly / 136
Requested Amounts: \$21,500,000 Multifamily Mortgage Revenue Notes (MMRN) \$5,810,714 State Apartment Incentive Loan (SAIL) \$3,945,236 Construction Housing Inflation Response Program (CHIRP) \$600,000 Extremely Low Income (ELI) \$653,873 National Housing Trust Fund (NHTF) \$1,652,817 Housing Credits (4% HC)	Development Category/Type: New Construction / Mid-Rise (4 Stories)

1. Background/Present Situation

- a) On October 15, 2020, Florida Housing issued a Request for Applications (RFA) 2020-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt MMRB Financing and Non-Competitive Housing Credits.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 18, 2021, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on June 22, 2021, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on June 29, 2021, giving them a firm loan commitment issuance deadline of June 29, 2022. Applicant may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). Staff received a CHIRP ITP Application from the Applicant on May 12, 2022 requesting additional SAIL funds.

MULTIFAMILY BONDS

Consent

- e) On June 15, 2022, staff received a request from the Applicant to extend the firm loan commitment issuance deadline from June 29, 2022 to December 29, 2022 ([Exhibit C](#)) due to issues with the draft credit underwriting report that were not resolved in time for the report to be finalized by the June Board meeting deadline for submission.
- f) On July 22, 2022, staff received a final credit underwriting report with a positive recommendation for MMRN, SAIL, ELI, and NHTF funding ([Exhibit D](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA and the CHIRP ITP.
- g) Staff reviewed the authorizing resolutions ([Exhibit E](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Notes to finance this affordable housing Development within the State of Florida. Staff request approval for the execution of the resolutions.

2. **Recommendation**

- a) Approve the final credit underwriting report, authorizing resolutions, firm loan commitment issuance deadline extension and direct staff to proceed with issuance of a firm commitment and closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval of the Credit Underwriting Report, Authorizing Resolutions, and Removal of Co-Developer for Stadium Towers (RFA 2020-205 / 2021-245BS / 2020-534C)

Development Name: Stadium Towers	Location: Miami-Dade County
Applicant/Borrower: Stadium Tower Apartments LLC	Set-Aside(s): 40% @ 60% AMI (MMRB) 51.007% @ 70% AMI (SAIL & 4% HC) 28.188% @ 60% AMI (SAIL & 4% HC) 5.369% @ 40% AMI (SAIL & 4% HC) 15.436% @ 30% AMI (SAIL, ELI, & 4% HC)
Developer/Principal: RS Development Corp. / Lewis Swezy	Demographic/Number of Units: Family / 149
Requested Amounts: \$23,500,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,321,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$2,070,700 Housing Credits (4% HC)	Development Category/Type: New Construction / High Rise

1. Background/Present Situation

- a) On October 15, 2020, Florida Housing issued a Request for Applications (RFA) 2020-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt MMRB Financing and Non-Competitive Housing Credits.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 18, 2021, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on June 23, 2021. The acceptance was acknowledged on June 25, 2021.
- d) On June 17, 2022, the Board approved extending the firm loan commitment issuance deadline from June 25, 2022 to December 26, 2022.
- e) On July 27, 2022, staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL, and ELI funding ([Exhibit F](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.
- f) Staff reviewed the authorizing resolutions ([Exhibit G](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Notes to finance this affordable housing Development within the State of Florida. Staff request approval for the execution of the resolutions.

MULTIFAMILY BONDS

Consent

- g) On July 14, 2022, staff received a request to remove Lewis V. Swezy as the Co-Developer. Lewis V. Swezy is the sole principal of the remaining Co-Developer, RS Development Corp. Therefore, the principal providing the developer experience remains with the Development.

2. Recommendation

- a) Approve the final credit underwriting report, authorizing resolutions, and removal of Co-Developer and direct staff to proceed with issuance of a firm commitment and 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 Bond/Note Sale Recommendation from Florida Housing’s Independent Registered Municipal Advisor and Assignment of a Recommended Professional Background

1. Background

- a) Pursuant to staff’s request for approval to issue bonds/notes to finance the construction, and acquisition/rehabilitation 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 methods of sale. Brief descriptions of the Developments are detailed below, along with staff’s recommendations.
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 methods of bond/note sale for the developments. Caine Miter and Associates Incorporated has prepared an analysis and recommendation for the method of bond/note sale for the Developments. The recommendation letters are attached as Exhibit H through J.

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 recommendations for the methods of bond/note sale, as shown in the chart below, for the proposed Developments.

Table with 6 columns: Development Name, Location of Development, Number of Units, Method of Bond Sale, Recommended Professional, Exhibit. Rows include Brittany Bay Apartments I, Arbor Park, and Stadium Towers.

MULTIFAMILY BONDS

Consent

E. Request Approval of the Credit Underwriting Update Letter to Increase the MMRB Amount, Amended Authorizing Resolutions for Brownsville Transit Village V (RFA 2019-102 / 2020-023BD / 2019-570C)

Development Name: Brownsville Transit Village V	Location: Miami-Dade County
Applicant/Borrower: Brownsville Village V, Ltd.	Set-Aside(s): 40% @ 60% AMI (MMRB) 16.667% @ 30% AMI (CDBG-DR & 4% HC) 58.333% @ 60% AMI (CDBG-DR & 4% HC) 25.000% @ 80% AMI (CDBG-DR & 4% HC)
Developer/Principal: APC Brownsville Village V Development / Kenneth Naylor	Demographic/Number of Units: Workforce / 120 Units
Requested Amounts: \$17,370,000 Multifamily Mortgage Revenue Bonds (MMRB) \$3,900,000 Community Development Block Grant – Disaster Recovery (CDBG-DR) \$2,250,000 CDBG-DR Viability \$1,667,243 Housing Credits (4% HC)	Development Category/Type: New Construction / High Rise

1. Background/Present Situation

- a) On July 30, 2019, Florida Housing issued a Request for Applications (RFA) 2019-102 for Community Development Block Grant – Disaster Recovery (CDBG-DR) to be Used in Conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities.
- b) Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on April 27, 2020. The acceptance was acknowledged on May 4, 2020.
- c) On January 21, 2022, the Board approved the credit underwriting report and directed staff to proceed with closing activities.
- d) On June 1, 2022, staff received correspondence from the Borrower requesting to increase the MMRB amount from the previously approved amount of \$16,510,000 to \$17,370,000 due to increase in interest rates and construction cost. On July 26, 2022, staff received a credit underwriting update letter with a positive recommendation for approval of the proposed change ([Exhibit K](#)).
- e) Staff reviewed the amended authorizing resolutions ([Exhibit L](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

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

MULTIFAMILY BONDS

Consent

F. Request Approval of the Credit Underwriting Update Letter and Amended Authorizing Resolutions for Arbours at Quincy (RFA 2019-116 / 2020-419BS / 2019-569C / 2022 CHIRP ITP)

Development Name: Arbours at Quincy	Location: Gadsden County
Applicant/Borrower: Arbours at Quincy, LLC	Set-Aside(s): 100% @ 60% AMI (MMRB & 4% HC) 90% @ 60% AMI (SAIL) 10% @ 33% AMI (SAIL & ELI)
Developer/Principal: Arbour Valley Development, LLC / Samuel Johnston	Demographic/Number of Units: Family / 80 Units
Requested Amounts: \$13,400,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,312,000 State Apartment Incentive Loan (SAIL) \$2,711,957 Construction Housing Inflation Response Program (CHIRP) \$600,000 Extremely Low Income (ELI) \$1,222,393 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On November 6, 2019, Florida Housing issued a Request for Applications (RFA) 2019-116 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on July 20, 2020. The acceptance was acknowledged on July 20, 2020.
- c) On December 10, 2021, the Board approved the credit underwriting report and directed staff to proceed with closing activities.
- d) On May 5, 2022, staff received correspondence from the Borrower requesting to increase the MMRB amount from the previously approved of \$11,700,000 to \$13,400,000 in order to satisfy the 50% test requirement, as there has been cost increases within the budget.
- e) On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). Staff received a CHIRP ITP Application from the Applicant on May 10, 2022 requesting additional SAIL funds.
- f) On July 28, 2022, staff received a credit underwriting update letter with a positive recommendation for approval of the proposed increases to MMRB and SAIL funding amounts ([Exhibit M](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA and the CHIRP ITP.

MULTIFAMILY BONDS

Consent

- g) Staff reviewed the amended authorizing resolutions ([Exhibit N](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

2. Recommendation

- a) Approve the credit underwriting update letter and amended authorizing resolutions and direct staff to proceed with closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

G. Request Approval of the Transfer of Ownership for Andrews Place (2003 Series M / 2003-511C / Guarantee / HUD Risk Sharing)

Development Name: Andrews Place	Location: Bay County
Applicant/Borrower: Hallmark Andrews Place I, LLC	Set-Asides: 85% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developers/Principals: The Hallmark Companies, Inc./ Martin H. Petersen	Demographic/Number of Units: Family / 200
Requested Amounts: \$9,660,000 Multifamily Mortgage Revenue Bond (MMRB) \$616,406 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background

- a) Florida Housing financed the above referenced Development in 2003 with \$9,660,000 in tax exempt MMRB designated as 2003 Series M. The Bonds were credit enhanced by the Florida Affordable Housing Guarantee Fund Program (GP) and HUD Risk Sharing. In addition, \$616,406 in 4% Housing Credits was allocated to this Development. The Bonds were redeemed in December 2014 effectively terminating the mortgage loan guaranty issued by the GP and its associated financial risk to FHFC.

2. Present Situation

- a) Hallmark Andrews Place I, LLC has requested Florida Housing's consent to the transfer of the Development to RFM-ESG Andrews Place LLC, which is an affiliated entity of The Related Companies, L.P., and subordination of the MMRB Land Use Restriction Agreement (LURA) and the Extended Low-Income Housing Agreement (ELIHA). Seltzer Management Group, Inc., has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption, and subordination of the MMRB LURA and ELIHA to the new first mortgage provided by Berkadia under the Fannie Mae DUS Loan program ([Exhibit O](#)).

3. Recommendation

- a) Approve the transfer of ownership, the assignment and 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 PROGRAMS

Consent

I. MULTIFAMILY PROGRAMS

A. Request Approval to add a Co-Developer for Valor Preserve at Lake Seminole (RFA 2020-106 / 2020-453CS / 2021-340CS)

Development Name: Valor Preserve at Lake Seminole	Location: Pinellas County
Applicant/Borrower: Valor Preserve, LLLP	Set-Asides: 15% at 33% AMI and 85% at 60% AMI
Developer/Principal: Norstar Development USA, LP /Neil Brown; Pinellas Property Management Company, Inc. / Regina Booker	Demographic/Number of Units: Persons with a Disabling Condition / 64 units
Requested Amounts: \$1,700,000 Housing Credits (9% HC); \$3,729,600 State Apartment Incentive Loan (SAIL); \$270,400 Extremely Low Income (ELI)	Development Category/Type: New Construction / Garden

1. Background/Present Situation

- a) Valor Preserve, LLLP (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2020-106 for Financing for the Development of Housing for Persons with a Disabling Condition or Developmental Disabilities. The Housing Credit and SAIL Loan funds are being utilized to finance the construction of a 64-unit affordable housing development for Persons with a Disabling Condition in Pinellas County, Florida.
- b) On July 9, 2020, staff issued an invitation to the Applicant to enter credit underwriting. On December 18, 2020, staff executed a 2020 Carryover Allocation Agreement. On June 10, 2021, staff received a final credit underwriting report with a positive recommendation for funding and the Board approved the credit underwriting report on June 18, 2021. Staff issued a firm commitment to Applicant on June 21, 2021. On September 10, 2021, the Board approved an extension of the SAIL/ELI closing deadline to January 17, 2022. On December 10, 2021, the Board approved a change to the Developer’s Principals and an exchange of credits and staff executed a 2021 Carryover Allocation Agreement on December 21, 2021. Furthermore, on January 21, 2022, the Board approved the Rule waiver for an additional extension of the SAIL/ELI closing deadline to July 17, 2022 and on June 17, 2022, the Board approved the second Rule waiver to extend SAIL/ELI closing deadline from to January 17, 2023.
- c) Most recently, on June 20, 2022, the Applicant applied for additional NHTF/HOME funding through the Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). The credit underwriting report will be updated to size the additional funding and will be presented to the Board for approval upon receipt by staff of a positive recommendation by the underwriter.

MULTIFAMILY PROGRAMS

Consent

- d) On May 31, 2022, staff received an additional request from the Applicant to add Newstar Development, LLC (“Newstar”) as a co-Developer. Newstar is an entity formed by an existing co-Developer for this Development, Norstar Development USA, LP, and its current leadership in Florida, Brian Evjen and Justin Corder. The request letter and current and proposed Principal Disclosure Forms for the co-Developer are provided as [Exhibit A](#). The addition of the co-Developer will be further vetted and outlined in the update to the credit underwriting report.
- 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. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal.
- f) The May 31st request also included a request to change the Development Type. The Board originally approved a Development Type change from Garden to Quadraplexes on October 16, 2020 and the current request would allow the Development to revert back to the original Development Type of Garden. Staff has approved this request.
- g) Staff has reviewed this request and finds that the Development meets all applicable requirements of the RFA.

2. **Recommendation**

- a) Approve the request to allow for the addition of a co-Developer as described above.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Credit Underwriting Report for Southwest Hammocks (RFA 2021-106 / 2021-304CS / 2022 CHIRP ITP)

Development Name: Southwest Hammocks	Location: Broward County
Applicant/Borrower: Southwest Hammocks, LLLP	Set-Asides: 15% @ 25% AMI (SAIL, ELI & 9% HC) 85% @ 60% AMI (SAIL & 9% HC)
Developer/Principal: Carrfour Supportive Housing, Inc./Stephanie Berman	Demographic/Number of Units: Persons with a Disabling Condition/100 units
Requested Amounts: \$3,402,400 State Apartment Incentive Loan (SAIL) \$4,300,000 Construction Housing Inflation Response Program (CHIRP) \$597,600 Extremely Low Income (ELI) \$2,882,000 Housing Credits (9% HC)	Development Category/Type: New Construction/Garden Apartments

1. **Background/Present Situation**

- a) On February 9, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-106 for Financing for the Development of Housing for Persons with a Disabling Condition or Developmental Disabilities.
- b) On April 30, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 7, 2021, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 14, 2021, giving them a firm loan commitment issuance deadline of May 14, 2022. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On April 29, 2022, the Board approved a request from the Applicant to extend the firm loan commitment issuance deadline from May 14, 2022, to November 14, 2022.
- e) On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). Staff received a CHIRP ITP Application from the Applicant on May 11, 2022.
- f) On July 27, 2022, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA and the CHIRP ITP.

2. **Recommendation**

- a) 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 The Lodge (RFA 2021-105/2021-307G)

Development Name: The Lodge	Location: Duval County
Applicant/Borrower: The Arc Jacksonville, Inc.	Set-Asides: 33.3% @ 30% AMI (Grant) 66.7% @ 60% AMI (Grant)
Developers/Principals: The Arc Jacksonville, Inc./ James Whittaker	Demographic/Number of Residents: Persons with Development Disabilities/ 6 Residents
Requested Amounts: \$488,150 Grant	Development Category/Type: New Construction/Community Residential Home (CRH)

1. **Background/Present Situation**

- a) On March 9, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-105 Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Development Disabilities.
- b) On June 18, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 25, 2021, staff issued a Letter of Preliminary Award and subsequently, on August 13, 2021, invitation to enter credit underwriting to the Borrower, giving them a firm commitment issuance deadline of August 15, 2022.
- d) On July 26, 2022, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA.

2. **Recommendation**

- a) 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 the RFA Waiver for Firm Loan Commitment Issuance Deadline Extension for New River Landing (RFA 2019-111 / 2020-075RN / RFA 2021-211 / 2022-229V)

Development Name: New River Landing	Location: Franklin County
Applicant/Borrower: MHP New River Landing LLC	Set-Asides: 10% @ 40% AMI (RRLP & ELI) 60% @ 60% AMI (RRLP) 6.67% @ 22% AMI (NHTF)
Developers/Principals: MHP New River Landing Developer, LLC/Christopher Shear	Demographic/Number of Units: Family/30 units
Requested Amounts: \$4,988,724 Rental Recovery Loan Program (RRLP) \$131,100 Extremely Low Income (ELI) \$520,000 National Housing Trust Fund (NHTF) \$1,200,000 Development Viability Loan Funding (Viability Loan)	Development Category/Type: New Construction/Single Family

1. Background/Present Situation

- a) On August 1, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-111 for Rental Recovery Loan Program (RRLP).
- b) On December 13, 2019, 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 6, 2020, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Applicant on March 11, 2020, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 12, 2020, giving it a firm loan commitment issuance deadline of March 12, 2021. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On March 12, 2021, the Board approved the request to extend the firm loan commitment issuance deadline from March 12, 2021 to September 12, 2021. On September 10, 2021, the Board approved a RFA Waiver request from the Borrower to extend the firm loan commitment issuance deadline from September 12, 2021 to March 14, 2022.
- e) On October 12, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-211 for Development Viability Loan Funding to assist Applicants that have received a recent award since 2017 but have not yet started construction or rehabilitation of their proposed Development and are experiencing a financing gap for their Active Award.

MULTIFAMILY PROGRAMS

Consent

- f) On December 10, 2021, the Board approved the final scores and recommendations for RFA 2021-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a Notice of Preliminary Award to the Applicant on December 15, 2021.
- g) On March 4, 2022, the Board approved the RFA Waiver request for additional NHTF Funding and the RFA Waiver request for an additional extension to extend the firm loan commitment issuance deadline from March 14, 2022, to September 14, 2022.
- h) On July 8, 2022, staff received a third RFA Waiver request from the Borrower for an additional extension to extend the firm loan commitment issuance deadline from September 14, 2022, to March 14, 2023 ([Exhibit D](#)). Since the initial extension approval, the Applicant has continued to experience challenges with continuing escalation in interest rates, construction costs and severe shortage of labor within the rural region. Despite the challenges the developer has devised a path forward to complete the credit underwriting process required for the issuance of a firm commitment. Per the RFA, if the Applicant has not received a firm loan commitment by the extended deadline, then the preliminary commitment shall be withdrawn. Since the one extension allowed per the RFA has been approved by the Board, the additional extension request requires a RFA Waiver.

2. **Recommendation**

- a) Approve the RFA Waiver request for a firm loan commitment issuance deadline extension from September 14, 2022, to March 14, 2023.

MULTIFAMILY PROGRAMS

Consent

E. Request Approval of Applicant Entity Organizational Structure Change for Metro Grande III (RFA 2019-102/ RFA 2019-111 / 2020-041R / 2019-553C)

Development Name: Metro Grande III	Location: Miami-Dade County
Applicant/Borrower: Metro Grande III Associates, Ltd.	Set-Aside(s): 33.333% @ 30% AMI (RRLP & 4% HC) 7.143% @ 60% AMI (RRLP & 4% HC) 39.286% @ 70% AMI (RRLP, 4% HC, Workforce) 20.238% @ 80% AMI (RRLP, 4% HC, Workforce)
Developer/Principal: Cornerstone Group Partners, LLC / Mara S. Mades	Demographic/Number of Units: Workforce/84 units
Requested Amounts: \$3,175,000 Rental Recovery Loan Program (RRLP) \$1,521,087 Housing Credits (4% HC)	Development Category/Type: New Construction/High-Rise

1. Background/Present Situation

- a) Florida Housing awarded funding for the above referenced Development from RFA 2019-102 Community Development Block Grant-Disaster Recovery (CDBG-DR) To Be Used In Conjunction With Tax-Exempt MMRB And Non-Competitive Housing Credits In Counties Deemed Hurricane Recovery Priorities. However, due to the Development not achieving compliance with HUD environmental requirements as required for the CDBG-DR funding, the Applicant returned the CDBG-DR funding in exchange for RRLP funding \$3,175,000 RRLP and an allocation of 4% HC of \$1,521,087. The RRLP and 4% HC funding closed on May 27, 2022.
- b) On June 22, 2022, Florida Housing received a letter from the Applicant requesting to make changes to the Applicant organizational structure. The request letter and current and proposed Organizational Charts for the Applicant are provided as [Exhibit E](#).
- c) Regarding the Applicant Structure, the Applicant proposes to replace "Mara S. Mades" as the 25% member of Metro Grande III, LLC, the General Partner of the Applicant with MSM Interest, LLC. The manager of MSM Interest LLC is Mara S. Mades and the members are: (1) the Mara S. Mades Revocable Trust (60%) and (2) the Mades Family Trust (40%). The trustee of the Mara S. Mades Revocable Trust and the beneficiary is Mara Mades, while she is living, and, upon her death, will pass to her son, Jackson Robert Mades. The trustee of the Mades Family Trust is Jodie Susan Bakes and the beneficiary is Jackson Robert Mades. These non-material changes are being made for estate planning purposes and will have no effect on the management, operation or control of the principals.

MULTIFAMILY PROGRAMS

Consent

- d) Per the RFA, after loan closing, (a) any material change will require review and approval of the Credit Underwriter, as well as approval of the Board prior to the change, and (b) any non-material change will require review and approval of the Corporation, as well as approval of the Board prior to the change. Staff has reviewed this request and finds that the development meets all requirements of the RFA.

2. **Recommendation**

- a) Approve the request to make an immaterial change to the Applicant organizational structure after loan closing as described above.

MULTIFAMILY PROGRAMS

Consent

F. Request Approval of Applicant Entity Structure Change for Solaris Apartments (RFA 2019-102/2020-039D/2019-561C)

Development Name: Solaris Apartments	Location: Broward County
Applicant/Borrower: Solaris Apartments, Ltd.	Set-Asides: 12 Units @ 30% AMI; 32 Units @ 60% AMI; 34 Units at 70% AMI
Developer/Principal: Cornerstone Group Partners, LLC / Mara S. Mades Residential Options of Florida, Inc. / Sheryl Soukup	Demographic/Number of Units: Family/78
Requested Amounts: CDBG: \$7,920,000 4% HC: \$1,358,343	Development Category/Type: New Construction / High-Rise

1. Background/Present Situation

- a) Solaris Apartments, Ltd. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2019-102 for Community Development Block Grant – Disaster Recovery To Be Used In Conjunction With Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities. The funds are being utilized to finance the new construction of a 78-unit Family/Workforce development in Broward County. On April 23, 2020, Federal Loan staff issued an invitation to the Applicant to enter credit underwriting. The Credit Underwriting Report was finalized on November 30, 2021 with a positive recommendation for the issuance of a Community Development Block Grant – Disaster Relief loan in the amount of \$7,920,000 and an annual 4% HC allocation in the amount of \$1,358,343. The Board approved the CUR on December 10, 2021 and staff issued a firm loan commitment on the same day. The CBDG-DR loan closed on December 22, 2021.
- b) On June 22, 2022, Florida Housing received a letter from the Applicant requesting to make changes to the Applicant organizational structure. The request letter and current and proposed Principal Disclosure Forms for the Applicant are provided as [Exhibit F](#).
- c) Under the proposed change, MSM Interests, LLC replaces Mara S. Mades as the 25% member of Cornerstone Solaris, LLC, the General Partner of the Applicant. The Manager of MSM Interests, LLC will be Mara S. Mades and the Members will be Mara S. Mades Revocable Trust (Trustee/Beneficiary: Mara S. Mades) and The Mades Family Trust (Trustee/Beneficiary: Jodie S. Bakes & Jackson R. Mades).
- d) Per the RFA, the Applicant entity, and if applicable, Land Owner entity, shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until after loan closing. After loan closing, (a) any material change will require review and approval of the Credit Underwriter, as well as approval of the Board prior to the change, and (b) any non-material change will require review and approval of the Corporation, as well as approval of the Board prior to the change.

MULTIFAMILY PROGRAMS

Consent

- e) Staff has reviewed this request and finds that the development meets all other requirements of the RFA and Rule Chapter 67-21, F.A.C.

2. **Recommendation**

- a) Approve the request to make an immaterial change to the Applicant organizational structure after loan closing as described above.

MULTIFAMILY PROGRAMS

Consent

G. Request Approval of Credit Underwriting Update Letter for Transfer of Ownership Interests for Southport Financial Services, Inc.

1. Background/Present Situation

- a) On November 18, 2021, staff received a request from Southport Financial Services, Inc. (Southport) requesting FHFC's approval for the transfer of ownership interests of 25 developments to Standard Property Company, Inc. (Standard), an affiliate of Standard Equity Holdings LP, and/or its affiliates. The 25 properties are part of Southport's portfolio and were originally funded from various FHFC funding sources between 1999 and 2019. On February 23, 2022 Seltzer Management Group, Inc. provided a positive recommendation for the transfer of ownership and the request was approved at the March 4, 2022 FHFC Board meeting.
- b) On July 5, 2022 staff received a request to modify the ownership structures for 16 of the 25 properties being transferred. Standard will no longer purchase the general partnership or managing member interest, as applicable, in each of the 16 developments, which originally anticipated removing all Southport affiliates or principals from the ownership structure. The ownership structures of the remaining 9 properties approved at the March 4, 2022 Board meeting remain as originally approved. Under the proposed structure, the existing general partner or managing member of each owner entity will be replaced by a newly created limited liability company as the new general partner or managing member. The sole member and manager of each new general partner or managing member will be Standard Southport Portfolio LLC and its managing member will be Standard Southport Portfolio Manager LLC, which is an affiliated entity of Standard, and will have full managing power of all day-to-day and business decisions. The requested changes to the organizational structure will allow new management agents to be put in place at all the properties allowing Standard to step in and oversee the asset management of the properties. Standard has developed a comprehensive capital expenditure and operational plan to ensure that the individual properties are operated safely and efficiently and plans to address over \$8 million of capital items with work expected to commence immediately after closing and take approximately 24 months to complete. Staff has received a credit underwriting update letter from Seltzer Management with a positive recommendation for the proposed changes to the organizational structure ([Exhibit G](#)).

2. Recommendation

- a) Approve the credit underwriting update letter and direct staff to proceed with loan document modification activities as applicable; all subject to the conditions outlined in the credit underwriting report and update letter, with further approvals and verifications by the Credit Underwriter, Bond counsel, Special Counsel and appropriate FHFC staff.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

I. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval PLP Loan for M.L.J. Land Trust, Inc., a not-for-profit entity, for The Grove in Leesburg (2021-009P-09)

DEVELOPMENT NAME (“Development”):	The Grove in Leesburg
APPLICANT/DEVELOPER (“Developer”):	M.L.J. Land Trust, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	6 homeownership units
LOCATION (“County”):	Lake County
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI, 50% @ 120% AMI
PLP LOAN AMOUNT:	\$278,000
ADDITIONAL COMMENTS:	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On June 28, 2021, the Developer submitted a PLP application for The Grove in Leesburg.
- c) On August 17, 2021, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On July 18, 2022, staff received a development plan and a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$278,000.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$278,000 to M.L.J Land Trust, Inc. for The Grove in Leesburg and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan Maturity Extension for Saving Mercy Corporation, a not-for-profit entity, for Saving Mercy (2018-001P-09)

DEVELOPMENT NAME (“Development”):	Saving Mercy
APPLICANT/DEVELOPER (“Developer”):	Saving Mercy Corporation
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	30 Rental
LOCATION (“County”):	Marion
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS: Development formerly known as Mercy Oaks Phase I.	

1. Background

- a) On July 27, 2018, the Board approved a PLP loan in the amount of \$500,000 for Saving Mercy.
- b) On November 20, 2019, the Developer closed on the PLP loan. To date, \$174,503.62 has been drawn on the loan.

2. Present Situation

- a) On July 19, 2022, staff received a letter ([Exhibit B](#)) from our technical assistance provider (TAP) and the developer requesting approval of a one-year extension to the maturity date on the PLP Loan. The new maturity date would be November 20, 2023.
- b) Staff has reviewed the request and believe the request for the maturity extension is warranted.

3. Recommendation

- a) Approve the one-year extension to the maturity date of the PLP Loan to Saving Mercy Corporation for Saving Mercy and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of Loan Maturity Extension for West Augustine Historical CDC, a not-for-profit entity, for Villages of New Augustine (2017-003P-09)

DEVELOPMENT NAME (“Development”):	Villages of New Augustine
APPLICANT/DEVELOPER (“Developer”):	West Augustine Historical CDC
CO-DEVELOPER:	Ability Housing
NUMBER OF UNITS:	60 Rental
LOCATION (“County”):	St. Johns
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$724,350
ADDITIONAL COMMENTS:	

1. Background

- a) On September 22, 2017, the Board approved a loan to the Developer in the amount of \$724,350.
- b) On October 23, 2018, the Applicant closed on the PLP loan. To date, \$359,205.87 has been drawn on the loan.
- c) On September 10, 2021, the Board approved a one-year extension to the maturity date. The new maturity date was October 23, 2022.

2. Present Situation

- a) On July 15, 2022, Florida Housing received a letter and revised development plan from the assigned technical assistance provider (TAP) and a letter from the developer ([Exhibit C](#)) requesting a one-year extension to the maturity date for this PLP Loan. The new maturity date will be October 23, 2023. The developer has applied for construction financing through Florida Housing but has not been successful.
- b) The developer has applied for construction financing through Florida Housing and is in the process of credit underwriting. Staff has reviewed the recommendation and the revised development plan and feel the one-year maturity extension is warranted.

3. Recommendation

- a) Approve the one-year loan maturity extension to West Augustine Historical CDC for Villages of New Augustine and allow staff to commence with amending the loan closing documents.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of Revised Development Plan and Budget for Casa Familia Inc., a not-for-profit entity, for Casa Familia (2017-011P-09)

DEVELOPMENT NAME (“Development”):	Casa Familia
APPLICANT/DEVELOPER (“Developer”):	Casa Familia, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	50 Rental
LOCATION (“County”):	Miami-Dade
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS: Original PLP loan approval was for \$750,000. The loan amount has been reduced to remove cost of land acquisition.	

1. Background

- a) On January 26, 2018, the Board approved a loan to the Developer in the amount of \$500,000.
- b) On November 15, 2018, the Applicant closed on the PLP loan. To date, \$500,000 has been drawn on the loan.
- c) On September 10, 2021, the Board approved a one-year extension to the maturity date. The new maturity date was November 15, 2022.

2. Present Situation

- a) On July 18, 2022, Florida Housing received a letter and revised development plan from the assigned Technical assistance provider (TAP) and a letter from the developer ([Exhibit D](#)) requesting a one-year extension to the maturity date for this PLP Loan. The new maturity date will be November 15, 2023. The developer has been awarded funding for construction financing through Florida Housing and is in the credit underwriting process.
- b) Staff has reviewed the recommendation and the revised development plan and feel the one-year maturity extension is warranted.

3. Recommendation

- a) Approve the one-year loan maturity extension to Casa Familia, Inc. for Casa Familia and allow staff to commence with amending the loan closing documents.

SPECIAL ASSETS

Consent

I. SPECIAL ASSETS

A. Request Approval of the Transfer of Ownership, Loan Assumption, and Release and Replacement of Guarantors for Oak Meadows Limited Partnership, a Florida Limited Partnership, for Oak Meadows Apartments (2006-310HR/2008-506C)

Development Name: Oak Meadows Apartments (“Development”)	Location: Brevard County
Developer/Principal: Beneficial, LLC (“Developer”)/ Oak Meadows Limited Partnership (“Borrower”)	Set-Aside: RRLP, Sup. & HC 25%@35%, 75%@60% - first 20 years; RRLP, Sup. & HC 100%@60% -remaining 30 years AMI LURA 50 years; Sup. 50 years; EUA 50 years
Number of Units: 120	Allocated Amount: RRLP \$8,000,000; Supplemental \$2,070,000; HC \$770,927
Demographics: Family	Servicer: AmeriNat, LLC

1. Background

- a) During the 2006 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a loan from the Rental Recovery Loan Program (“RRLP”) in the amount of \$8,000,000 and a Supplemental loan in the amount of \$2,070,000 to Oak Meadows Limited Partnership (“Borrower”), a Florida limited partnership, for the development of a 120-unit property in Brevard County, Florida. The RRLP loan matures on July 1, 2040. The Supplemental loan matures on December 20, 2027, with an automatic extension to December 20, 2057. The Development also received a 2008 allocation of low-income housing tax credits (“HC”) of \$770,927.

2. Present Situation

- a) The Borrower requests consent from the Board to transfer the ownership of the Development from Oak Meadows Limited Partnership to OHC/Little Elm, Ltd., a Dominion affiliate (OHC), and the assumption of the RRLP loan documents and the Extended Low-Income Housing Agreement (ELIHA).
- b) The Borrower also requests that Dominion Holdings I, LLC and Dominion Holdings II, LLC be replacement guarantors. FHFC will require any other principals and/or entities, as deemed necessary.
- c) Staff received a credit underwriting report ([Exhibit A](#)) from AmeriNat with a positive recommendation for approval of the transfer of ownership, assumption of RRLP loan documents, and the ELIHA, and the replacement of guarantors.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the transfer of ownership, assumption of RRLP loan documents and ELIHA, and the 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.