

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
August 5, 2016  
Consent Items



# COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

## *Consent*

### I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

#### A. Request Approval of Changes to Certain Development Conditions for the Homes of West Augustine – CWHIP 0618

<b>Applicant Name (“Applicant”):</b>	<b>Housing Finance Authority of St. Johns County (HFA SJC)/ St. Johns County Community Redevelopment Agency (SJCCRA)</b>
<b>Development Name (“Development”):</b>	<b>Homes of West Augustine</b>
<b>Developer/Principal (“Developer”):</b>	<b>Benjamin Coney</b>
<b>Number of Units: 111 - Homeownership</b>	<b>Location: St. Johns County, Florida</b>
<b>Type: CWHIP Loan</b>	<b>Allocated Amount: \$5,000,000</b>

#### 1. Background

- a) On October 23, 2009, the Board approved the Final Credit Underwriting Report (“CUR”) for the Development. The CWHIP loan closed on March 12, 2010, and the construction period extends through March 12, 2015. On December 14, 2014, the Board approved extending the construction period until March 12, 2017.
- b) The Development consists of 20-acres of land containing 111 lots to be developed into 111 single-family homes. St. Johns County deeded the lots to the SJCCRA, who subsequently donated 34 of the lots to Habitat for Humanity of St. Augustine/St. Johns County to build homes specifically targeting workforce housing households. The remaining 77 lots were to be developed by HFA SJC with the remaining private partners listed above, also targeted for workforce housing households.

#### 2. Present Situation

- a) Applicant has completed and closed all of the 34 Habitat for Humanity homes and 39 of the 77 remaining CWHIP homes and 6 additional homes are under contract.
- b) The borrower has requested to increase the number of lots to be developed by Habitat for Humanity from 34 to 47. They have also requested to increase the number of houses it has under construction at one time from three homes to five and to increase the price of the two models offered by HFA SJC.
- c) The credit underwriter has reviewed this request and, in a letter (CU letter) dated July 16, 2016 ([Exhibit A](#)) recommends that Habitat be allowed to develop an additional 13 lots, that the borrower be allowed to have up to 5 homes under construction at one time and the sales price limit of the 3 Bedroom / 2 Bath / 2 Car Garage model and the 4 Bedroom / 2 Bath / 1.5 Car Garage model be increased to \$153,000 and \$158,500 respectively.

# COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

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### 3. **Recommendation**

- a) Staff recommends that the Board approve the Borrower's requests as recommend in the CU letter subject to the items identified in the report, and any approvals by the credit underwriter, counsel and the appropriate corporation staff.

## 9% HOUSING CREDITS

### *Consent*

## II. 9% HOUSING CREDITS

### A. Request Approval of Principal of General Partner Change for Orange City Flats (RFA 2015-104/2015-261C)

<b>Development Name: Orange City Flats</b>	<b>Location: Volusia County</b>
<b>Applicant/Borrower: Orange City Flats, L.P.</b>	<b>Set Aside(s): 20% @ 40% AMI and 80% @ 60% AMI</b>
<b>Developer/Principal: Two Nickels Development, LLC</b>	<b>Demographic/Number of units: Elderly / 96 units</b>
<b>Requested Amounts: \$657,124 Housing Credits</b>	<b>Development Category/Type: Acquisition/Preservation / Garden</b>

#### 1. Background/Present Situation

- a) Orange City Flats (RFA 2015-104/2015-261C) is a Competitive Housing Credit, Preservation Development providing 96 set-aside units in Volusia County, Florida. The Applicant was invited to enter credit underwriting on October 30, 2015. Subsequently, Florida Housing issued an allocation of \$657,124.00 in Housing Credits in December of 2015.
- b) The Applicant has requested Board approval, required by RFA 2015-104, to allow more than a 33.3 percent change in the Principals of the Applicant. The Principals of the Applicant as submitted in the RFA is attached as [Exhibit A](#).
- c) The Applicant proposes to remove American Apartment Management Company, Inc. (50% ownership) as Member of the General Partner of the Applicant and add Russell W. Fleming with 10% ownership. All other Principals as submitted in the RFA will remain unchanged ([Exhibit B](#)), however, the ownership percentages have been adjusted as follows: Shane P. Sarver (42%), Alexander Trent (24%) and Robert Kyle Trent (24%).

#### 2. Recommendation

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

## HOME RENTAL

### *Consent*

### III. HOME RENTAL

#### A. Request Approval to Replace Board Members and Guarantors for Moore Haven (2014-406H)

<b>Development Name: Moore Haven Apartments (“Development”)</b>	<b>Location: Glades County</b>
<b>Developer: Southwest Florida GWI Housing XVII, Inc., General Home Development Corporation of Pinellas, Inc. (“Developers”)</b>	<b>Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 50 HOME Units</b>
<b>Type: New Construction/Quadrplexes</b>	<b>HOME: \$4,783,500</b>
<b>Total Number of Units: 50</b>	<b>Demographics: Rural</b>

#### 1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2014-109, seeking an allocation of HOME Program funds for rental developments in rural areas. On August 8, 2014, the Board approved the selection of six (6) Applications, including Moore Haven Apartments, for funding and invitation to credit underwriting.
- b) On August 18, 2014, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Developer had a March 31, 2015 deadline to complete the credit underwriting report.
- c) On March 20, 2015, the Board approved the Developers’ request to extend the completion of the credit underwriting reports from the March 31, 2015 deadline, to no later than the June 19, 2015 Board Meeting.
- d) On June 4, 2015, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$4,783,500 from the credit underwriter and the Board approved the report and its recommendation at the June 19, 2015 Board Meeting.
- e) On June 22, 2015, staff issued a firm commitment letter for a HOME loan in an amount up to \$4,783,500 to close by August 18, 2015. On December 11, 2015 staff received a letter from the Developer requesting a loan closing extension until August 18, 2016. The Board approved the extension request at the January 29, 2016 Board Meeting as well as a Rule Waiver to change the Applicant ownership by more than 33.33%.
- f) On February 11, 2016, staff received a letter from the Developer ([Exhibit A](#)) stating that the Applicant, Southwest Florida GWI Housing XVII, Inc. is replacing its Board members for the development. Staff received a letter from the credit underwriter dated July 19, 2016 ([Exhibit B](#)) positively recommending the replacement of the Board members and guarantors of the development.

#### 2. Recommendation

- a) Approve the Developer’s request and the credit underwriter’s recommendation to replace the Board Members and guarantors and proceed to closing the HOME loan prior to the August 18, 2016 closing deadline.

## HOME RENTAL

### *Consent*

**B. Request Approval of the Funding of an AHP Loan in the Financing of Cornell Colony (2014-404H)**

<b>Development Name: Cornell Colony</b> <b>(“Development”)</b>	<b>Location: Highlands County</b>
<b>Developer: Cornell Colony Developer LLC</b> <b>(“Developer”)</b>	<b>Set-Aside: 20% @ 50% AMI</b> <b>80% @ 60% AMI</b> <b>44 HOME Units</b>
<b>Type: New Construction/Single Family Homes</b>	<b>HOME: \$5,103,486</b>
<b>Total Number of Units: 44</b>	<b>Demographics: Rural</b>

**1. Background/Present Situation**

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2014-109, seeking an allocation of HOME Program funds for rental developments in rural areas. On August 8, 2014, the Board approved the selection of six (6) Applications, including Cornell Colony, for funding and invitation to credit underwriting.
- b) On August 18, 2014, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Developer had a March 31, 2015 deadline to complete the credit underwriting report.
- c) On March 20, 2015, the Board approved the Developer’s request to extend the completion of the credit underwriting reports from the March 31, 2015 deadline, to no later than the June 19, 2015 Board Meeting.
- d) On April 24, 2015, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$5,103,486 (Exhibit A). Staff has reviewed this report and found that the Development met all of the requirements of Rule Chapter 67-48, F.A.C.
- e) On May 8, 2015 the final credit underwriting report dated April 24, 2015 was approved by the Board and on August 18, 2015, the HOME loan closed.
- f) On May 25, 2016, the Developer notified the Corporation ([Exhibit C](#)) that the Development had been awarded an AHP loan from the Federal HOME Loan Bank of Atlanta in the amount of \$500,000. Rule Chapter 67-48.020(13), F.A.C. states the “Applicant shall not alter any terms or conditions of any mortgage superior or inferior to the HOME mortgage without prior approval of the Corporation’s Board of Directors.
- g) On July 15, 2016, staff received a credit underwriting letter with a positive recommendation for the funding of the AHP grant in the financing of the Cornell Colony ([Exhibit D](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

**2. Recommendation**

- a) Approve the credit underwriting letter recommendation and direct staff and Counsel to review the AHP closing documents.

## LEGAL

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#### IV. LEGAL

##### A. In Re: Brookestone I, LP - FHFC Case No. 2016-033VW

<b>Development Name: (“Development”):</b>	<b>Brookestone I Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Southport Development, Inc. David Page, President</b>
<b>Number of Units: 108</b>	<b>Location: Leon County</b>
<b>Type: Garden Apartments (New)</b>	<b>Set Asides: 10% at 33% AMI 90% at 60% AMI</b>
<b>Demographics: Elderly non-ALF</b>	<b>SAIL: \$3,050,000 ELI Gap loan: \$750,000 MMRB: \$9,500,000 4% HC: \$653,647</b>

##### 1. Background

- a) Petitioner successfully applied for loan funding under the State Apartment Incentive Loan (“SAIL”) program, to be used in conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits, under RFA 2014-103 to assist in the construction of new garden apartments serving low-income elderly tenants in Tallahassee, Florida. On July 14, 2016, Florida Housing received a “Petition for Waiver of Rule 67-48.0072(4)(c) to Extend the Closing Deadline for a SAIL Loan” (the “Petition”). A copy of the Petition is attached as [Exhibit A](#).

##### 2. Present Situation

- a) Rule 67-48.0072(4)(c), Fla. Admin. Code (2013), provides:
- (c) For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The written request will then be submitted to the Corporation’s Board for consideration. The Board shall consider the facts and circumstances of each Applicant’s request and any credit underwriting report, if available, prior to determining whether to grant the requested extension. The Corporation shall charge a non-refundable extension fee of 1 percent of each loan amount if the Board approves the request to extend the commitment beyond the initial 12 month closing deadline. In the event the loan does not close by the end of the 12 month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.

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- b) Petitioner was previously granted a twelve month extension to the closing deadline, extending such deadline to August 14, 2016. Petitioner now seeks a further extension from August 14, 2016 to December 31, 2016.
- c) On July 18, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 138. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- e) Granting the requested waiver would not have any impact on other participants in the SAIL program administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code, to permit Petitioner to receive an extension on the closing deadline for SAIL funding from August 14, 2016 to December 31, 2016.



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**B. In Re: Tacolcy Tuscany Cove I, LLC - FHFC Case No. 2016-034VW**

<b>Development Name: (“Development”):</b>	<b>Tuscany Cove I</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Tacolcy Econ. Dev. Corp. Stone Soup Development Carol Gardner, President</b>
<b>Number of Units: 160</b>	<b>Location: Miami-Dade County</b>
<b>Type: New mid-rise</b>	<b>Set Asides: 10% at 33% AMI 90% at 60% AMI</b>
<b>Demographics: Elderly non-ALF</b>	<b>SAIL: \$2,524,999 ELI Gap: \$1,200,000 MMRB: \$17,950,000 4% HC: \$1,388,788</b>

**1. Background**

- a) Petitioner was selected to receive SAIL Financing of Affordable Multifamily Housing Developments under RFA 2014-103, to be used in conjunction with Multifamily Mortgage Revenue Bonds<sup>1</sup> (MMRB) and non-competitive Housing Credits to assist in the construction of a Development serving low-income elderly tenants in Miami, Florida. On July 21, 2016, Florida Housing received a Petition for Waiver of Rules 67-21.013 and 67-48.0072(4)(c) to allow the purchase of non-credit enhanced revenue bonds by an entity that does not meet the definition of a Qualified Institutional Buyer, and to extend the SAIL loan closing date. A copy of the amended Petition is attached as [Exhibit B](#).

**2. Present Situation**

- a) Rule 67-21.013, Fla. Admin. Code, allows a non-credit enhanced revenue bond to be sold only to a Qualified Institutional Buyer (QIB), as defined in Rule 67-21.002(88), F.A.C.<sup>2</sup> The rule also requires that the purchaser of such bonds provide an investment letter.

**67-21.013 Non-Credit Enhanced Multifamily Mortgage Revenue Bonds.**

Any issuance of non-Credit Enhanced revenue Bonds shall be sold only to a Qualified Institutional Buyer. . . . Unless such Bonds are rated in one of the four highest rating categories by a nationally recognized rating service, such Bonds shall not be held in a full book-entry system (but may be Depository Trust Company (DTC)-Eligible)) and shall comply with at least one of the following criteria:

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<sup>1</sup> The particular form of indebtedness here is a note. However, the rule to be waived uses the term “bonds,” which is defined in Section 420.503(4), F.S., to include any note issued by the Corporation.

<sup>2</sup> QIBs are sometimes referred to as sophisticated investors that are capable of understanding and managing the risks associated with a non-credit enhanced bond.

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(2) The Bonds shall be issued in minimum denominations of \$250,000 (subject to reduction by means of redemption) and an investment letter satisfactory to the Corporation and its counsel shall be obtained from each initial purchaser of the Bonds (including any purchaser purchasing such Bonds in an immediate resale from an underwriter), but shall not be required of subsequent purchasers of the Bonds, to the effect that, among other things, such purchaser is a Qualified Institutional Buyer, is purchasing such Bonds for its own account and not for immediate resale to a purchaser other than a Qualified Institutional Buyer, and has made an independent investment decision as a sophisticated or institutional investor.

- b) Petitioner is funding its Development using, among other things, a Freddie Mac Tax Exempt Multifamily Revenue Note (Bond) under its Tax Exempt Loan (TEL) Program. Federal law requires Freddie Mac to purchase the bonds through an intermediary, which in this case is Walker & Dunlop, LLC (“W&D”). W&D, however, does not meet the definition of a Qualified Institutional Buyer in Rule 67-21.002(88), Fla. Admin. Code. Petitioner seeks a waiver that will allow it to use the services of W&D in order to facilitate the note/bond portion of the financing for this Development. The notes/bonds will ultimately be sold to Freddie Mac (which is a QIB) in accordance with an executed commitment letter between W&D and Freddie Mac. Unless the waiver is granted, Petitioner will be required to find alternate financing, and funding for the Development will be jeopardized.
- c) Rule 67-48.0072(4)(c), Fla. Admin. Code, provides:
  - (c) For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. . . . In the event the loan does not close by the end of the 12 month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.
- d) Petitioner was invited to credit underwriting on August 14, 2014, and received a 12-month extension until August 14, 2016. Petitioner has been unable to close the SAIL loan and does not anticipate being able to close it by August 14. Petitioner therefore seeks an extension of the SAIL loan closing date until December 31, 2016.
- e) On July 22, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 142. To date, Florida Housing has received no comments concerning the Petition.

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- f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

- g) 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. Petitioner has demonstrated that the waivers are needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waivers are 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 waivers are granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-21.013, Fla. Admin. Code, so that W&D will be able to purchase the non-credit enhanced revenue bonds as part of the TEL Program and will not be required to submit an investment letter. Staff also recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code, so that the SAIL loan closing deadline may be extended from August 14, 2016 until December 31, 2016.

## MULTIFAMILY BONDS

### *Consent*

#### V. MULTIFAMILY BONDS

##### A. Request Approval of Credit Underwriting Report for Hampton Villa Apartments (2016-186BS)

<b>Development Name: Hampton Villa Apartments</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: SP HV Apartments LLC</b>	<b>Set Aside(s): 100% @ 60% AMI (MMRN &amp; Housing Credits) 10% @ 35% AMI (SAIL and ELI) 90% @ 60% AMI (SAIL)</b>
<b>Developer/Principal: Southport Development, Inc. dba Southport Development Services, Inc.</b>	<b>Demographic/Number of units: Family / 60 units</b>
<b>Requested Amounts: \$3,800,000 MMRN \$2,000,000 SAIL \$340,800 ELI \$252,314 Housing Credits</b>	<b>Development Category/Type: Acquisition and Rehabilitation / Garden Apartments</b>

##### 1. Background/Present Situation

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for the SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 18, 2016, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- c) On March 21, 2016, staff issued an invitation to enter credit underwriting to the Applicant.
- d) Staff reviewed the credit underwriting report, giving a positive recommendation for a SAIL loan in the amount of \$2,000,000, ELI Gap funding in the amount of \$340,800, and \$3,800,000 in Tax Exempt MMRN ([Exhibit A](#)). Staff finds that the development meets all of the requirements of RFA 2015-112.

##### 2. Recommendation

- a) Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report recommending and allocating \$3,800,000 in Tax Exempt MMRN, \$2,000,000 in SAIL funding, and \$340,800 in ELI Gap funding for the acquisition and rehabilitation of the Development, 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 Credit Underwriting Report for Seminole Gardens (2016-179BS)**

<b>Development Name: Seminole Gardens</b>	<b>Location: Seminole County</b>
<b>Applicant/Borrower: SP SG Apartments LLC</b>	<b>Set Aside(s):</b> <b>100% @ 60% AMI (MMRN &amp; Housing Credits)</b> <b>10% @ 40% AMI (SAIL and ELI)</b> <b>90% @ 60% AMI (SAIL)</b>
<b>Developer/Principal: Southport Development, Inc. dba Southport Development Services, Inc.</b>	<b>Demographic/Number of units:</b> <b>Family / 108 units</b>
<b>Requested Amounts:</b> <b>\$7,250,000 MMRN</b> <b>\$2,800,000 SAIL</b> <b>\$536,500 ELI</b> <b>\$518,563 Housing Credits</b>	<b>Development Category/Type:</b> <b>Acquisition and Rehabilitation / Garden Apartments</b>

#### **1. Background/Present Situation**

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for the SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 7, 2016, the Applicant entered credit underwriting at-risk.
- c) On March 18, 2016, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On April 27, 2016, staff approved the Applicant's requested to increase the MMRN request amount from \$6,750,000 to \$7,250,000.
- e) Staff reviewed the credit underwriting report, giving a positive recommendation for a SAIL loan in the amount of \$2,800,000, ELI Gap funding in the amount of \$536,500, and \$7,250,000 in Tax Exempt MMRN ([Exhibit B](#)). Staff finds that the development meets all of the requirements of RFA 2015-112.

#### **2. Recommendation**

- a) Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report recommending and allocating \$7,250,000 in Tax Exempt MMRN, \$2,800,000 in SAIL funding, and \$536,500 in ELI Gap funding for the rehabilitation of the Development, 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 Method of Bond (Note) Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of Loan Placement Agent**

**1. Background**

- a) Pursuant to staff's request for approval to issue bonds and/or notes to finance the construction/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. A brief description 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 recommendation to the Board for the method of bond and/or note issuance for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond and/or note issuance for the Developments. The recommendation letters are attached as [Exhibit C](#) through [D](#).

**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 method of bond and/or note issuance, as shown in the chart below, for the proposed Developments.

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>	<b>Exhibit</b>
Hampton Villa Apartments	Duval County	60	Note Placement	RBC Capital Markets, LLC	Exhibit C
Seminole Gardens	Seminole County	108	Note Placement	RBC Capital Markets, LLC	Exhibit D

## MULTIFAMILY BONDS

### *Consent*

**D. Request Approval of the Transfer of Ownership for Deer Meadow (2012 Series C / 2001-506C)**

<b>Development Name: Deer Meadow</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Deer Meadow Associates, Ltd.</b>	<b>Set Aside(s): 85% @ 60% AMI (MMRB) 100% @ 60% AMI (Housing Credits)</b>
<b>Developer/Principal: CAPREIT Inc.</b>	<b>Demographic/Number of units: Family / 200 units</b>
<b>Requested Amounts: \$7,075,000 MMRB \$465,267 Housing Credits</b>	<b>Development Category/Type: Acquisition and Rehabilitation / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing financed the above referenced Development in 1999 with \$8,640,000 in tax exempt MMRB designated as 1999 Series R. In 2012, Florida Housing approved the transfer of ownership of the Development and financed the refunding of the tax exempt bonds with \$7,075,000 in tax-exempt MMRB designated as 2012 Series C. In addition, \$465,267 in Housing Credits was allocated to this Development.
- b) Deer Meadow Associates, Ltd. has requested Florida Housing's consent to the transfer of ownership interest in the Borrower to an affiliate of Aspen Square Management, Inc. First Housing Development Corporation has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption, and subordination of the Land Use Restriction Agreement "LURA" and Extended Low-Income Housing Agreement "ELIHA" ([Exhibit E](#)).

**2. Recommendation**

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

## MULTIFAMILY PROGRAMS

### *Consent*

#### VI. MULTIFAMILY PROGRAMS

##### A. Request Approval of Credit Underwriting Report for Cork Country Place (2015-265G)

<b>Development Name: Cork Country Place</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: MacDonald Training Center, Inc.</b>	<b>Set-Asides: 33% @ 40% AMI &amp; 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$392,000 Grant funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

##### 1. Background/Present Situation

- a) On August 14, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 11, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 17, 2015, staff issued a Letter of Preliminary Award to MacDonald Training Center, Inc., and on March 31, 2016, staff issued an invitation to enter credit underwriting.
- d) On July 8, 2016, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$392,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2015-105.

##### 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*

#### **B. Request Approval of Credit Underwriting Report and Waiver for Kaden Place (2015-274G)**

<b>Development Name: Kaden Place</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: The Arc Jacksonville, Inc.</b>	<b>Set Aside(s): 33% @ 35% AMI and 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents</b>
<b>Requested Amounts: \$392,000 Grant Funding</b>	<b>Development Category/Type: New Construction / Single Family</b>

#### **1. Background/Present Situation**

- a) On August 14, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 11, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 2, 2016, staff issued an invitation to enter credit underwriting to The Arc Jacksonville, Inc.
- d) On July 18, 2016, staff received a positive recommendation for a grant amount of \$392,000 to be allocated to the Development. ([Exhibit B](#))
- e) On July 11, 2016, staff received a request of waiver ([Exhibit C](#)) from the requirement to provide a fully accessible kitchen in accordance with the 2010 ADA Standards for Accessible Design per RFA 2015-105, specifically the height of a portion of the countertops, including those next to the oven and stovetop. Staff has determined that the residents served by Kaden's Place will not be utilizing the kitchen ovens and stove tops due to safety issues associated with their condition. Therefore, a waiver of this requirement should be granted on the grounds of the health and safety of the staff and residents of Kaden Place.

#### **2. Recommendation**

- a) Staff recommends that the Board grant the Applicant's request for a waiver of the terms of the RFA regarding ADA countertop height requirements and approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

#### VII. PREDEVELOPMENT LOAN PROGRAM (PLP)

- A. Request Approval of PLP Loan to Karis Village, LLC/Carrfour Supportive Housing, Inc., a not-for-profit entity, for Karis Village (2016-004P-09)

DEVELOPMENT NAME (“Development”):	Karis Village
APPLICANT/DEVELOPER (“Developer”):	Karis Village, LLC/Carrfour Supportive Housing, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	88 rental units
LOCATION (“County”):	Miami-Dade County
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	

1. **Background**

- a) On March 15, 2016, the Developer submitted a PLP application for Karis Village.
- b) On March 21, 2016, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. **Present Situation**

- a) On July 13, 2016, 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 \$500,000.
- 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 \$500,000 to Karis Village, LLC/Carrfour Supportive Housing, Inc. for Karis Village and allow staff to commence with the loan closing process.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

**B. Request Approval of PLP Loan to Melbourne Housing Authority for Palms at University (2016-009P-09)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Palms at University</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Melbourne Housing Authority</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>60 rental units</b>
<b>LOCATION (“County”):</b>	<b>Brevard</b>
<b>TYPE:</b>	<b>Elderly and Persons with Disabilities</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$500,000</b>
<b>ADDITIONAL COMMENTS:</b>	

**1. Background**

- a) On June 10, 2016, the Developer submitted a PLP application for Palms at University.
- b) On June 10, 2016, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

**2. Present Situation**

- a) On July 14, 2016, staff received a development plan and a letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$500,000.
- 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 \$500,000 to Melbourne Housing Authority for Palms at University and allow staff to commence with the loan closing process.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

**C. Request Approval of PLP Loan to SCLAD, Inc., a not-for-profit entity, for Le Jeune Gardens (2016-008P-09)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Le Jeune Gardens</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>SCLAD, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>18 rental units</b>
<b>LOCATION (“County”):</b>	<b>Miami-Dade County</b>
<b>TYPE:</b>	<b>Persons with Disabilities</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$373,003</b>
<b>ADDITIONAL COMMENTS:</b>	

**1. Background**

- a) On May 25, 2016, the Developer submitted a PLP application for Le Jeune Gardens.
- b) On June 3, 2016, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

**2. Present Situation**

- a) On July 14, 2016, staff received a development plan and a letter ([Exhibit C](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$373,003.
- 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 \$373,003 to SCLAD, Inc. for Le Jeune Gardens and allow staff to commence with the loan closing process.

## **PROFESSIONAL SERVICES SELECTION (PSS)**

### *Consent*

#### **VIII. PROFESSIONAL SERVICES SELECTION (PSS)**

##### **A. Single Source Procurement for a Hardest Hit Fund (HHF) Program Manager**

###### **1. Background**

- a) Starting in September 2010, Florida Housing has entered into an annual single source contract with Lainie Lowery, President of RCL Consulting and Management, Inc. to act as Program Manager for the HHF Program. Ms. Lowery's experience and knowledge in this field cannot be readily obtained through the competitive solicitation process, and has greatly assisted both the implementation and the continued management of the Program.

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

- a) On September 21, 2016, the term for Florida Housing's current contract with RCL Consulting and Management, Inc. will expire.
- b) Florida Housing has a continuing need for a HHF Program Manager to assist and advise Florida Housing with managing the Hardest Hit Fund program.

###### **3. Recommendation**

- a) Staff believes that it is in the best interests of Florida Housing to proceed with a new contract for these services. Staff requests authorization to enter into a single source contract with Lainie Lowery, President of RCL Consulting and Management, Inc.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Contract Renewal for Utility Energy Data Services for the Multifamily Energy Retrofit Program with the University of Florida**

##### **1. Background**

- a) On September 16, 2013, Florida Housing entered into a grant agreement with the Florida Department of Agriculture and Consumer Services to capitalize and administer the Multifamily Energy Retrofit Program (MERP). The funding is provided from the U.S. Department of Energy through the State Energy Program. MERP funds will be used to provide loans to older properties in Florida Housing's portfolio to upgrade old, inefficient building components, with the resulting savings on energy costs used to repay the loans. Federal energy funding includes reporting requirements to show the energy savings achieved from the retrofits. Florida Housing reports key measures to the State Energy Office, which will in turn report to the U.S. Department of Energy on a quarterly basis for the life of each loan. Once the retrofits are complete, Florida Housing is required to analyze and report energy use quarterly so that pre- and post-retrofit energy use can be compared.
- b) On January 22, 2014, Florida Housing entered into an agreement with the University of Florida to Collect and compile utility data (consumption and cost) of Loan Fund recipients to track performance over time and report energy savings and energy cost savings quarterly to the State Energy Office.
- c) The initial three-year term of the contract with the University of Florida began on January 22, 2014. Contingent upon the vendor satisfactorily performing its obligations under the contract as determined by Florida Housing, this contract may be renewed twice for an additional one-year period.

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

- a) Florida Housing staff supports utilizing the first renewal option to extend the term of the contract for a period of one year.

##### **3. Recommendation**

- a) Staff believes that it is in the best interest of Florida Housing to continue to retain the University of Florida pursuant to the existing contract and recommends the Board direct staff to proceed with the first one-year renewal option.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

#### IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

##### A. Request Approval of Loan Closing Extension for Landings of St. Andrew (2015-245CS)

<b>Development Name: Landings of St. Andrew</b>	<b>Location: Pasco County</b>
<b>Applicant/Borrower: Landings Port Richey Senior Housing Limited Partnership</b>	<b>Set-Aside(s): 15% @ 40% AMI &amp; 80% @ 60% AMI</b>
<b>Developer/Principal: National Church Residences</b>	<b>Demographic/Number of Units: Elderly Transformative Preservation/196</b>
<b>Requested Amounts: SAIL \$2,000,000, Annual HC \$ 1,510,000</b>	<b>Development Category/Type: Preservation/Mid-Rise</b>

##### 1. Background/Present Situation

- a) On May 12, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-104 for Housing Credit and SAIL Financing for the Preservation of Existing Affordable Multifamily Housing Developments.
- b) On August 7, 2015, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On September 8, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Landings Port Richey Senior Housing Limited Partnership with a closing deadline of September 8, 2016.
- d) On July 5, 2016, staff received a request from the Applicant for an extension of the loan closing deadline to September 8, 2017, which would allow additional time to complete the credit underwriting approval process and proceed to loan closing ([Exhibit A](#)). Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months related to the loan closing. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.

##### 2. Recommendation

- a) Approve the request to extend the loan closing deadline from September 8, 2016 to September 8, 2017, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

#### **B. Request Approval of Loan Closing Extension for Mount Carmel Gardens (2014-423S)**

<b>Development Name: Mount Carmel Gardens</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: MCG Senior Apartments, Ltd.</b>	<b>Set-Aside(s): 15% @ 33% AMI and 85% @ 60% AMI</b>
<b>Developer/Principal: BREC Development, LLC</b>	<b>Demographic/Number of units: Elderly Transformative Preservation/207</b>
<b>Requested Amounts: SAIL \$4,010,087, ELI Gap \$1,968,900, 4% HC \$611,874, MMRB \$9,750,000 (Local - JHFA)</b>	<b>Development Category/Type: Acquisition and Elderly Transformative Preservation/High Rise</b>

#### **1. Background/Present Situation**

- a) On August 25, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 12, 2014, the Board approved the final scores and recommendations for the RFA, and directed 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 December 19, 2014.
- c) On March 20, 2015, the Board approved the Applicant's request to change its name from MCG Senior Apartments, LLC to MCG Senior Apartments, Ltd.
- d) On December 11, 2015, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm loan commitment and loan closing activities. The Board also approved a request to extend the loan closing deadline from December 21, 2015 to December 21, 2016 in order to allow additional time to complete the credit underwriting process. Per the RFA, the Applicant may request one extension of up to 12 months from the date of the invitation to enter credit underwriting.
- e) On December 14, 2015, staff issued a firm loan commitment for funding to the Applicant. Per the RFA, the loan must close within 180 calendar days of the firm commitment, which is June 13, 2016. A request for an extension of the firm loan commitment may be considered by the Board for an extension term of up to 90 Calendar Days. The Board approved a request for a 90 day extension of the firm loan commitment closing deadline on June 24, 2016 extending the deadline from June 13, 2016 to September 12, 2016.
- f) On July 13, 2016, staff received an additional request from the Applicant for a 90 day extension of the firm loan commitment closing deadline ([Exhibit B](#)). The extension will allow additional time to close due to the complexity of the project involving multiple funding sources and finalizing loan documents. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.



## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

#### 2. **Recommendation**

- a) Approve the request to extend the firm loan commitment closing deadline from September 12, 2016 to December 11, 2016, pursuant to the requirements of the RFA.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

**C. Request Approval of Loan Closing Extension for Timber Ridge at Sanders Pines Reserve (2015-107S)**

<b>Development Name: Timber Ridge at Sanders Pines Reserve</b>	<b>Location: Collier County</b>
<b>Applicant/Borrower: Oak Marsh, LLC</b>	<b>Set-Aside(s): 2% @ 33%, 78% @ 50%, 20% @ 60% AMI</b>
<b>Developer/Principal: Rural Neighborhoods, Incorporated and Big Cypress Housing Corporation</b>	<b>Demographic/Number of units: Farmworker/75</b>
<b>Requested Amounts: \$2,215,000 Existing SAIL to be restructured: \$500,000 plus accrued interest</b>	<b>Development Category/Type: Development Category/Type: Acquisition and Rehabilitation/Garden Apartments</b>

**1. Background/Present Situation**

- a) On December 19, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-117 for SAIL Funding to Preserve Farmworker and Commercial Fishing Worker Housing.
- b) On March 20, 2015, the Board approved the final scores and recommendations for RFA 2014-117, and directed 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 March 26, 2015. Per the RFA and stated in the invitation to enter credit underwriting, the loan must close within 12 months of the date of the invitation to enter credit underwriting. The Board approved a 12 month extension on March 18, 2016 extending the deadline to March 28, 2017.
- c) On January 29, 2016, the Board approved the final credit underwriting report and directed staff to proceed with a firm loan commitment and closing activities. Staff issued a firm loan commitment for funding on February 1, 2016. Per the RFA, the loan must close within 120 calendar days of the firm commitment, which is May 31, 2016. A request for an extension of the firm loan commitment closing deadline may be considered by the Board for an extension term of up to 90 Calendar Days. The Board approved a request for a 90 day extension of the firm loan commitment closing deadline on May 6, 2016, extending the deadline from May 31, 2016 to August 29, 2016.
- d) On July 13, 2016, staff received an additional request from the Applicant for a 90 day extension of the firm loan commitment closing deadline ([Exhibit C](#)). The extension will allow additional time to acquire closing items such as building permits, approval of the property management company and required insurance. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.

**2. Recommendation**

- a) Approve the request to extend the firm commitment loan closing deadline from August 29, 2016 to November 27, 2016, pursuant to the requirements of the RFA.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

**D. Request Approval of Credit Underwriting Report for Liberty Village (2014-398CS/2015-279CS)**

<b>Development Name: Liberty Village</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Osprey Apartments, LLC</b>	<b>Set Aside(s): 25% @ 33% AMI and 75% @ 60% AMI</b>
<b>Developer/Principal: Carrfour Supportive Housing, Inc.</b>	<b>Demographic/Number of units: Homeless Veterans/60</b>
<b>Requested Amounts: SAIL \$1,100,000, ELI Gap \$225,000, 9% HC \$1,310,000</b>	<b>Development Category/Type: New Construction/ Mid-Rise, 5 to 6 stories</b>

**1. Background/Present Situation**

- a) On April 4, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-107 for the Financing of Permanent Supportive Housing with a Priority to Assist Veterans with a Disabling Condition that Lack Permanent and Stable Housing.
- b) On June 13, 2014, the Board approved the final scores and recommendations for RFA 2014-107, and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 19, 2014, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Osprey Apartments, LLC.
- d) On June 19, 2015, the Board approved a loan closing deadline extension from June 19, 2015 to June 19, 2016.
- e) On December 11, 2015, the Board approved a waiver of Section II.K of the QAP to permit the Petitioner to return its 2014 Housing Credit Allocation and to allow the Corporation to allocate an equivalent amount of 2015 Housing Credits. The Board also approved a waiver of the Rule to permit a Development Type change from High-Rise to Mid-Rise, 5 to 6 stories.
- f) On May 6, 2016, the Board approved a waiver of the Rule pertaining to the required closing date for a SAIL loan to permit extending the closing deadline from June 19, 2016 to September 30, 2016.
- g) On July 21, 2016, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit D](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2014-107.

**2. Recommendation**

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

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

#### E. Request Approval of Credit Underwriting Report for Karis Village (2015-168CS)

<b>Development Name: Karis Village</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Karis Village, LLC</b>	<b>Set-Aside(s): 15% @ 33% AMI &amp; 85% @ 60% AMI</b>
<b>Developer/Principal: Carrfour Supportive Housing, Inc. and GMKV Dev, LLC</b>	<b>Demographic/Number of Units: Homeless/88</b>
<b>Requested Amounts: SAIL \$4,300,000, Annual HC \$2,180,000</b>	<b>Development Category/Type: New Construction/High Rise</b>

#### 1. Background/Present Situation

- a) On November 21, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-116 for Housing Credit and SAIL Financing for Affordable Housing Developments Located in Miami-Dade County.
- b) On September 18, 2015, the Board approved the Final Order(s) allowing staff to proceed with all necessary credit underwriting activities.
- c) On September 21, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Karis Village, LLC.
- d) On July 26, 2016, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit E](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2014-116.

#### 2. Recommendation

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

## SPECIAL ASSETS

### *Consent*

#### X. SPECIAL ASSETS

- A. Request Approval to Refinance the First Mortgage for Sumerset Apartments, LLC., a Florida Limited Liability Corporation, for Sumerset Housing Apartments (MR2003 S1& S2/2003-139BS/2003-517C)

<b>Development Name: Sumerset Housing Apartments (“Development”)</b>	<b>Location: Orange County</b>
<b>Developer/Principal: Richelson Enterprises, LLC (“Developer”)/ Sumerset Apartments, LLC (“Borrower”)</b>	<b>Set-Aside: MMRB 20% @ 50%; SAIL 20% @ 50%; HC 100% @ 60% AMI SAIL: 50 years; EUA: 50 years</b>
<b>Number of Units: 148</b>	<b>Allocated Amount: MMRB \$4,840,000; SAIL \$2,000,000; HC \$288,499</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

##### 1. Background

- a) During the 2003 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$4,600,000 and taxable bonds in the original amount of \$240,000 to Sumerset Apartment, LLC, a Florida limited liability corporation (“Borrower”), for the development of a 148-unit apartment complex in Orange County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on October 1, 2003, and matures on May 1, 2036. FHFC also awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$2,000,000. The loan closed on October 7, 2003, and matures on June 1, 2036. The Development received a 2003 allocation of low-income housing tax credits (“HC”) of \$288,499.

##### 2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage, redeeming the underlying bonds. The Borrower also requests that the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), MMRB LURA, and Housing Credit Extended Use Agreement (“HC EUA”) be subordinated to the new first mortgage.
- b) Staff has received a credit underwriting report from First Housing Development Corporation ([Exhibit A](#)) with a positive recommendation for approval of the new financing, and subordination of the SAIL loan documents, SAIL and MMRB LURAs, and the HC EUA to the new first mortgage.

##### 3. Recommendation

- a) Approve the refinancing of the first mortgage, and subordination of the SAIL loan documents, SAIL and MMRB LURAs, and HC EUA, and modifications to any other loan documents deemed necessary by FHFC counsel, subject to the conditions outlined in the credit underwriter’s report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

**B. Request Approval to Refinance the First Mortgage and Transfer of Ownership for Pasco Woods, Ltd., a Florida Limited Partnership, for Pasco Woods (1999-086S/2000-504C/GUAR-41)**

<b>Development Name: Pasco Woods (“Development”)</b>	<b>Location: Pasco County</b>
<b>Developer/Principal: Thomas N. Tompkins (“Developer”)/ Pasco Woods, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 99% @ 60%; HC 100% @ 60% AMI; LURA &amp; EUA: 50 years</b>
<b>Number of Units: 200</b>	<b>Allocated Amount: SAIL \$2,000,000; HC \$526,142</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

- a) During the 1998/1999 State Apartment Incentive Loan (“SAIL”) Cycle XI, Florida Housing awarded a \$2,000,000 construction/permanent loan to Pasco Woods, Ltd. (“Borrower”), a Florida limited partnership, for the construction of a 200-unit development in Pasco County. The SAIL loan closed on March 14, 2000, and will mature on August 1, 2039. Other funding sources included Pasco County bonds which are guaranteed by the FHFC Guarantee Fund. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$526,142.

**2. Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage with a loan from Axiom Bank, the proceeds of which will be used to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC.
- b) The refinancing will require that the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), and Low Income Housing Tax Credit Extended Use Agreement (“EUA”) be subordinated to the new first mortgage.
- c) The Borrower also requests approval of the transfer of ownership from Pasco Woods, Ltd. to Pasco Woods Harmony Housing, LLC, a Florida limited liability corporation and an affiliate of Harmony Housing Advisors, Inc. (“Purchaser”).
- d) Staff has received a credit underwriting report from Seltzer Management Group ([Exhibit B](#)) with a positive recommendation for approval of the new financing, and subordination of the SAIL loan documents, SAIL LURA, and the HC EUA to the new first mortgage and the transfer of ownership.

**3. Recommendation**

- a) Approve the refinancing of the first mortgage loan, subordination of the SAIL loan, SAIL LURA, and HC EUA, and the transfer of ownership, contingent upon the refinancing of the first mortgage and termination of the Guarantee Program commitment thereon, subject to the conditions outlined in the credit underwriter’s report, and subject to further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

**C. Request Approval to Refinance the First Mortgage and Transfer of Ownership for Woodcreek, Ltd., a Florida Limited Partnership, for Park Springs (1999-077S/2000-503C)**

<b>Development Name: Park Springs (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: Park Richey Development, Inc. (“Developer”), A. Wayne Rich / Woodcreek, Ltd. (“Borrower”), Thomas N. Tompkins</b>	<b>Set-Aside: SAIL 99% @ 60%; HC 100% @ 60% AMI; LURA: 50 years; EUA: 30 Years</b>
<b>Number of Units: 200</b>	<b>Allocated Amount: SAIL \$2,375,578; HC \$499,158</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) During the 1998/1999 State Apartment Incentive Loan (“SAIL”) Cycle XI, Florida Housing awarded a \$2,375,578 construction/permanent loan to Woodcreek, Ltd. (“Borrower”), a Florida limited partnership, for the construction of a 200-unit development in Hillsborough County. The SAIL loan closed on March 13, 2000, and will mature on July 1, 2039. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$499,158.

**2. Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage with a loan from Key Bank. The refinancing will require that the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), and Low Income Housing Tax Credit Extended Use Agreement (“EUA”) be subordinated to the new first mortgage.
- b) The Borrower also requests approval of the transfer of ownership from Woodcreek, Ltd. to Harmony Shelf 7, LLC, a Florida limited liability corporation and an affiliate of Harmony Housing Advisors, Inc. (“Purchaser”).
- c) Staff has received a credit underwriting report from Seltzer Management Group ([Exhibit C](#)) with a positive recommendation for approval of the new financing, and subordination of the SAIL loan documents, SAIL LURA, and the HC EUA to the new first mortgage, and the transfer of ownership.

**3. Recommendation**

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

## SPECIAL ASSETS

### *Consent*

**D. Request Approval to Restructure the First Mortgage and Renegotiate the SAIL Loan for Miami Sunset Bay Apartments, L.P., a Florida Limited Partnership, for Sunset Bay Apartments (2001-007S/2001-510C)**

<b>Development Name: Sunset Bay Apartments (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: The Partnership, Inc. (“Developer”); Miami Sunset Bay Apartments, L.P. (“Borrower”)</b>	<b>Set-Aside: SAIL 2.60% @ 33%, 97.40% @ 60%; HC 100% @ 60% AMI LURA &amp; EUA: 50 years</b>
<b>Number of Units: 308</b>	<b>Allocated Amount: SAIL \$2,486,611; HC \$1,066,961</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

- a) During the 2001 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$2,486,611 to Miami Sunset Bay Apartments, L.P., a Florida limited partnership (“Borrower”), for the development of a 308-unit apartment complex in Miami-Dade County, Florida. The loan was closed on August 20, 2002, and matures on March 1, 2023. The Development also received a 2001 allocation of low-income housing tax credits (“HC”) of \$1,066,961.
- b) On March 16, 2012, the Board approved the refinance of the first mortgage that terminated the mortgage guaranty issued by the Guarantee Program and its associated financial risk to Florida Housing. The Board also approved the transfer of the general partnership interest from One Oakwood Boulevard, LLC, an affiliate of Centerline Capital Group, to The Partnership, Inc., a non-profit entity.

**2. Present Situation**

- a) The Borrower requests consent from the Board to restructure the existing first mortgage and subordinate the SAIL loan documents, the SAIL Land Use Restriction Agreement (“LURA”), and the Low Income Housing Tax Credit Extended Use Agreement (“EUA”) to the new first mortgage. The Borrower also requests that the SAIL loan be extended to be coterminous with the new first mortgage. The SAIL LURA will also be extended by the length of time equal to the extension of the SAIL loan term. As part of the first mortgage restructure, the Borrower will pay approximately \$1.7 million of the SAIL loan.
- b) The Borrower further requests that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower will pay all accrued and outstanding 3% interest on the current SAIL note, as required, in order for the loan to be renegotiated. The SAIL loan terms will also be renegotiated to limit annual SAIL interest to 75% of annual surplus cash flow as a requirement of the new first mortgage lender.



## SPECIAL ASSETS

### *Consent*

- c) Prior to or simultaneously with the first mortgage restructure, the general partner, The Partnership, Inc., intends to buy out the special limited partner and investor limited partner interests. All partnership interests will be merged into one entity that is wholly owned by a non-profit so that the newly created corporation can qualify for ad valorem real estate tax exemption.
- d) Staff received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group with a positive recommendation for approval for the first mortgage restructure, subordination of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage, extension of the SAIL loan term and SAIL LURA, and renegotiation of the SAIL loan terms.

### 3. **Recommendation**

- a) Approve the restructure of the first mortgage, subordination of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage, extension of the SAIL loan term and SAIL LURA, and renegotiation of the SAIL loan terms, subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

- E. **Request Approval to Refinance the First Mortgage and Renegotiate the SAIL Loan for Nonprofit Housing Preservation V, LLC, a Limited Liability Company, for Lewis Place at Ironwood (1999-036S/2000-514C)**

<b>Development Name: Lewis Place at Ironwood (“Development”)</b>	<b>Location: Alachua County</b>
<b>Developer/Principal: Jennings Development Group, Inc. (“Developer”)/Lewis Place Associates, Ltd. (“Original Borrower”); Nonprofit Housing Preservation V, LLC (“Current Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: 100% @ 60% AMI LURA &amp; EUA: 50 years</b>
<b>Number of Units: 112</b>	<b>Allocated Amount: SAIL \$900,000; HC \$349,730</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

#### 1. Background

- a) During the 1999 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$900,000 to Lewis Place Associates, Ltd., a Florida limited partnership (“Original Borrower”), for the development of a 112-unit property in Alachua County, Florida. The loan was closed on March 15, 2000, and matures on July 1, 2041. The Development also received an allocation of low-income housing tax credits (“HC”) of \$349,730.
- b) On March 18, 2011, the Board approved the transfer of the general partner interest in the Original Borrower from Lewis Plaza, Inc. to The Partnership, Inc., a non-profit entity.
- c) In December 2015, Florida Housing approved the transfer of special limited partner and investor limited partner interests to the Current Borrower. All partnership interests were merged into one entity that is wholly owned by a non-profit so that the newly created limited liability company could qualify for ad valorem real estate tax exemption.

#### 2. Present Situation

- a) The Current Borrower requests consent from the Board to refinance the existing first mortgage with a loan through the HUD 223(f) program. The refinancing will require that the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), and Low Income Housing Tax Credit Extended Use Agreement (“EUA”) be subordinated to the new first mortgage. The Current Borrower also requests that the SAIL loan be extended to be coterminous with the new first mortgage. The SAIL LURA will also be extended by the length of time equal to the extension of the SAIL loan term.
- b) The Current Borrower further requests that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower will pay all accrued and outstanding 3% interest on the current SAIL note as required in order for the loan to be renegotiated. The SAIL loan terms will also be renegotiated to limit annual SAIL interest to 75% of annual surplus cash flow as a requirement of the new first mortgage lender.

## **SPECIAL ASSETS**

### ***Consent***

- c) Staff has received a credit underwriting report from Seltzer Management Group ([Exhibit E](#)) with a positive recommendation for approval of the new financing, subordination of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage, extension of the SAIL Loan and SAIL LURA, and renegotiation of the SAIL loan terms.

### **3. Recommendation**

- a) Approve the refinancing of the first mortgage loan, subordination of the SAIL loan documents, SAIL LURA, and EUA, extension of the SAIL loan and LURA, and renegotiation of the SAIL loan terms, subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

**F. Request Approval of Transfer of General Partner Interests and Release of Guarantors in Laurel Villas Associates, LLC, a Florida Limited Liability Company, for Laurel Villas Apartments (2009-228C/2010-037CX)**

<b>Development Name: Laurel Villas (“Development”)</b>	<b>Location: Volusia County</b>
<b>Developer/Principal: Picerne Development and Deland Housing Authority (“Co-Developers”) / Laurel Villas Associates, LLC (“Borrower”)</b>	<b>Set-Aside: TCEP &amp; HC 10% @ 40%, 90% @ 60% AMI</b>  <b>TCEP &amp; EUA: 50 years</b>
<b>Number of Units: 120</b>	<b>Allocated Amount: TCEP \$5,000,000; HC \$1,510,000</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) During the 2010 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a Tax Credit Exchange Program (“TCEP”) loan in the amount of \$5,000,000 to Laurel Villas Associates, LLC (“Borrower”), a Florida limited liability company, for the development of a 120-unit property in Volusia County, Florida. The TCEP loan closed on November 15, 2010, and matures on December 15, 2026. The Development also received a 2009 allocation of low-income housing tax credits (“HC”) of \$1,510,000.

**2. Present Situation**

- a) The Borrower requests approval to transfer the managing member interests in Laurel Villas Associates, LLC from Picerne Laurel Villas, LLC, the managing member with 51% ownership, to Deland LVI, Inc., the co-managing member with 49% ownership. Deland LVI, Inc. will become the sole member of Laurel Villas Associates, LLC.
- b) The Borrower also requests the release of Robert Picerne, Picerne Laurel Villas, LLC, Picerne Investment Corporation, its affiliates and principals, as guarantors. Laurel Villas Associates, LLC and Deland LVI, Inc. will remain as guarantors.
- c) Staff received a credit underwriting report from First Housing Development Corporation ([Exhibit F](#)) providing a positive recommendation for the transfer of the managing member interests and release of guarantors.

**3. Recommendation**

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

## SPECIAL ASSETS

### *Consent*

**G. Request Approval of SAIL Loan Renegotiation for A.M.R. at Pensacola, Inc., a Florida Corporation, for Belmont Duplexes (96S-004)**

<b>Development Name: Belmont Duplexes (“Development”)</b>	<b>Location: Escambia County</b>
<b>Developer/Principal: A.M.R. at Pensacola, Inc. (“Developer” and “Borrower”)</b>	<b>Set-Aside: SAIL: 30% @ 50% AMI; LURA: 50 years</b>
<b>Number of Units: 26</b>	<b>Allocated Amount: SAIL \$328,500</b>
<b>Demographics: Family</b>	<b>Servicer: AmeriNational Community Services</b>

**1. Background**

- a) During the 1995/1996 State Apartment Incentive Loan (“SAIL”) Cycle VIII, Florida Housing awarded a \$328,500 construction/permanent loan to A.M.R. at Pensacola, Inc., a Florida corporation (“Borrower”), for the construction of a 26-unit development in Escambia County. The SAIL loan closed on March 7, 1996, and matured on June 30, 2016.

**2. Present Situation**

- a) The Borrower requests that the SAIL loan be extended and renegotiated from a 3% interest rate cash flow loan to a fully amortizing 1% interest rate loan with interest and principal payments for a term of twenty years. The Borrower has agreed to an extension of the SAIL Land Use Restriction Agreement (“LURA”) term equal to the extension of the SAIL loan term.
- b) Florida Housing staff reviewed the Development’s operating and financial information and provided a positive recommendation for the renegotiation and extension of the SAIL loan.

**3. Recommendation**

- a) Approve the renegotiation and extension of the SAIL loan and SAIL LURA, subject to the conditions outlined in staff’s recommendation and subject to further approvals and verifications by counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.