

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
September 18, 2009
Action Items



FISCAL

Action

I. FISCAL

A. Documentary Stamp Tax Allocation - 2008/ 2009 Documentary Stamp Tax Appropriation Split

1. Background

- a) Florida Housing Finance Corporation was appropriated spending authority from documentary stamp tax collections in the State Housing Trust Fund (SHTF). This appropriation may be used to fund the State Apartment Incentive Loan Program (SAIL), the Predevelopment Loan Program (PLP), the Homeownership Assistance Program (HAP), HOME Match, Florida Affordable Housing Guarantee Program Debt Service, Affordable Housing Study Commission, the Catalyst Program and Florida Housing's contribution to the Housing Data Clearinghouse.
- b) Guarantee Fund conditions:
 - (1) At the March 13, 2009 meeting, the Board passed the following items regarding the Guarantee Fund:
 - (a) Confirmed the Guarantee Fund policy of maintaining a leveraging ratio of unrestricted corpus to guaranteed obligations of 5:1 or less;
 - (b) Ratified and confirmed the continuation of the suspension of issuance of additional guarantees;
 - (c) Directed staff to redeem capitalizing bonds using corpus if the fund contained excess capacity not expected to be needed in the reasonably foreseeable future provided the leveraging ratio after redemption fell within the parameters previously approved.
 - (2) On May 1, 2009, in the context of not exceeding the 5:1 leveraging, the Guarantee Fund utilized excess Corpus capacity to redeem in full the series 2002A bonds (\$89,925,000 par), reducing negative arbitrage in the Fund while maintaining conservative risk-to-net capital leveraging of 3.7:1.
 - (3) On June 5, 2009, Depfa sent a 30-day notice of termination on the Series 2000A (Ambac-wrapped) bonds, exercising authority provided by the Bond Insurer Adverse Change provision within the supporting Standby Bond Purchase Agreement. Term-out is triggered upon expiration, and the first term-out payment will be due in January 2010. Payments due in 2010 under the term-out provisions total \$12 million in principal plus interest.
 - (4) The remaining bonds, Series 1993 A and Series 1999A, have scheduled principal payments of \$2.5 million per year.

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- (5) The Debt Service Reserve (DSR) Fund includes a \$10 million Ambac surety which is set to expire in 2013. The most recent rating agency review assigned no value to the surety due to Ambac's recent downgrades. It may be in the Guarantee Fund's best interest to replace this surety, or alternatively, terminate the surety and deposit approximately \$7 million cash into the DSR Fund to maintain the required balance.

2. Present Situation

- a) The chart at [Exhibit A](#) shows the historical allocation of funds to each of the programs through state fiscal year 2007/2008.
- b) For state fiscal year 2008/2009, Florida Housing was originally appropriated a total of \$98,000,000 in the State Housing Trust Fund for programs. Of this amount, the Legislature made specific spending designations totaling \$77.5 million, leaving \$20.5 million for allocation by the Board.
- c) The Legislature amended the 2008/2009 state budget during its special session in January 2009. Among the budget changes affecting Florida Housing were reductions totaling just over \$23 million and reallocation of appropriations from SAIL and HAP to SHIP (\$33 million).
- d) Collections of documentary stamp taxes fell short of the amounts required to fully fund the remaining appropriations. This shortfall was prorated among the amended appropriations amounts.
- e) The amount remaining for allocation by the Board is \$18.9 million.
- f) Florida Housing did not receive an appropriation from the SHTF for state fiscal year 2009/2010 but will receive approximately \$680 million in federal stimulus funding and has applied for an additional \$300 million in NSP2 funds.
- g) [Exhibit B](#) shows the specific allocations made by the Legislature (shaded) and a recommended allocation of funds by the Board for 2008/2009 appropriations (unshaded items).
- h) Staff recommends the Board allocate the \$18,941,140 as follows:
 - (1) No allocation for SAIL because this program received over \$41 million in specific allocation and federal stimulus funds can be used for gap financing traditionally provided by SAIL. Florida Housing received just over \$101 million in Tax Credit Assistance Program funds from the federal government.
 - (2) No allocation for HAP as \$10 million was specifically appropriated by the Legislature.
 - (3) No allocation for HOME match this year because Florida Housing's federal match obligation can be satisfied from other sources.

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- (4) No allocation for PLP this year because program demands can be met through uncommitted funds and recycling repayments within the program.
- (5) \$175,000 to fund the Affordable Housing Study Commission to cover costs incurred through June 30, 2009.
- (6) \$826,200 to fund the Catalyst Program to cover costs of the program through June 2010.
- (7) \$330,000 to fund payments to the Housing Data Clearinghouse. The remaining funds to cover this cost will come from the Local Government Housing Trust Fund.
- (8) The remaining \$17,609,940 to the Guarantee Fund to satisfy the current year's principal portion of debt service on the program's capitalizing bonds, for debt service for 2009/2010 for which there was no appropriation, for future debt service payments as needed, for replacing the Ambac surety bond if necessary, for potential term-out payments and to improve the fund's risk to capital ratio.

3. Recommendation

Approve the allocation of funds for the 2008/2009 state appropriation as shown in [Exhibit B](#).

LEGAL

Action Supplement

I. LEGAL

A. In Re: Legacy Pointe, Inc. – FHFC Case No. 2009-028GA

1. Background

- a) On August 14, 2009, Florida Housing posted Request for Proposal 2009-03 (“RFP”), inviting responses from those interested in seeking funding through the American Recovery and Reinvestment Act of 2009 to develop and operate affordable housing projects.
- b) The notice of award was posted by Florida Housing at 8:08am on August 20, 2009. Section 120.57(3)(b), Florida Statutes, requires that any notice of protest must be filed within 72 hours after the notice of award is posted, excluding Saturdays, Sundays, and legal holidays. Notices of protest of the awards under the RFP were thus required to be filed not later than 8:08am, August 26, 2009.
- c) Legacy Pointe filed its Notice of Intent to Protest the awards made under the RFP with Florida Housing at 4:44pm on August 26, 2009. The Notice of Intent to Protest recited that it was filed “in accordance with Section 120.57(3), Florida Statutes.” A copy of the Notice of Intent to Protest is attached as [Exhibit A](#).
- d) On August 28, 2009, Florida Housing served its Notice of Intent to Dismiss on Legacy Pointe, advising that its Notice of Intent to Protest would be dismissed as untimely filed unless Legacy Pointe showed cause otherwise by September 7, 2009, the date on which filing of any written protest would be required under section 120.57(3), Florida Statutes. A copy of the Notice of Intent to Dismiss is attached as [Exhibit B](#).
- e) On September 8, 2009, Legacy Pointe filed its “Response to Notice of Intent to Dismiss,” which alleged that dismissal would be erroneous, as RFP 2009-03 was “not a contract solicitation or public procurement governed by Section 120.57(3), F.S.” A copy of the Response is attached as [Exhibit C](#).

2. Present Situation

- a) RFP 2009-03 solicited responses from persons who would provide the services required to develop and operate affordable housing projects in return for which Florida Housing would provide funding--a contract solicitation, governed by Rule 67-49, Florida Administrative Code. As Florida Housing is an agency for purposes of Chapter 120, Florida Statutes, protests of such solicitations are governed by section 120.57(3), Florida Statutes.
- b) Legacy Pointe did not dispute the time that the notice of award under RFP 2009-03 was posted; not did it dispute the time its Notice of Intent to Protest was filed with Florida Housing. Absent such dispute, dismissal is appropriate. See, [Bell Atlantic Business Services, Inc., v. Florida Dept. of Labor and employment Security](#), 677 So.2d 989 (Fla. 1st DCA 1996).

3. Recommendation

Staff recommends that the Board issue an order dismissing Legacy Pointe’s Notice of Intent to Protest.

LEGAL

Action Supplement

B. In Re: Villa Capri, Inc. – FHFC Case No. 2009-029GA

1. Background

- a) On August 14, 2009, Florida Housing posted Request for Proposal 2009-03 (“RFP”), inviting responses from those interested in seeking funding through the American Recovery and Reinvestment Act of 2009 to develop and operate affordable housing projects.
- b) The notice of award was posted by Florida Housing at 8:08am on August 20, 2009. Section 120.57(3)(b), Florida Statutes, requires that any notice of protest must be filed within 72 hours after the notice of award is posted, excluding Saturdays, Sundays, and legal holidays. Notices of protest of the awards under the RFP were thus required to be filed not later than 8:08am, August 26, 2009.
- c) Villa Capri filed its Notice of Intent to Protest the awards made under the RFP with Florida Housing at 4:44pm on August 26, 2009. The Notice of Intent to Protest recited that it was filed “in accordance with Section 120.57(3), Florida Statutes.” A copy of the Notice of Intent to Protest is attached as [Exhibit D](#).
- d) On August 28, 2009, Florida Housing served its Notice of Intent to Dismiss on Villa Capri, advising that its Notice of Intent to Protest would be dismissed as untimely filed unless Villa Capri showed cause otherwise by September 7, 2009, the date on which filing of any written protest would be required under section 120.57(3), Florida Statutes. A copy of the Notice of Intent to Dismiss is attached as [Exhibit E](#).
- e) On September 8, 2009, Villa Capri filed its “Response to Notice of Intent to Dismiss,” which alleged that dismissal would be erroneous, as RFP 2009-03 was “not a contract solicitation or public procurement governed by Section 120.57(3), F.S.” A copy of the Response is attached as [Exhibit F](#).

2. Present Situation

- a) RFP 2009-03 solicited responses from persons who would provide the services required to develop and operate affordable housing projects in return for which Florida Housing would provide funding--a contract solicitation, governed by Rule 67-49, Florida Administrative Code. As Florida Housing is an agency for purposes of Chapter 120, Florida Statutes, protests of such solicitations are governed by section 120.57(3), Florida Statutes.
- b) Villa Capri did not dispute the time that the notice of award under RFP 2009-03 was posted; not did it dispute the time its Notice of Intent to Protest was filed with Florida Housing. Absent such dispute, dismissal is appropriate. *See, Bell Atlantic Business Services, Inc., v. Florida Dept. of Labor and employment Security*, 677 So.2d 989 (Fla. 1st DCA 1996).

3. Recommendation

Staff recommends that the Board issue an order dismissing Villa Capri’s Notice of Intent to Protest.

LOW INCOME HOUSING TAX CREDITS

Action

II. LOW INCOME HOUSING TAX CREDITS

A. Market Study for Hammock Harbor – Phase I (2009-029CT)

1. Background/Present Situation

- a) On August 20, 2009 the Board approved the award list of the Request for Proposals (RFP) 2009-03 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009 staff issued an invitation to enter credit underwriting. Staff has received a market study letter for Hammock harbor – Phase I containing a negative recommendation due to the submarket not meeting the requirement of having an average occupancy rate of 92 percent or greater ([Exhibit A](#)). Staff has reviewed this report and finds that the Development does not meet all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-03.

2. Recommendation

Rescind and return the Housing Credit award and TCAP funding to Florida Housing Finance Corporation.

LOW INCOME HOUSING TAX CREDITS

Action

B. Market Study for Parkway Place Apartments (2009-022CT)

1. Background/Present Situation

- a) On August 20, 2009 the Board approved the award list of the Request for Proposals (RFP) 2009-03 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009 staff issued an invitation to enter credit underwriting. Staff has received a market study letter for Parkway Place Apartments containing a negative recommendation due to the submarket not meeting the requirement of having an average occupancy rate of 92 percent or greater ([Exhibit B](#)). Staff has reviewed this report and finds that the Development does not meet all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-03.

2. Recommendation

Rescind and return the Housing Credit award and TCAP funding to Florida Housing Finance Corporation.

LOW INCOME HOUSING TAX CREDITS

Action

C. Market Study for Plata Lago (2009-045X)

1. Background/Present Situation

- a) On August 20, 2009 the Board approved the award list of the Request for Proposals (RFP) 2009-03 and directed staff to proceed with all necessary credit underwriting activities.
- b) On August 21, 2009 staff issued an invitation to enter credit underwriting. Staff has received a market study letter for Plata Lago containing a negative recommendation due to the submarket not meeting the requirement of having an average occupancy rate of 92 percent or greater ([Exhibit C](#)). Staff has reviewed this report and finds that the Development does not meet all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-03.

2. Recommendation

Rescind and return the Housing Credit award and TCAP funding to Florida Housing Finance Corporation.

MISCELLANEOUS

Action

III. MISCELLANEOUS

A. Ratification of Board Action at August 20, 2009 Telephonic Board Meeting

- a) Lottery.
- b) Request for Proposals (RFP) 2009-03 for Nine Percent Low-Income Housing Tax Credits With or Without Tax Credit Assistance Program (TCAP) Funding.
- c) Request for Proposals (RFP) 2009-04 for Tax Credit Exchange Program (Exchange) Funding Only or Exchange Funding With Tax Credit Assistance Program (TCAP) Funding and a Nominal Amount of Nine Percent Low-Income Housing Tax Credits for Applicants that, as of February 17, 2009, had an Active Award of 9 Percent Housing Credits.

MISCELLANEOUS

Action

B. Ratification of Board Action at September 4, 2009 Telephonic Board Meeting

1. Low Income Housing Tax Credits

- a) Approval of Market Study Review Letters for Awardees Under Request for Proposals (RFP) 2009-01.
 - (1) Sabal Ridge
 - (2) Kensington Gardens
 - (3) Gardens at Driftwood
 - (4) Madison View
 - (5) Cross Creek
- b) Request Approval of Credit Underwriting Report for Sabal Ridge Apartments (2009-013C), an Awardee Under RFP 2009-01.
- c) Approval of Credit Underwriting Report for Gardens at Driftwood (2009-017C), an Awardee under RFP 2009-01.

2. State Apartment Incentive Loan Program (SAIL)

- a) Request Authorization to Commence Rule Development to Implement the Provisions of 2009-96, Laws of Florida, with Regard to Section 420.5087(6)(C) and (L), Florida Statutes.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

IV. PROFESSIONAL SERVICES SELECTION (PSS)

A. Cash Flow Verification Agent Services

1. Background

At its June 5, 2009, meeting the Board approved staff's recommendation to finalize and issue an RFP to solicit proposals for Cash Flow Verification Agent Services.

2. Present Situation

- a) An RFP process was initiated and RFP 2009-02 was issued on Thursday, July 2, 2009 ([Exhibit A](#)). The deadline for receipt of responses was 2:00 p.m., Friday, July 31, 2009.
- b) Three (3) Proposals were received by the deadline. The list is as follows: AMTEC, Causey, Demgen & Moore, Inc., and GNP Services, CPA, PA.
- c) The Review Committee members, designated by the Executive Director, were David Woodward (Chairman), Multifamily Bonds Manager, Michelle Connelly, Bond Administrator Senior Analyst, Kenny Derrickson, Bond Fund Administrator, and Len Stirrat, Multifamily Bonds Administrator.
- d) Each member of the Review Committee individually reviewed the Proposals prior to convening for the series of Review Committee meetings. The Review Committee meetings were held at 10:00 a.m. Monday, August 17, 2009 and 2:00 p.m. Tuesday, August 25, 2009.
- e) At its August 25, 2009 meeting the Review Committee provided final scores and ranking. The Final Scoring and Ranking is provided as [Exhibit B](#).

3. Recommendation

The Committee requests that the Board accept the ranking as presented in order of the highest to lowest ranking which are: Causey, Demgen & Moore, Inc., AMTEC and GNP Services, CPA, PA. The Board authorizes Florida Housing to enter into contract negotiations with Causey Demgen & Moore, Inc., contingent upon receipt of evidence that Causey Demgen & Moore, Inc. is qualified to do business in the State of Florida, or, in the alternative, receipt of satisfactory evidence that Causey Demgen & Moore, Inc., is not required to be qualified to do business in the State of Florida in order to render the cash flow verification services as contemplated. If contract negotiations should fail to then enter into contract negotiations with AMTEC and then with GNP Services, CPA, PA.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Performance Based Contract Administration Services

1. Background

- a) In May 1999 HUD issued a Request for Proposals to procure Performance Based Contract Administration (PBCA) services for project-based Housing Assistance Payments (HAP) Contracts under Section 8. At that time there were approximately 24,200 project based contracts in effect with PHAs (public housing agencies, which include both state and local housing organizations) administering approximately 4,200 and HUD administering the other 20,000. Florida had approximately 488 contracts that represent 39,000 units.
- b) Successful offerors to the RFP entered into an Annual Contributions Contract (ACC) with HUD. The initial term of the contract was 36 months with a possibility of two twelve month extensions. The contractor could elect to unilaterally terminate the ACC at the end of the initial 36 months or at the end of any month of the renewal period.
- c) Originally, HUD paid PBCA service providers a base fee per unit as well as incentive fees depending on the provider achieving certain timing and accuracy goals. HUD has revised the fee structure and eliminated the incentive fees.
- d) Florida Housing did not respond to the RFP and the ACC for Florida was awarded to North Tampa Housing Development Corporation, Inc.

2. Present Situation

- a) In December 2008 HUD announced that it was planning to revise the ACC governing performance-based contract administration and intended to “rebid” the contracts in the fall of 2009 by issuing a public Invitation to Bid.
- b) Although HUD has revised the fee structure, staff believes that participation in this program would generate income for Florida Housing’s operations.
- c) Staff anticipates that in order to efficiently administer the PBCA contract, that Florida Housing would procure the actual contract administration services from an outside entity and oversee administration of the program.
- d) In order to evaluate and complete a response to HUD’s Invitation to Bid, Florida Housing will have to select a contractor for these services and at a minimum reach a preliminary agreement regarding fees.

3. Recommendation

Authorize staff to prepare an RFP, RFQ or ITN for Section 8 contract administration services in order to evaluate and prepare a response to HUD’s expected Invitation to Bid.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

C. Management Company Services Request for Qualifications (RFQ)

1. Background

- a) At its July 28, 2006 meeting Florida Housing's Board selected the top four (4) Offerors to provide management company services on an as needed basis. The list of providers selected included the following entities:
 - (1) Cambridge Management Services, Inc.
 - (2) Cameo Professionals, Inc.
 - (3) Royal American Management
 - (4) The Apogee Companies
- b) Pursuant to the RFQ the providers selected were approved to perform management company services as needed for a term of three (3) years, beginning with the date that the Board made the selection. However, Florida Housing may at any time issue a new RFQ, or similar solicitation, to supplement or replace the list established through the RFQ.

2. Present Situation

Currently, three of the four selected management companies have issues prohibiting their ability to provide management company services under their contracts with Florida Housing. In light of the current economic climate and conditions with several of Florida Housing's properties, Florida Housing has a continuing need to have a pool of management companies ready to provide these services when the need arises.

3. Recommendation

Authorize staff to begin the RFQ process, and establish a review committee to make recommendations to the Board on a pool of management companies from which Florida Housing staff may choose from to provide management company services.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

D. Request for Qualifications (RFQ) for Printing/Copying Services

1. Background

- a) Fla. Admin. Code, R. 67-49.002(b) provides that when the purchase price of commodities or contractual services exceeds or is estimated to exceed \$25,000 in any twelve (12) month period, purchases of these commodities or contractual services, except as otherwise provided in subsection 67-49.002(4),(5) and (6), must be made pursuant to an Invitation to Bid, Invitation to Negotiate, Request for Proposals, or Request for Qualifications.
- b) Even though Florida Housing staff are not spending more than \$25,000 in a twelve (12) month period on any one printing/copying vendor, Florida Housing staff have determined that the costs for printing/copying services in general are expected to exceed \$25,000 in fiscal year 2010.

2. Present Situation

Although, Fla. Admin. Code R. 67-49 could be read to apply the \$25,000 single-source cap to an individual vendor; Florida Housing staff feel that a conservative approach (applying the limit to each specific service) is the better course of action.

3. Recommendation

Authorize staff to begin the RFQ process, and establish a review committee, to select a pool of vendors from which Florida Housing staff may choose to purchase printing/copying services.

SPECIAL ASSETS

Action

V. SPECIAL ASSETS

A. Request Approval of the Sale of Brandywine Court to Ability Housing of Northeast Florida, Inc.

Development Name: Brandywine Court (“Development”)	Location: Duval
Developer/Principal: GMN (“Developer”)	Set-Aside: 20% @ 50% & 80% @ 60% AMI
Funding Sources: HOME 2004-054H	Amounts: HOME \$2,205,996
Number of Units: 52	Type: Family

1. Background

- a) During the 2004 Cycle, Florida Housing awarded a \$2,205,996 HOME loan to Brandywine Court, LLC (“Brandywine”), a Florida limited corporation, for the acquisition and rehabilitation of a 52-unit residential development in Duval County, Florida. The HOME loan closed on May 2, 2005. Only \$1,245,947 of the funds were disbursed to Brandywine.
- b) Brandywine also received construction financing from Neighborhood Lending Partners, Inc. (NLP) as first mortgagee on the development. Greater Miami Neighborhoods (GMN) defaulted on the first mortgage in March 2007. NLP exercised its rights under its loan documents and used escrowed funds to payoff its mortgage. NLP’s mortgage was satisfied on April 18, 2007, moving Florida Housing into first lien position. Florida Housing also exercised its rights under the loan documents and drew on the letter of credit originally posted to mitigate construction risk, requested remaining escrows, any sinking fund monies and interest and applied all proceeds as a payment on the loan.
- c) Since GMN did not complete the percentage of rehabilitation work required under the HOME regulations, Florida Housing de-obligated the HOME funds and converted the loan to a non-conforming loan, repaying the HOME funds from Florida Housing’s Unrestricted Net Assets. All insurance and fees related to the maintenance of the development have been paid by Florida Housing since August, 2007 in the amount of \$73,421.56.
- d) On January 22, 2008, GMN and certain of its affiliates filed for voluntary bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. Brandywine Court, LLC, an affiliate of GMN, did not file for bankruptcy.
- e) On June 1, 2009, Florida Housing’s interests in the development were transferred to FHFC II, Inc., a subsidiary of Florida Housing. On June 8, 2009, a Deed-in-lieu of foreclosure was executed in favor of FHFC II, Inc.

SPECIAL ASSETS

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2. Present Situation

Florida Housing received a proposal from Ability Housing (“AH”) for the purchase of the development. AH’s proposed sources of funding includes a FHLB AHP grant, and funding from the City of Jacksonville’s Neighborhood Stabilization Program (NSP) rental housing strategy. Under this strategy, an appraisal must be completed within 60 days prior to an offer made for a property and the NSP funds cannot exceed 99% of the appraised value. An appraisal was completed on July 8, 2009 with an estimated market value of \$120,000. On July 15, 2009, AH made an offer to purchase the development for \$118,800 to rehabilitate and provide affordable housing to households that are homeless or at risk of homelessness earning 35% or less of the Area Median Income.

3. Recommendation

Approve the sale of Brandywine Court to Ability Housing and direct staff to proceed with the activities required for the sale of Brandywine Court subject to the following conditions: (1) AH shall take ownership of the development “as is” without any further expense except closing cost to Florida Housing and its subsidiary Corporation, (2) AH shall set aside 100% of the units for households earning 35% AMI or less that are homeless or at risk of homelessness, and (3) AH shall execute a Land Use Restriction Agreement with Florida Housing with an affordability period for thirty (30) years.

SPECIAL ASSETS

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B. Request Approval for the Transfer and Extension of Set-Asides Restrictions from Riviera Apartments (92S-003/91L-038) to Ann-Ell Apartments (89S-007/89L-513)

Development Name: Riviera Apartments (“Development”)	Location: Miami-Dade
Developer/Principal: Riviera Apts., Ltd. (“Developer”)	Set-Aside: SAIL: 20% @ 50%, 80% @ 60% AMI, 30 Yrs; HC: 10% @ 40%, 10% @ 50%, 80% @ 60% AMI, 30 Yrs
Number of Units: 56	Allocated Amount: SAIL \$820,000 (SAIL loan paid off as of Nov. 2007) HC \$235,713
Demographics: Elderly & Family	Servicer: First Housing
Development Name: Ann-Ell Apartments (“Development”)	Location: Miami-Dade
Developer/Principal: Limited Ventures, Inc. (“Developer”)	Set-Aside: SAIL 20% @ 60% AMI, 15 Years; HC 20% @ 60% AMI,* (*HCs not monitored - prior to IRS issuance)
Number of Units: 54	Allocated Amount: SAIL \$300,000 Housing Credits (annual) \$59,786
Demographics: Family	Servicer: First Housing

1. Background

- a) During the 1992 Cycle, Florida Housing awarded an \$820,000 SAIL loan to Riviera Apartment, Ltd., a Florida limited partnership, for the rehabilitation of a 56-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on October 29, 1992. The Development also received a 1991 annual Housing Credit allocation of \$235,713. The SAIL loan was paid in full with a Satisfaction of Mortgage recorded on November 11, 2007. The EUA and LURA restrictions, however, still remain on the property and will expire in 2023.
- b) During the 1988-89 Cycle, Florida Housing awarded a \$300,000 SAIL loan to Ann Ell Apartments Associates, Ltd., a Florida limited partnership, for the rehabilitation of a 54-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on January 27, 1990. The Development also received an annual Housing Credit allocation of \$59,786. The SAIL loan was amended for a one-year extension which matured on February 27, 2006. The LURA restrictions have expired. The housing credits were issued prior to the IRS Issuance of mandatory compliance oversight, so EUA restrictions do not apply to this property.

SPECIAL ASSETS

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2. Present Situation

- a) In correspondence dated April 30, 2009, the current owner of Riviera (also the proposed purchaser of Ann-Ell Apartments) Robert Saland, requested approval from Florida Housing to apply the current affordability restrictions on Riviera to both developments through June 2013 providing 110 affordable units instead of the current 56. Thereafter, the affordability restrictions for Riviera Apartments will be transferred to Ann-Ell Apartments (and released from Riviera) for an additional 25 years providing an actual 15 additional years of affordability beyond the current requirements for Riviera.
- b) The SAIL loan principal balance on Ann-Ell Apartments will be paid off at closing. The accrued interest on the loan will be paid off with equal payments over 10 years with a due on sale clause for the Riviera.

3. Recommendation

Staff recommends that the Board approve the transfer of the current set-aside restrictions for Riviera to include Ann-Ell through 2038, the release of set-aside restrictions on Riviera after June 2013, the payoff of all accrued SAIL interest over a 10 year workout period in equal payments with a due on sale clause for Riviera, and direct staff to proceed with loan document modifications as necessary.