

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

May 21, 2004

Consent Items



HOME RENTAL

Consent

I. HOME RENTAL

A. Request Extension to close HOME Loan for Villa Seton, Inc. (2003-008H)

Development Name:	Villa Seton, Inc.
Developer/Principal:	Catholic Charities of the Diocese of Palm Beach
Number of Units: 50	Location: Port St. Lucie, St. Lucie County
Type: New Construction No Demographic Targeting	Set Aside: 100% @ 50% AMI (49 total HOME Set-Aside Units)
Allocated Amount: \$1,205,650	Additional Comments:

1. Background/Present Situation

- a) On June 20, 2003, the Board approved the final scores and ranking for the 2003 HOME Rental Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On July 3, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a HOME loan in an amount up to \$1,474,268 for this 50-unit family development in St. Lucie County. This HOME loan will be secured by a second mortgage on the property.
- c) On November 20, 2003, staff received a credit underwriting report with the decrease in funding from \$1,474,268 to \$1,205,650 in order to balance the sources and uses of funds schedule.
- d) On December 12, 2003, the Board approved the final credit underwriting report and directed staff to proceed with loan closing activities.
- e) On December 16, 2003, staff issued a firm commitment letter for a HOME loan in an amount up to \$1,205,650. Pursuant to Rule 67-48, the loan must close within 60 days of issuance of the firm commitment letter. Due to delays involving HUD's approval of the loan documents, the Applicant failed to close the HOME loan by the deadline of February 16, 2004.
- f) On April 5, 2004, staff received Applicant's request for an extension to close the HOME loan ([Exhibit A](#)).

2. Recommendation

Staff recommends approval of a 60-day loan closing extension.

HOMEOWNERSHIP LOAN PROGRAM

Consent

II. HOMEOWNERSHIP LOAN PROGRAM

A. Request for Approval of the Analytical Review for Vista Lago/HH03-011

Applicant Name (“Applicant”):	U.S. Development of Orlando, Inc.
Development Name (“Development”):	Vista Lago
Developer/Principal (“Developer”):	Barry Watson
Number of Units: 38	Location: Orange County
Type: HOME Purchase Assistance Loan	Allocated Amount: \$760,000

1. Background

- a) The Applicant submitted an application during Round Two of the 2003 Homeownership Loan Program Cycle.
- b) On February 24, 2004, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to the Applicant for a HOME Purchase Assistance Loan in the amount of \$1,000,000 to assist in the construction of 50 homes in Orange County.

2. Present Situation

- a) The credit underwriter provided Staff with an Analytical Review outlining the parameters of the Development. The Analytical Review is attached as [Exhibit A](#).
- b) The Developer has already constructed and sold 12 of the homes; therefore, the review is based upon the remaining 38 units, with the HOME funding request reduced proportionately to \$760,000.
- c) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$760,000 for a HOME Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$760,000 to the Developer for a HOME Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

B. Request for Approval of the Analytical Review for Palm Point/HH03-010

Applicant Name (“Applicant”):	U.S. Development of Orlando, Inc.
Development Name (“Development”):	Palm Point
Developer/Principal (“Developer”):	Barry Watson
Number of Units: 62	Location: Seminole County
Type: HOME Purchase Assistance Loan	Allocated Amount: \$1,240,000

1. Background

- a) The Applicant submitted an application during Round Two of the 2003 Homeownership Loan Program Cycle.
- b) On February 2, 2004, Florida Housing issued an invitation into credit underwriting and a preliminary commitment letter to the Applicant for a HOME Purchase Assistance Loan in the amount of \$1,240,000 to assist in the construction of 62 homes in Seminole County.

2. Present Situation

- a) The credit underwriter provided Staff with an Analytical Review outlining the parameters of the Development. The Analytical Review is attached as [Exhibit B.](#)
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$1,240,000 for a HOME Purchase Assistance Loan.

3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$1,240,000 to the Developer for a HOME Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

LEGAL

Consent

III. LEGAL

A. In Re: SHA Associates, Ltd. – Case No. 2003-0005

Development Name: (“Development”):	Spring Haven Apartments (2002-135BS)
Developer/Principal: (“Petitioner”):	Richman Group of Florida, Inc./SHA Associates, Ltd.
Number of Units: 176	Location: Hernando County
Type: New Construction/Garden Apartments	Set Aside %: 40@60 AMI
Demographics: Family	Allocated Amount: \$1,500,000 SAIL

1. Background

- a) During the 2002 Universal Cycle, Florida Housing awarded an allocation of SAIL funds to the Petitioner. On April 13, 2004, Florida Housing received a Petition for Variance from Rule 67-48.010(4)(a), F.A.C. (“Petition”) from the Petitioner through their counsel, Maureen Daughton, Esq. A copy of the Petition is attached as [Exhibit A](#).
- b) Rule 67-48.010, Florida Administrative Code, states in pertinent part:

(4) The loans described in paragraphs 67-48010(3)(a), and (b), F.A.C., above shall be repaid from all Development Cash Flow, and of the SAIL loan is not a first mortgage loan, each year, subject to the provisions of paragraph (6) below, Development Cash Flow shall be applied to pay the following items in order of priority:

(a) First mortgage fees and debt service; ***
- c) The Petitioner requests a variance from this Rule to subordinate the SAIL loan in terms of both lien priority and in the payment schedule. This Board had previously approved subordination of the lien priority at its May 2, 2003 and June 20, 2003 meetings, but due to the language of the current Rule a variance is also required to subordinate the payment structure. The Petitioner requests that the priority of payments on the SAIL loan be explicitly subordinated to the first and second mortgage lenders to maintain consistency with the approved SAIL loan lien priority.
- d) On April 30, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Petition.

2. Present Situation

- a) 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.

LEGAL

Consent

3. Recommendation

Staff recommends that the Board grant the Petitioner's request for a waiver of Rule 67-48.010(4)(a), F.A.C., only to the extent requested in the Petition as to the priority of payment of the SAIL loan.

LEGAL

Consent

B. In Re: Hunter's Run, L.L.C. - Case No. 2003-0006

Development Name: ("Development"):	Morgan Creek Apartments (f/k/a Pebble Creek Apartments) 2003-054S
Developer/Principal: ("Petitioner"):	Richman Group of Florida, Inc./Hunter's Run, L.L.C.
Number of Units: 336	Location: Hillsborough County
Type: New Construction/Garden Apartments	Set Aside %: 20@50 AMI
Demographics: Family	Allocated Amount: \$2,000,000 SAIL

1. Background

- a) During the 2003 Cycle, Florida Housing awarded an allocation of SAIL funds to the Petitioner. On April 13, 2004, Florida Housing received a Petition for Variance from Rule 67-48.010(4)(a), F.A.C. ("Petition") from the Petitioner through their counsel, Maureen Daughton, Esq. A copy of the Petition is attached as [Exhibit B](#).
- b) Rule 67-48.010, Florida Administrative Code, states in pertinent part:
- (4) The loans described in paragraphs 67-48010(3)(a), and (b), F.A.C., above shall be repaid from all Development Cash Flow, and of the SAIL loan is not a first mortgage loan, each year, subject to the provisions of paragraph (6) below, Development Cash Flow shall be applied to pay the following items in order of priority:
- (a) First mortgage fees and debt service; ***
- c) The Petitioner requests a variance from this Rule to subordinate the SAIL loan in terms of both lien priority and in the payment schedule. This Board had previously approved subordination of the lien priority at its April 2, 2004 meeting, but due to the language of the current Rule a variance is also required to subordinate the payment structure. The Petitioner requests that the priority of payments on the SAIL loan be explicitly subordinated to the first and second mortgage lenders to maintain consistency with the approved SAIL loan lien priority.
- d) On April 30, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Petition.

2. Present Situation

- a) 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.

LEGAL

Consent

3. Recommendation

- a) Staff recommends that the Board grant the Petitioner's request for a waiver of Rule 67-48.010(4)(a), F.A.C., only to the extent requested in the Petition as to the priority of payment of the SAIL loan.

LEGAL

Consent

C. In Re: Sawgrass Pines, L.L.C. – Case No. 2003-0007

Development Name: (“Development”):	Summer Lakes Apartments (2003-005S)
Developer/Principal: (“Petitioner”):	Richman Group of Florida, Inc./Sawgrass Pines, L.L.C.
Number of Units: 140	Location: Collier County
Type: New Construction/Garden Apartments	Set Aside %: 40@60 AMI
Demographics: Family	Allocated Amount: \$1,500,000 SAIL

1. Background

- a) During the 2003 Cycle, Florida Housing awarded an allocation of SAIL funds to the Petitioner. On April 13, 2004, Florida Housing received a Petition for Variance from Rule 67-48.010(4)(a), F.A.C. (“Petition”) from the Petitioner through their counsel, Maureen Daughton, Esq. A copy of the Petition is attached as [Exhibit C](#).
- b) Rule 67-48.010, Florida Administrative Code, states in pertinent part:
- (4) The loans described in paragraphs 67-48010(3)(a), and (b), F.A.C., above shall be repaid from all Development Cash Flow, and of the SAIL loan is not a first mortgage loan, each year, subject to the provisions of paragraph (6) below, Development Cash Flow shall be applied to pay the following items in order of priority:
- (a) First mortgage fees and debt service; ***
- c) The Petitioner requests a variance from this Rule to subordinate the SAIL loan in terms of both lien priority and in the payment schedule. This Board had previously approved subordination of the lien priority at its April 2, 2004 meeting, but due to the language of the current Rule a variance is also required to subordinate the payment structure. The Petitioner requests that the priority of payments on the SAIL loan be explicitly subordinated to the first and second mortgage lenders to maintain consistency with the approved SAIL loan lien priority.
- d) On April 30, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Petition.

2. Present Situation

- a) 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.

LEGAL

Consent

3. Recommendation

Staff recommends that the Board grant the Petitioner's request for a waiver of Rule 67-48.010(4)(a), F.A.C., only to the extent requested in the Petition as to the priority of payment of the SAIL loan.

LEGAL

Consent

D. Lakeshore Apartments, L.L.C. – Case No. 2003-0008

Development Name: (“Development”):	Lake Shore Apartments (2003-010BS)
Developer/Principal: (“Petitioner”):	Richman Group of Florida, Inc./Lakeshore Apartments, L.L.C.
Number of Units: 192	Location: Palm Beach County
Type: New Construction/Garden Apartments	Set Aside %: 40@60 AMI
Demographics: Family	Allocated Amount: \$2,000,000 SAIL

1. Background

- a) During the 2003 Cycle, Florida Housing awarded an allocation of SAIL funds to the Petitioner. On April 13, 2004, Florida Housing received a Petition for Variance from Rule 67-48.010(4)(a), F.A.C. (“Petition”) from the Petitioner through their counsel, Maureen Daughton, Esq. A copy of the Petition is attached as [Exhibit D](#).
- b) Rule 67-48.010, Florida Administrative Code, states in pertinent part:

(4) The loans described in paragraphs 67-48010(3)(a), and (b), F.A.C., above shall be repaid from all Development Cash Flow, and of the SAIL loan is not a first mortgage loan, each year, subject to the provisions of paragraph (6) below, Development Cash Flow shall be applied to pay the following items in order of priority:

(a) First mortgage fees and debt service; ***
- c) The Petitioner requests a variance from this Rule to subordinate the SAIL loan in terms of both lien priority and in the payment schedule. This Board had previously approved subordination of the lien priority at its April 2, 2004 meeting, but due to the language of the current Rule a variance is also required to subordinate the payment structure. The Petitioner requests that the priority of payments on the SAIL loan be explicitly subordinated to the first and second mortgage lenders to maintain consistency with the approved SAIL loan lien priority.
- d) On April 30, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Petition.

2. Present Situation

- a) On April 30, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has not received any comments concerning the Petition.

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.

LEGAL

Consent

3. Recommendation

Staff recommends that the board grant the Petitioner's request for a waiver of Rule 67-48.010(4)(a), F.A.C., only to the extent requested in the Petition as to the priority of payment of the SAIL loan.

MULTIFAMILY BONDS

Consent

IV. MULTIFAMILY BONDS

- A. Request Approval to allow a \$400,000 SHIP Loan as Subordinate Financing for the development known as Clipper Bay Apartments (“Development”), 276 Units, located in Tampa, Hillsborough County, Florida

DEVELOPMENT NAME (“Development”):	Clipper Bay
DEVELOPER/PRINCIPAL (“Developer”):	Clipper Bay Associates, Ltd., Cornerstone Group Development, LLC/ Jorge Lopez, Stuart Meyers, Leon Wolfe, & Mara Mades
NUMBER OF UNITS:	276
LOCATION (“County”):	Hillsborough
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	17% @ 50% AMI, 68% @ 60% AMI (MMRB & SAIL) 97.8% @ 60% AMI (HC)
ALLOCATED AMOUNT:	\$13,500,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: Subordinate Financing	

1. **Background**

On February 23, 2004, Florida Housing financed the construction of the Development with \$12,680,000 in tax-exempt bonds, designated as 2004 Series D.

2. **Present Situation**

- a) On April 26, 2004, Clipper Bay Associates, Ltd./Cornerstone, (“Developer”) submitted a request to Florida Housing ([Exhibit A](#)) to approve subordinate financing in the form of a SHIP loan in the amount of \$400,000. The loan will not accrue interest and payment of principal is deferred until note maturity which is the greater of fifteen (15) years or the term of the assistance.
- b) The credit underwriter has analyzed this request and recommends, in a letter dated April 28, 2004, that Florida Housing consent to the Developer’s request for additional financing. A copy of this recommendation is attached as [Exhibit B](#).

3. **Recommendation**

Approve the recommendation of the Credit Underwriter outlined in the letter dated April 28, 2004 subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

- B. Request Approval to amend the Land Use Restriction Agreement (“LURA”) for Heritage Pointe Apartments (“Development”), 1999 Series I in the amount of \$13,595,000 Tax-Exempt Bonds and \$1,870,000 Taxable Bonds, 340 Units, located in Tampa, Hillsborough County, Florida**

DEVELOPMENT NAME (“Development”):	Heritage Pointe Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Heritage Pointe Partners, Ltd./CED
NUMBER OF UNITS:	340
LOCATION (“County”):	Hillsborough
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	50% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
ALLOCATED AMOUNT:	\$13,595,000 of Tax-Exempt Bonds \$1,870,000 of Taxable Bonds
ADDITIONAL COMMENTS: LURA Amendment	

1. Background

- a) In 1999, Florida Housing financed the construction of the Development with \$13,595,000 tax-exempt bonds and \$1,870,000 taxable bonds, designated as 1999 Series I.
- b) In 2001, after the completion of the Development, the Board approved a transfer of ownership from White Oak Heritage GP, Ltd. to Heritage Pointe Partners, Ltd./CED (“Developer”).

2. Present Situation

- a) On March 16, 2004, the Developer requested ([Exhibit C](#)) an amendment to the LURA to substitute “self-cleaning range and ovens” with “standard ovens”. The original owner completed the apartments with standard ovens. In lieu of self-cleaning ovens, the owner had installed upgrades to the Development. These improvements included ceramic tile at entry foyer in lieu of vinyl, Hardie/Cemplank siding installed in lieu of solid vinyl siding, Mohawk Calliope 26 oz. carpeting, and icemakers in all refrigerators. No addition points were awarded for “self-cleaning” ranges and ovens.
- b) The Credit Underwriter has reviewed the benefit to the tenants of the exchange of these features and recommends ([Exhibit D](#)) that the reference to the “self-cleaning range and ovens” be removed from the LURA and be replaced with “standard ovens”. In addition, the above stated upgraded improvements should be included in the LURA.

3. Recommendation

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

MULTIFAMILY BONDS

Consent

- C. **Request Approval of the Final Credit Underwriting Report for the Refunding of the Bonds for Lakeside North at Carrollwood Apartments (“Development”), 1990 Series F, in the amount of \$6,130,000 Tax-Exempt Bonds, 168 Units, located in Tampa, Hillsborough County, Florida**

DEVELOPMENT NAME (“Development”):	Lakeside North at Carrollwood
DEVELOPER/PRINCIPAL (“Developer”):	Carrollwood Lakeside North Partners, Ltd./Lakeside North, LLC/AIMCO Properties, LP/AIMCO/Lakeside Investors, LLC
NUMBER OF UNITS:	168
LOCATION (“County”):	Hillsborough
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	30% @ 80% AMI, 70% @ 150% AMI
ALLOCATED AMOUNT:	\$6,130,000 Tax-Exempt Bonds
ADDITIONAL COMMENTS: Refunding	

1. **Background**

- a) In 1982, Florida Housing financed the construction of the Development with \$6,150,000 in tax-exempt bonds, designated as 1982 Series B.
- b) In 1990, Florida Housing approved the refunding of the bonds for the Development with \$6,130,000 tax-exempt bonds, designated as 1990 Series F.
- c) In 1998, Florida Housing approved the transfer of ownership of the property to Carrollwood Lakeside North Partners, Ltd. (“Owner”).
- d) At the May 20, 2003 Board meeting, Florida Housing approved and executed a purchase in lieu of redemption and extension of the maturity date from June 1, 2003 to June 1, 2004. This purchase in lieu of redemption and extension was approved to allow the owner sufficient time to refund the bonds.

2. **Present Situation**

- a) Florida Housing received a letter from AIMCO Properties, LP, (“AIMCO”) (since 1999 the holder of the membership interests in the sole general partner and the sole limited partner of the Owner) dated May 3, 2004 ([Exhibit E](#)), requesting initiation of the process to refund the bonds. The bonds are not currently credit enhanced, however, the proposed new structure is anticipated to be a variable rate demand bond for a term of 30 years, credit enhanced by a Freddie Mac direct pay instrument. The Owner also intends to set aside an additional 10% of the units for lower-income tenants and extend the affordability period.
- b) A Final Credit Underwriting Report dated May 7, 2004, is attached as [Exhibit F](#).

3. **Recommendation**

Approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated May 7, 2004 recommending that \$6,130,000 in bonds be refunded, 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 Extension of the Maturity Date of the Bonds for Lakeside North at Carrollwood Apartments (“Development”), 1990 Series F, in the amount of \$6,130,000 Tax-Exempt Bonds, 168 Units, located in Tampa, Hillsborough County, Florida**

DEVELOPMENT NAME (“Development”):	Lakeside North at Carrollwood
DEVELOPER/PRINCIPAL (“Developer”):	Carrollwood Lakeside North Partners, Ltd./Lakeside North, LLC/AIMCO Properties, LP/AIMCO/Lakeside Investors, LLC
NUMBER OF UNITS:	168
LOCATION (“County”):	Hillsborough
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	30% @ 80% AMI, 70% @ 150% AMI
ALLOCATED AMOUNT:	\$6,130,000 Tax-Exempt Bonds
ADDITIONAL COMMENTS: Extension of Maturity of the Bonds	

1. **Background**

- a) In 1982, Florida Housing financed the construction of the Development with \$6,150,000 in tax-exempt bonds, designated as 1982 Series B.
- b) In 1990, Florida Housing approved the refunding of the bonds for the Development with \$6,130,000 tax-exempt bonds, designated as 1990 Series F.
- c) In 1998, Florida Housing approved the transfer of ownership of the property to Carrollwood Lakeside North Partners, Ltd. (“Owner”).
- d) At the May 20, 2003 Board meeting, Florida Housing approved and executed a purchase in lieu of redemption and extension of the maturity date from June 1, 2003 to June 1, 2004. This purchase in lieu of redemption and extension was approved to allow the Owner sufficient time to refund the bonds and extend the affordability period of the Development.

2. **Present Situation**

Florida Housing received a letter from AIMCO Properties, LP, (“AIMCO”) (since 1999 the holder of the membership interests in the sole general partner and the sole limited partner of the Owner) dated May 3, 2004 ([Exhibit G](#)), requesting initiation of the process to refund the bonds. However, the Owner will be unable to complete the refunding process before the bonds mature on June 1, 2004. The Owner requests that the maturity date be extended from June 1, 2004 to December 1, 2004 to allow time to complete the refunding process. This request is attached as [Exhibit H](#).

3. **Recommendation**

Approve the six-month Extension of the Maturity Date of the Bonds for the Development subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

- E. **Request Approval to amend the Multifamily Mortgage Revenue Bond and SAIL Program Land Use Restriction Agreements (“LURAs”) for Spring Haven Apartments (“Development”), 2004 Series F in the amount of \$6,200,000 Tax-Exempt Bonds, \$1,500,000 SAIL Funds, 176 Units, located in Spring Hill, Hernando County, Florida**

DEVELOPMENT NAME (“Development”):	Spring Haven
DEVELOPER/PRINCIPAL (“Developer”):	SHA Associates, Ltd./SHA Housing LLC/ The Richman Group of Florida, Inc./Richard P. Richman
NUMBER OF UNITS:	176
LOCATION (“County”):	Hernando
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	11% @ 50% AMI, 74% @ 60% AMI (MMRB & SAIL) 100% @ 60% AMI (HC)
ALLOCATED AMOUNT:	\$6,200,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: LURA Amendment	

1. **Background**

- a) In 2004, Florida Housing financed the construction of the Development with \$6,200,000 in tax-exempt bonds, designated as 2004 Series F and SAIL loan in the amount of \$1,500,000.
- b) At the time of credit underwriting, the Richman Group of Florida, Inc. (“Developer”) requested a substitution in amenities from electric water heaters with an energy factor of .91 or better (worth 1 point in the application) to heat pumps with a minimum HSPF of 7.4 instead of electric resistance (1 point) because the water heaters were unavailable from the Developer’s preferred supplier. The credit underwriter recommended this substitution in the credit underwriting report which was subsequently approved at the May 2003 Board meeting.

2. **Present Situation**

- a) The Developer submitted a request, dated April 27, 2004 ([Exhibit I](#)) requesting the LURAs be amended to substitute electric water heaters for heat pumps due to the fact they are now available.
- b) The Credit Underwriter has reviewed the request and by letter dated April 28, 2004 ([Exhibit J](#)) recommends that Florida Housing allow the substitution of amenities.

3. **Recommendation**

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

MULTIFAMILY BONDS

Consent

- F. Request consent to a change in ownership for The Vinings at Hampton Village Apartments (“Development”), 2001 Series D, \$10,800,000 Tax-Exempt Bonds, 168 Units, Broward County, Florida

DEVELOPMENT NAME (“Development”):	The Vinings at Hampton Village
DEVELOPER/PRINCIPAL (“Developer”):	Hampton Lakes II Associates Gables Realty Limited Partnership
NUMBER OF UNITS:	168
LOCATION (“County”):	Broward
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	20% at 80% AMI (MMRB) 80% at 150% AMI (MMRB)
ALLOCATED AMOUNT:	\$10,800,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: Transfer of Ownership with simultaneous redemption of the bonds	

1. **Background**

- a) In 1987, Florida Housing financed the construction of the Development with \$10,800,000 in tax-exempt bonds.
- b) In 2001, Florida Housing approved the refunding of tax-exempt bonds for the Development in a not to exceed amount of \$10,800,000.

2. **Present Situation**

- a) Gables Realty Limited Partnership has requested (Exhibit K) Florida Housing’s written consent to the sale of its interest in Hampton Lakes II Associates, LLC (“Owner”) to Home Properties or its affiliates. The change of ownership would take place simultaneously with, or immediately following, the redemption of the existing bonds.
- b) Gables Realty Limited Partnership has requested ([Exhibit K](#)) Florida Housing’s written consent to the sale of its interest in Hampton Lakes II Associates, LLC (“Owner”) to Home Properties or its affiliates. The change of ownership would take place simultaneously with, or immediately following, the redemption of the existing bonds.
- c) A Final Credit Underwriting Report dated May 7, 2004, recommending the transfer of ownership is attached as [Exhibit L](#).

3. **Recommendation**

Approve the request to consent to a change in ownership, subject to review by Bond Counsel, Special Counsel, the Credit Underwriter, and the appropriate Florida Housing Staff.

PREDEVELOPMENT LOAN PROGRAM

Consent

V. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Approval of Loan from PLP funds for the Housing Partnership of Jacksonville, Inc. (PLP 03-044)

DEVELOPMENT NAME (“Development”):	Pine Forest Revitalization Project
DEVELOPER/PRINCIPAL (“Developer”):	Housing Partnership of Jacksonville, Inc.
NUMBER OF UNITS:	36
LOCATION (County):	Duval
TYPE:	Homeownership
SET ASIDE:	100% @ 80% AMI
ALLOCATED AMOUNT:	\$155,811
ADDITIONAL COMMENTS: The Technical Assistance Provider has recommended approval	

1. Background/Present Situation

- a) On January 16, 2004, Florida Housing issued an invitation to participate in the PLP program to the “Developer.” The development will be a 36 unit homeownership development.
- b) The Technical Assistance Provider (TAP) assisted the Developer in preparing a development plan and budget ([Exhibit A](#)). Staff has reviewed the development plan and budget and has determined that all budget items are PLP eligible. The TAP has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit B](#)).

2. Recommendation

Approve a loan from PLP funds for \$155,811 to the Developer, Inc. for predevelopment costs as recommended by the TAP.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent Supplement

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Guarantee Program Financial Advisor Contract

1. Background

- a) A contract was entered into on May 30, 2000 with TIBOR Partners, Inc. to provide Financial Advisor services for Florida Housing's Guarantee Program.
- b) The contract became effective June 4, 2001 and will end on June 3, 2004, unless extended pursuant to Paragraph 19 of the contract. The contract may be renewed on a yearly basis for a period of up to two (2) years after the initial contract or for a period no longer than the term of the original contract, whichever period is longer.
- c) At its April 2, 2004 meeting Florida Housing's Board of Directors authorized staff to extend the contract with TIBOR Partners, Inc. until June 4, 2007.

2. Present Situation

Staff believes modification of the contract is also necessary in order to adjust fees, change the schedule of deliverables and amend other terms of the contract.

3. Recommendation

Staff recommends that the Board authorize staff to make the necessary modifications to the contract with TIBOR Partners, Inc.

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

VI. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Report for Aswan Village Apartments, Cycle XV, (2003-026S)

Development Name: Aswan Village Apartments (“Development”)	Location: Miami-Dade
Developer/Principal: Banc of America Community Development Corporation (“Developer”)	Set-Aside: 5% @ 30% AMI and 95% @ 60% AMI
Number of Units: 216	Allocated Amount: \$2,000,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$5,563,642
Demographics: Family	
MMRB: \$7,900,000 Local	

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 216-unit family development in Miami-Dade County.
- c) On May 4, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$2,000,000 ([Exhibit A](#)). The SAIL loan will be secured by a second mortgage. In the application, the applicant committed to providing air conditioning with a SEER rating of 11 or better worth one point, electric water heaters with an energy factor of .91 or better worth one point, and wall insulation of R-7 or better worth two points. During underwriting the Applicant requested the following changes: solar screens on all west and east facing windows worth one point, 30 year expected life roofing worth two points, a gated community with “carded” entry or security guard worth two points. In addition, the Applicant agreed to install insulation blankets on all water heaters to increase the energy efficiency. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

Approve the final credit underwriting report with the above referenced changes and direct staff to proceed with issuance of a firm loan commitment and loan closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

B. Request Approval of Credit Underwriting Report for Sonoma Bay Apartments, Cycle XV, (2003-038BS)

Development Name: Sonoma Bay Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Cornerstone Group Development, LLC (“Developer”)	Set-Aside: 25% @ 50% AMI and 60% @ 60% AMI
Number of Units: 320	Allocated Amount: \$2,000,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$10,682,571
Demographics: Family	
MMRB: \$19,940,000	

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 320-unit family development in Palm Beach County.
- c) On May 3, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$2,000,000 ([Exhibit B](#)). The SAIL loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

C. Request Approval of Credit Underwriting Report for Captiva Club Apartments, Cycle XIV, (2002-109S)

Development Name: Captiva Club Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone Group Development, LLC (“Developer”)	Set-Aside: 11% @ 50% AMI and 89% @ 60% AMI
Number of Units: 136	Allocated Amount: \$2,000,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$4,243,000
Demographics: Family	
MMRB: \$5,780,000	

1. Background/Present Situation

- a) On October 10, 2002, the Board approved the final scores and ranking for the 2002 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 23, 2002, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 136-unit family development in Miami -Dade County.
- c) On May 5, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$2,000,000 ([Exhibit C](#)). The SAIL loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

D. Request Approval of Credit Underwriting Report for The Groves at Victoria Park, Cycle XV, (2003-015CS)

Development Name: The Groves at Victoria Park Apartments (“Development”)	Location: Highlands County
Developer/Principal: Osprey Property Company LLC (“Developer”)	Set-Aside: 11% @ 30% AMI and 89% @ 60% AMI
Number of Units: 122	Allocated Amount: \$970,000
Type: Mid-Rise with Elevator	Total Housing Credit Equity: \$6,803,000
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 14, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$970,000 for this 122-unit family development in Highlands County.
- c) On April 30, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$970,000 ([Exhibit D](#)). The SAIL loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

E. Request Approval of Credit Underwriting Report for Hawk's Landing Apartments, Cycle XV, (2003-048S)

Development Name: Hawk's Landing Apartments ("Development")	Location: Lee County
Developer/Principal: Cornerstone Group Development, LLC ("Developer")	Set-Aside: 17% @ 50% AMI and 83% @ 60% AMI
Number of Units: 204	Allocated Amount: \$1,500,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$4,241,000
Demographics: Family	MMRB: \$9,900,000 Local

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$1,500,000 for this 204-unit family development in Lee County.
- c) On May 6, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,500,000 ([Exhibit E](#)). The SAIL loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

F. Request Approval of Credit Underwriting Report for San Marco Apartments, Cycle XIV, (2002-040S)

Development Name: San Marco Apartments (“Development”)	Location: Volusia County
Developer/Principal: Cornerstone Development, LLC (“Developer”)	Set-Aside: 11% @ 50% AMI, 79% @ 60% AMI
Number of Units: 260	Allocated Amount: \$1,500,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$4,862,000
Demographics: Family	MMRB: \$12,610,000 Local

1. Background/Present Situation

- a) On October 10, 2002, the Board approved the final scores and ranking for the 2002 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On January 29, 2003 staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$1,500,000 for this 260-unit family development in Volusia County.
- c) On May 4, 2004, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,500,000 ([Exhibit F](#)). The SAIL loan will be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

G. Request Approval of Loan Closing Extension for Harbour Cove Apartments, Cycle XV, (2003-040S)

Development Name: Harbour Cove Apartments (“Development”)	Location: Broward County
Developer/Principal: Cornerstone Group Development, LLC (“Developer”)	Set-Aside: 25% @ 50% AMI and 75% @ 60% AMI
Number of Units: 212	Allocated Amount: \$2,000,000
Type: Mid-Rise with Elevator	Total Housing Credit Equity: \$7,578,000
Demographics: Family	MMRB: \$13,150,000 Local

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL second mortgage loan in an amount up to \$2,000,000 for this 212-unit family Development in Broward County.
- c) On February 27, 2004, The Board approved the final credit underwriting report for this Development for a SAIL loan in the amount of \$2,000,000. On March 1, 2004, a firm commitment letter was issued in the amount of \$2,000,000 for the Development.
- d) On April 16, 2004, staff received a request from Developer for a three month loan closing extension for the SAIL loan due to an environmental issue that has surfaced ([Exhibit G](#)).

2. Recommendation

Approve a loan closing extension until July 31, 2004 for the Development based on the information provided by the Developer, subject to payment of the loan closing extension fee as required by Rule 67-48 Florida Administrative Code.

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

H. Request Approval of Update to the Credit Underwriting Report and Loan Closing Extension for Summer Lakes Apartments, Cycle XV, (2003-005S)

Development Name: Summer Lakes Apartments (“Development”)	Location: Collier County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 60% @ 50% AMI and 40% @ 60% AMI
Number of Units: 140	Allocated Amount: \$1,500,000
Type: Garden Apartments	Total Housing Credit Equity: \$3,187,104
Demographics: Family	MMRB: \$9,215,000

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL second mortgage loan in an amount up to \$1,500,000 for this 140-unit family development in Collier County.
- c) On February 27, 2004, the Board approved the final credit underwriting report for this Development for a SAIL loan in the amount of \$1,500,000. On March 4, 2004, a firm commitment letter was issued in the amount of \$1,500,000 for the Development.
- d) On April 15, 2004, staff received a letter from the Developer concerning a revision to the credit underwriting report and requesting a loan closing extension for the Development ([Exhibit H](#)).
- e) During the loan closing process, it was discovered that the actual financing structure was different from the structure contemplated in the original credit underwriting report. On April 30, 2004, staff received an update letter from the credit underwriter clarifying the financial structure ([Exhibit I](#)).

2. Recommendation

Approve the update to the credit underwriting report and grant a loan closing extension until July 2, 2004, subject to payment of the loan closing extension fee as required by Rule 67-48, Florida Administrative Code.

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

I. Request for Transfer of General Partnership Interest – Lakeview Apartments (91S-033)

Development Name: Lakeview Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Greater Miami Neighborhoods (“Developer”)	Set-Aside: 20% @ 40% AMI and 80% @ 60% AMI
Number of Units: 40	Allocated Amount: \$1,551,248
Type: Garden Apartments	Housing Credits: \$240,208
Demographics: Family	

1. Background

- a) In 1991, Florida Housing provided \$1,551,248 in SAIL funding to Lakeview Apartments (“Development”). This Development is located in Miami-Dade County and consists of a 40 unit family development.
- b) By letter dated February 24, 2004 ([Exhibit N](#)), GMN Affordable Housing Partner, Inc., the co-general partner, requested to convert its general partner interest to a special limited partner interest in the partnership, to alleviate differences in management philosophy and avoid potential deadlocks in decision making.

2. Present Situation

Staff has received a credit underwriting report ([Exhibit O](#)) and an opinion letter from borrower’s counsel ([Exhibit P](#)) regarding this transfer of general partnership interest with a positive recommendation subject to the following conditions:

- (1) Review by FHFC legal counsel confirming First Housing’s interpretation that the transaction is consistent with the applicable SAIL rule and that Greater Miami Neighborhoods, Inc. is not released from any of its current obligations.
- (2) Receipt and review by First Housing of current financial statements for Urban League of Greater Miami, Inc.
- (3) Confirmation that all properties owned or operated by Greater Miami Neighborhoods, Inc. are in good standing.

3. Recommendation

Staff recommends and requests the Board approve the borrower’s request to transfer the general partnership interest subject to the conditions recommended by the credit underwriter described above and positive recommendation of SAIL legal counsel.

STATE APARTMENT INCENTIVE LOAN PROGRAM

Consent

J. Request for Transfer of General Partnership Interest – M & M Maison II (93HRR-004)

Development Name: M & M Maison II (“Development”)	Location: Miami-Dade County
Developer/Principal: Greater Miami Neighborhoods (“Developer”)	Set-Aside: 20% @ 40% AMI and 80% @ 50% AMI
Number of Units: 21	Allocated Amount: \$160,000
Type: Garden Apartments	Housing Credits: \$165,423.98
Demographics: Family	

1. Background

- a) In 1993, Florida Housing provided \$160,000 in SAIL funding to M & M Maison II (“Development”). This Development is located in Miami-Dade County and consists of a 21 unit family development.
- b) By letter dated February 24, 2004 ([Exhibit K](#)), GMN Affordable Housing Partner, Inc., the co-general partner, requested to convert its general partner interest to a special limited partner interest in the partnership, to alleviate differences in management philosophy and avoid potential deadlocks in decision making.

2. Present Situation

Staff has received a credit underwriting report ([Exhibit L](#)) and an opinion letter from borrower’s counsel ([Exhibit M](#)) regarding this transfer of general partnership interest with a positive recommendation subject to the following conditions:

- (1) Review by FHFC legal counsel confirming First Housing’s interpretation that the transaction is consistent with the applicable SAIL rule and that Greater Miami Neighborhoods, Inc. is not released from any of its current obligations.
- (2) Receipt and review by First Housing of current financial statements for Urban League of Greater Miami, Inc.
- (3) Confirmation that all properties owned or operated by Greater Miami Neighborhoods, Inc. are in good standing.

3. Recommendation

Staff recommends and requests the Board approve the borrower’s request to transfer the general partnership interest subject to the conditions recommended by the credit underwriter described above and positive recommendation of SAIL legal counsel.