

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
October 14, 2005
Consent Items



DEMONSTRATION LOANS

Consent

I. DEMONSTRATION LOANS

- A. Request Approval of Credit Underwriting Report for Boley Centers for Behavioral Healthcare, Inc., a non-profit corporation, for Clam Bayou Apartments (RFP 2004/12-04PMDD)

DEVELOPMENT NAME (“Development”):	Clam Bayou Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Boley Centers for Behavioral Healthcare, Inc., a non-profit corporation
NUMBER OF UNITS:	23
LOCATION (County):	Pinellas
TYPE:	Rental, Supportive Housing
SET ASIDE:	Persons with Physical, Mental or Developmental Disabilities
DEMONSTRATION LOAN AMOUNT:	\$184,130
ADDITIONAL COMMENTS: The credit underwriter has recommended approval subject to conditions as outlined in the credit underwriting report. The Technical Assistance Provider (TAP) has also recommended approval.	

1. Background/Present Situation

- a) On December 3, 2004, Florida Housing issued a Request for Proposals (RFP) for the development of housing for persons with physical, mental, or developmental disabilities.
- b) The Developer submitted a response and on April 22, 2005 the Board approved the final ranking and a loan amount of \$184,130. The loan was contingent upon a positive recommendation from the Technical Assistance Provider (TAP) as well as the credit underwriter.
- c) Staff received a credit underwriting report on September 21, 2005 for this Development with a positive recommendation for a loan of \$184,130, subject to certain conditions as outlined in the credit underwriting report ([Exhibit A](#)). And on June 29, 2005 staff received a letter recommending approval from the TAP ([Exhibit B](#)).

2. Recommendation

Approve the TAP and credit underwriter’s final recommendations, direct staff to issue a firm loan commitment and to proceed with loan closing activities.

ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Consent

II. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

A. Request Approval of Credit Underwriting Report for Jefferson Center, Cycle XVII, (2005-003E)

Development Name: Jefferson Center (“Development”)	Location: Sarasota County
Developer/Principal: Jefferson Center, Inc. (“Applicant”)	Set-Aside: N/A
Number of Units: 209	Allocated Amount: \$72,797
Type: High-Rise	Total Housing Credit Equity: N/A
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On April 22, 2005, the Board approved the final scores and ranking for the 2005 EHCL Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On May 6, 2005, staff issued a preliminary commitment letter and an invitation to credit underwriting for a EHCL loan in an amount up to \$72,797 for this 209-unit Elderly development in Sarasota County.
- c) On September 28, 2005, staff received a credit underwriting report with a positive recommendation for an EHCL loan in the amount of \$72,797 ([Exhibit A](#)). The EHCL loan will be secured with a third mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of EHCL Rule 67-32, F.A.C.

2. Recommendation

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

HOME RENTAL

Consent

III. HOME RENTAL

A. Request Extension to close HOME Loan for Wildwood Villas (2004-101H)

Development Name: Wildwood Villas	Location: Sumter County
Developer/Principal: Florida Low Income Housing Assoc, Inc.	Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI
Number of Units: 50	Allocated Amount: \$3,900,000
Type: Duplex Style Buildings/NC	Demographics: Family

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 26, 2004, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in the amount up to \$3,900,000 for this 50-unit family development in Sumter County.
- c) On April 22, 2005, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- d) On April 26, 2005, staff issued a firm commitment letter for a HOME loan in an amount up to \$3,900,000. Pursuant to Rule 67—48, the loan must close within 60 days of issuance of the firm commitment letter.
- e) On May 10, 2005, staff received a letter from the Developer requesting a loan closing extension from July 5, 2005 to September 5, 2005 due to the inability of the local government and the primary site owner to secure a railroad right of way for a new crossing shown on development site plan and approved by local government.
- f) On September 1, 2005, staff received a letter from the Developer requesting a loan closing extension from September 5, 2005 to November 4, 2005 due to the inability to consummate an extension of the land contract in time to meet the September 5th deadline ([Exhibit A](#)).

2. Recommendation

Approve the Developer's request to extend the closing deadline until November 4, 2005.

HOME RENTAL

Consent

B. Request Approval to Extend HOME Loan Closing Deadline for Normandy Apartments (2004-010H)

Development Name: Normandy Apartments	Location: Duval County
Developer/Principal: Community Housing Partners Corporation	Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI
Number of Units: 100	Allocated Amount: \$4,166,882
Type: Garden Style Buildings/Rehab	Demographics: Family

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 26, 2004, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in the amount up to \$4,166,882 for this 100-unit family development in Duval County.
- c) On June 10, 2005, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- d) On June 15, 2005, staff issued a firm commitment letter for a HOME loan in an amount up to \$4,166,882. Pursuant to Rule 67—48, the loan must close within 60 days of issuance of the firm commitment letter.
- e) On July 29, 2005, staff received a letter from the Developer requesting a loan closing extension from August 15, 2005 to October 14, 2005 due to the inability to obtain all building permits along with other approvals and permits 2 weeks prior to closing.
- f) On September 21, 2005, staff received a letter from the Developer requesting a loan closing extension from October 14, 2005 to December 13, 2005 due to the inability to obtain all building permits along with other approvals and permits in time to meet the October 14 deadline ([Exhibit B](#)).

2. Recommendation

Approve the Developer's request to extend the closing deadline until December 13, 2005.

HOME RENTAL

Consent

C. **Request Approval for Refinancing of the First Mortgage Loan for Colony Lakes Apartments (93HD-020 & 93L-103)**

Development Name: Colony Lakes Apartments fka Riverwalk III	Location: Dade
Developer/Principal: The Related Group of Florida	Set-Aside: 50% @ 50% AMI and 50% @ 60% AMI
Number of Units: 220	Allocated Amount: \$4,800,000
Type: NC	Demographics: Family

1. **Background/Present Situation**

- a) A HOME loan in the amount of \$4,800,000 for new construction of a 220-unit with 94 of the units set aside for HOME in Dade County closed on May 20, 1994.
- b) On September 21, 2005, the Borrower requested approval for refinancing and increase of the first mortgage loan ([Exhibit C](#)).
- c) On September 29, 2005 staff received a credit underwriting review with a positive recommendation to approve the request for refinancing of the first mortgage loan ([Exhibit D](#)). Staff has reviewed the report and finds that the Development meets all of the requirements of Rule 67-48, F.A.C.

2. **Recommendation**

Approve the Borrower's request for refinancing of the first mortgage loan and direct staff to amend the appropriate HOME loan documents.

LEGAL

Consent

IV. LEGAL

A. In Re: SHA Associates, Ltd.

Development Name: (“Development”):	Spring Haven Apartments
Developer/Principal: (“Petitioner”):	SHA Associates, Ltd.
Number of Units: 176	Location: Hernando County
Type: Multifamily	Set Aside: 11% @ 50% AMI 74% @ 60% AMI
Demographics: family	Allocated Amount: \$1,500,000
MMRB: \$6,200,000	Housing Credits: \$3,016,810 (4%)

1. Background

- a) In 2002, Florida Housing awarded an allocation of MMRB, Housing Credits and SAIL funds to SHA Associates (“Petitioner”) for the development of Spring Haven Apartments.
- b) On September 14, 2005, Florida Housing received a “Petition for Waiver of Rule 67-21.008(1)(g), Florida Administrative Code (2002),” (“Petition”), from Petitioner. A copy of the Petition is attached as [Exhibit A](#).
- c) Rule 67-21.008(1)(g), Florida Administrative Code, states in pertinent part:

Each Mortgage Loan for a Development made by the Corporation shall:
...

(g) Require the submission to the Corporation of an annual financial statement for the Development and for the Applicant if revenue from multiple projects is being pledged.

- d) Petitioner requests a waiver of the above Rule. Specifically, Petitioner requests that they be relieved of the duty to submit annual audited financial statements for fiscal year 2004. Petitioner reports that due to financing closing delays, construction of Spring Haven Apartments was not completed in 2004, and units did not begin leasing until January, 2005. Petitioner states that a 2004 audited financial statement will not provide any useful information and will create unnecessary expense for Spring Haven Apartments.
- e) On September 23, 2005, the Notice of Petition was published in the Florida Administrative Weekly.
- f) To date, Florida Housing has not received any comments concerning the Petition.

2.

LEGAL

Consent

Present Situation

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.

3. Recommendation

Staff recommends the Board grant the Petitioner's request for a waiver of Rule 67-21.008(1)(g), Florida Administrative Code, as to fiscal year 2004 only.

LEGAL

Consent

B. In Re: Brookwood Forest Partners, Ltd.

Development Name: (“Development”):	Brookwood Forest Apartments
Developer/Principal: (“Petitioner”):	Sandspur Housing Partners, Ltd.
Number of Units: 168	Location: Duval County
Type: Rental	Set Aside: 40 % @60%
Demographics: Family	Allocated Amount: \$3,000,000
MMRB: n/a	Housing Credits: n/a

1. Background

- a) Petitioner was tentatively awarded \$3,000,000 in SAIL funds through the 2005 Universal Cycle to construct the Development, a 168 unit apartment complex located in Duval County, Florida. On September 13, 2005, a Petition for Waiver of Rule 67-48.002(31), 67-48.004(14) and (15) Florida Administrative Code, was received by Florida Housing. Specifically, Petitioner is seeking a waiver of the rules restricting the ability to change the Developer prior to the completion of construction of the Development.
- b) A copy of the Petition is attached as [Exhibit B](#).
- c) On September 23, 2005, the Notice of the Petition was published in Volume 31, Number 38, of the [Florida Administrative Weekly](#). Florida Housing did not receive any comments regarding the Petition.

2. Present Situation

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

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

- b) Rule 67-48.002(31), Florida Administrative Code provides in pertinent part:

"Developer" means any individual, association, corporation, joint venturer, or partnership which possesses the requisite skill, experience, and credit worthiness to successfully produce affordable multifamily housing pursuant to this rule chapter. The Developer, as identified in an Application, may not change until the construction of the Development is complete.

LEGAL

Consent

- c) Rule 67-48.004(14), Florida Administrative Code provides in pertinent part:

Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline ... Any attempted changes to these items will not be accepted. Those items are as follows...

(a) Name of Applicant;

(b) Name of Developer;

- d) Rule 67-48.004(15), Florida Administrative Code provides in pertinent part:

A Development will be withdrawn from funding and any outstanding commitments for funds or HC will be rescinded if at any time the Board determines that the Applicant's Development or Development Team is no longer the Development or Development Team described in the Application, and the changes made are prejudicial to the Development or to the market to be served by the Development.

3. **Recommendation**

Staff recommends that the Board grant this Petition. Petitioner demonstrated that the purpose of the waiver is to accommodate the estate planning purposes of the ultimate owner of Brookwood Forest Apartments. The corporate personnel of the new developer are substantially the same as the existing one and there will be no distribution of funds or other compensation as result of changing the developer entity. The purpose of the underlying statute will be served by granting this waiver, in that granting this waiver request will further Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. Moreover, not granting this waiver will result in a substantial hardship to Petitioner, in that without the granting of the petition, Petitioner's estate will suffer negative tax consequences.

LEGAL

Consent

C. In Re: Lake Harris Cove Partners, Ltd.

Development Name: (“Development”):	Lake Harris Cove Apartments
Developer/Principal: (“Petitioner”):	Sandspur Housing Partners, Ltd.
Number of Units: 152	Location: Lake County
Type: Garden Apartments	Set Aside: 70% @ 60%
Demographics: Family	Allocated Amount: \$3,000,000
SAIL: \$3,000,000	Housing Credits: n/a

1. Background

- a) Petitioner was tentatively awarded \$3,000,000 in SAIL funds through the 2005 Universal Cycle to construct the Development, a 152 unit apartment complex located in Duval County, Florida. On September 13, 2005, a Petition for Waiver of Rule 67-48.002(31), 67-48.004(14) and (15) Florida Administrative Code, was received by Florida Housing. Specifically, Petitioner is seeking a waiver of the rules restricting the ability to change the Developer prior to the completion of construction of the Development.
- b) A copy of the Petition is attached as [Exhibit C](#).
- c) On September 23, 2005, the Notice of the Petition was published in Volume 31, Number 38, of the [Florida Administrative Weekly](#). Florida Housing did not receive any comments regarding the Petition.

2. Present Situation

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

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

- b) Rule 67-48.002(31), Florida Administrative Code provides in pertinent part:

"Developer" means any individual, association, corporation, joint venturer, or partnership which possesses the requisite skill, experience, and credit worthiness to successfully produce affordable multifamily housing pursuant to this rule chapter. The Developer, as identified in an Application, may not change until the construction of the Development is complete.

LEGAL

Consent

- c) Rule 67-48.004(14), Florida Administrative Code provides in pertinent part:

Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline ... Any attempted changes to these items will not be accepted. Those items are as follows...

(a) Name of Applicant;

(b) Name of Developer;

- d) Rule 67-48.004(15), Florida Administrative Code provides in pertinent part:

A Development will be withdrawn from funding and any outstanding commitments for funds or HC will be rescinded if at any time the Board determines that the Applicant's Development or Development Team is no longer the Development or Development Team described in the Application, and the changes made are prejudicial to the Development or to the market to be served by the Development.

3. **Recommendation**

Staff recommends that the Board grant this Petition. Petitioner demonstrated that the purpose of the waiver is to accommodate the estate planning purposes of the ultimate owner of Lake Harris Cove Apartments. The corporate personnel of the new developer are substantially the same as the existing one and there will be no distribution of funds or other compensation as result of changing the developer entity. The purpose of the underlying statute will be served by granting this waiver, in that granting this waiver request will further Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. Moreover, not granting this waiver will result in a substantial hardship to Petitioner, in that without the granting of the petition, Petitioner's estate will suffer negative tax consequences.

LEGAL

Consent

D. In Re: Liberty Center IV, Ltd.

Development Name:	Liberty Center IV Apartments
Developer/Principal:	Liberty Center IV, Ltd.
Number of Units: 100	Location: Duval
Type: SRO	Set Aside: (Homeless)
SAIL: \$2,000,000	Housing Credits: \$410,534

1. Background

- a) During the 2003 Universal Cycle, Florida Housing awarded an allocation of \$2,000,000 in SAIL loan funds, and \$410,534 in tax credits to Liberty Center IV, Ltd. ("Petitioner").
- b) On September 13, 2005, Florida Housing received a Petition for Waiver from Florida Administrative Code Rule 67-48.002(111) ("Petition"), from Petitioner. A copy of the Petition is attached as [Exhibit D](#).
- c) Rule 67-48.002(111), Florida Administrative Code (2003), adopts the 2003 Universal Application Instructions by reference. Petitioner seeks a waiver of a provision of Part II.A.2.a(1) of these Instructions, to wit:

If applying for HC, the Applicant must be a limited partnership (including a limited liability limited partnership) or a limited liability company. The Applicant entity shall be the recipient of the Housing Credits and cannot be changed until after a Final Housing Credit Allocation has been issued. Replacement of the Applicant or a material change (33.3% or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving an allocation and shall be deemed a material misrepresentation. Changes to the limited partner of a limited partnership will not result in disqualification.

If applying for MMRB, SAIL or HOME, the Applicant entity shall be the borrowing entity and cannot be changed until after loan closing. Replacement of the Applicant or a material change (33.3% or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.

- d) Petitioner requests a waiver to permit it to change the sole general partner of the Applicant entity, as detailed below.
- e) On September 23, 2005, the Notice of Petition was published in the Florida Administrative Weekly.
- f) To date, Florida Housing has not received any comments concerning the Petition.

2.

LEGAL

Consent

Present Situation

- a) Section 120.542(2), Florida Statutes provides in pertinent part:
 - (1) Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- b) At the time of the Petitioner's submittal of its 2003 funding Application, the sole general partner of Petitioner was Liberty Center for the Homeless, Inc., a Florida corporation not-for-profit. Subsequent to the filing of the 2003 Application and the selection of Petitioner for funding, Petitioner's investment limited partner, Boston Capital Corporate Tax Credit Fund XXI, required Petitioner to form a new single-purpose entity, Liberty Center IV, Inc., a Florida corporation, to replace Liberty Center for the Homeless, Inc., as the sole general partner of Petitioner. Petitioner accomplished this change via the filing of an amendment to its certificate of limited partnership with the Florida Secretary of State on or about May 24, 2004.
- c) Through oversight, Petitioner failed to seek or obtain a waiver to the requirements of paragraph 3 above before performing the change of general partner. Petitioner seeks to remedy this oversight by obtaining such a waiver. Specifically, Petitioner seeks to replace Liberty Center for the Homeless, Inc., with Liberty Center IV, Inc., as its sole general partner.
- d) Petitioner closed on the SAIL financing for this development on or about June 4, 2004, and has since completed construction of the development. Florida Housing participated in this loan closing and also overlooked the change in the Petitioner's general partner.

3. Recommendation

Staff recommends the Board grant the Petitioner's request for a waiver of the 2003 Universal Cycle Instructions provision that prohibit the change of general partner, as incorporated by Rule 67-48.002(111), Florida Administrative Code (2003).

LEGAL

Consent

E. In Re: The Corinthian Apartments, Ltd.

Development Name:	The Corinthian Apartments
Developer/Principal:	The Corinthian Apartments, Ltd.
Number of Units: 144	Location: Miami-Dade
Type: Multi-family Rental	Set Aside: 13% @ 30% 87% @ 60%
SAIL:	Housing Credits: \$1,200,000

1. Background

- a) Petitioner is the developer of the Development, a 144 unit four-story mid-rise apartment complex, which has received a preliminary allocation of \$1,200,000.00 of Low Income Housing Tax Credits. On September 8, 2005, Petitioner filed its "Petition for Variance/Waiver of Rule 67-48.004(14), Florida Administrative Code" (2004). Petitioner seeks a waiver of 67-48-004(14)(f), (i), and (l), which prohibit changes of development type, total number of units, and funding request amount. Petitioner seeks a change from a mid-rise four-story with elevator apartment complex to a three-story garden-style apartment complex; a change from a 144 unit to a 126 unit complex; and a decrease in the housing tax credit request amount from \$1,200,000 to \$1,050,000.
- b) A copy of the Petition is attached as [Exhibit E](#).
- c) On September 23, 2005, the Notice of the Petition was published in Volume 31, Number 38, of the [Florida Administrative Weekly](#). Florida Housing has received no comments regarding the Petition.

2. Present Situation

- a) Petitioner seeks this waiver due to unanticipated increases in construction costs. Based on the latest analysis of construction costs by Petitioner, a 12.5% decrease in the total number of units and a change in design from mid-rise with elevator to garden-style results in an approximate 25% decrease in total square footage to be constructed, and approximately a 30% decrease in total construction cost per unit, with no appreciable decrease in average square footage of living area in the apartment units. The proposed changes to The Corinthian Apartments would have had no impact on the application's scoring, thus providing Petitioner with no advantage over its competitors.
- b) Rule 67-48.004(14), Florida Administrative Code (2004), states in pertinent part:

Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

LEGAL

Consent

(f) Development Type;

(i) Total number of units;

(l) Funding Request (except for Taxable Bonds) amount . . .

c) 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.

3. **Recommendation**

Staff recommends that the Board grant this Petition. Petitioner demonstrated that the change is necessary to move forward with the project. The purpose of the underlying statute will be served by granting this waiver; Petitioner will be able to provide affordable housing in an economic and efficient manner. Denial of this petition will result in a substantial hardship to Petitioner, as absent the waiver, the project will not be built.

MULTIFAMILY BONDS

Consent

V. MULTIFAMILY BONDS

- A. **Request Approval of the Final Credit Underwriting Report for the Development in the Amount of \$7,500,000 of Tax-Exempt Bonds and \$4,000,000 SAIL, Consisting of 147 Units, Located in Unincorporated Escambia County, Florida**

DEVELOPMENT NAME (“Development”):	Alabaster Gardens Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Alabaster Gardens, Ltd./Alabaster Gardens, LLC/Circle, Inc./Carlisle Development Group, LLC/Lloyd Boggio/Bruce Greer
NUMBER OF UNITS:	147
LOCATION (“County”):	Escambia
TYPE (Rental, Homeownership):	Rental/Elderly
SET ASIDE:	85% @ 60% (MMRB) 100% @60% (SAIL) 100% @60% (HC)
ALLOCATED AMOUNT:	\$7,500,000 of Tax-Exempt Bonds and \$4,000,000 SAIL

1. Background

- a) Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2004 Universal Application Cycle. Applicant applied for tax-exempt bonds in the amount of \$7,500,000 in order to construct the Development.
- b) At the October 14, 2004 Board meeting, the Board approved an Acknowledgement Resolution for the issuance of tax-exempt bonds in an amount not to exceed \$7,500,000 for construction of the Development.

2. Present Situation

- a) While the current Program Rule does not prohibit changes or modifications of the proposed Development during credit underwriting, the Board has directed staff to advise it of any such changes.
- b) The Application indicated the bonds would be privately placed with Charter Municipal Mortgage Acceptance Corporation. However, the bonds will be privately placed with AIG SunAmerica with a \$2,000,000 pay down on the bonds upon permanent loan conversion from SAIL and HC proceeds.
- c) The Application indicated funding through a SAIL loan in the amount of \$3,000,000. On December 3, 2004, Applicant was granted Variance from Rules 67-48-.002(111) and 67.48.004(14)(1) F.A.C. to allow SAIL funding above the Year 2004 SAIL limit as part of Hurricane Ivan relief. Therefore, on December 20, 2004 a Revised Preliminary Commitment Letter for SAIL was issued by FHFC in the amount of \$4,000,000.
- d) The Application lists a \$200,000 Escambia County HOME loan as a source of funding. The set-asides for the HOME loan are more restrictive than the Bond, SAIL and HC set-asides, therefore the Applicant requested that the credit

MULTIFAMILY BONDS

Consent

underwriter exclude the HOME loan as a funding source. Applicant does reserve the right to pursue the Escambia County HOME loan at a later date.

- e) AIG SunAmerica will replace Related Capital Company as the Syndicator of the Housing Credits. AIG SunAmerica's equity commitment includes a Bridge loan in the amount of \$1,594,600 with the total investment equaling \$4,556,000.
- f) The architectural plans reflect the development as having four residential buildings rather than the six buildings listed in the Application. The credit underwriter states the change will have no material impact on their recommendation.
- g) The Developer is in the bid procurement process for an outside third party General contractor to construct the buildings. Should the Developer be successful in procuring a bid for an amount equal to or less than the estimate in the underwriting report, staff requests authority to approve the new General Contractor subject to a positive recommendation from the credit underwriter.
- h) A Final Credit Underwriting Report dated September 23, 2005, is attached as [Exhibit A](#).

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated September 23, 2005 recommending that \$7,500,000 in bonds and \$4,000,000 in SAIL be issued for the purpose of constructing the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of the Transfer and Assumption of General Partnership Interest in the Development

DEVELOPMENT NAME (“Development”):	Walker Avenue Apartments
DEVELOPER/PRINCIPAL (“Developer”):	SRK Walker Club, LLC/The Benchmark Group/Clark Narins/George Gellman/Arthur Gellman
NUMBER OF UNITS:	172
LOCATION (“County”):	Indian River
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	50% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$7,200,000 Tax-Exempt Bonds and \$1,590,000 Taxable Bonds
ADDITIONAL COMMENTS:	Transfer and Assumption of General Partner Interest

1. Background

In 2000, Florida Housing financed the construction of the Development with \$7,200,000 in tax-exempt bonds and \$1,745,000 in taxable bonds, designated as 2000 Series L-1 & 2.

2. Present Situation

- a) Donna Pepper, (“General Partner”) in a letter dated September 20, 2005 ([Exhibit B](#)), requested approval of a transfer and assumption of general partnership interest in the Development to SRK Walker Club, L.L.C. (“SRK Walker Club”). The parent company of SRK Walker Club is Benchmark Group.
- b) A Final Credit Underwriting Report dated September 23, 2005 ([Exhibit C](#)) recommends that Florida Housing allow the transfer and assumption.

3. Recommendation

That the Board approve the transfer and assumption of general partnership interest in the Development subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval for an Assumption and Amendment of LURA Obligations of the Development

DEVELOPMENT NAME (“Development”):	Park Royal
DEVELOPER/PRINCIPAL (“Developer”)/ (“Owner”):	K.C. Five Corporation/Walter K. Carlson/Landmark Residential/Park Royal Developers, LLP/Kings Royal Park Investors, LLC/TC Park Royal Realty, LLC/Sheldon Lowe, Michael Denberg/Daniel Lubeck/Tom Cabrerizo
NUMBER OF UNITS:	260
LOCATION (“County”):	Duval
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	20% @ 50%;
ALLOCATED AMOUNT:	\$4,250,000 Tax-Exempt Bonds
ADDITIONAL COMMENTS: Assumption and Amendment of the Land Use Restriction Agreement (“LURA”) Obligations	

1. Background

- a) In 1993, Florida Housing financed the acquisition and rehabilitation of the Development with \$4,250,000 in Tax-Exempt Bonds (the “Bonds”), designated as 1993 Series C & D.
- b) In 1999, Florida Housing approved a transfer of ownership of the Development to the Owner. Since ownership was transferred, the bonds were redeemed and the Development was placed in, and remains in non-compliance with the LURA.

2. Present Situation

- a) Landmark Residential (“Purchaser”), in a letter dated September 7, 2005 ([Exhibit D](#)), requests approval to purchase the Development, assume the obligations of the LURA and implement a plan to return the Development to a state of compliance with the LURA. Purchaser also intends to spend \$1.2 million in improvements to the property, such as gating the property, painting, paving, and tiling of kitchens and bathrooms of all units. Within one year, Purchaser intends to request an allocation of tax-exempt bonds to replace the existing financing as well as reimburse Purchaser for the improvements.
- b) The Credit Underwriter has reviewed the Owner’s request and by letter dated September 15, 2005 ([Exhibit E](#)) recommends that Florida Housing approve the request.

3. Recommendation

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

MULTIFAMILY BONDS

Consent

D. Request Approval to Allocate \$8,250,000 in Tax-Exempt, Private Activity Bond Allocation to the Development

DEVELOPMENT NAME (“Development”):	Cutler Vista Apartments
DEVELOPER/PRINCIPAL (“Developer”):	Cutler Vista Preservation, LP/Cutler Vista Developer, LLC
NUMBER OF UNITS:	216
LOCATION (“County”):	Miami-Dade County
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	70% @ 60% (MMRB); 70% @ 60% (HC)
ALLOCATED AMOUNT:	\$8,250,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS:	Award of bond allocation

1. Background

At the January 14, 2005 meeting, the Board authorized the MMRB Program to conduct a supplemental application cycle.

2. Present Situation

- a) As of September 23, 2005, the MMRB Program has approximately \$300,000,000 in tax-exempt, private activity bond allocation that is not committed to a specific multifamily development.
- b) Cutler Vista is a 2005 Supplemental MMRB Application (“Application”) to acquire and rehabilitate an existing affordable development in Miami-Dade County. The current affordability period of this Development will expire on January 16, 2006. The Developer, in its Application is committing to an affordability period of thirty (30) years.
- c) Cutler Vista scored a total of sixty-one (61) points on the application and would have achieved a maximum score on the Application of sixty-six (66) points had they committed to a fifty (50) year affordability period instead of thirty (30) years.
- d) However, the rules governing the 2005 Supplemental MMRB Application cycle require an application to achieve a perfect score of sixty-six (66) points in order to be funded.
- e) Therefore, the Application is ineligible for funding under the 2005 Supplemental MMRB Application cycle. However, the rules further state: If there is private activity bond allocation remaining after all eligible Applications are funded, then this allocation will be applied to the Corporation’s single-family bond program or otherwise used as directed by the Board.
- f) Since the corporation’s single-family bond program is not in need of any additional allocation, staff recommends that the Board use its discretion to award private activity bond allocation to Cutler Vista even though it did not obtain a perfect score on its Application. Staff believes that the public policy purposes served by preserving this Development as affordable for another thirty (30) years far outweigh any failure to achieve a perfect score on the Application.

MULTIFAMILY BONDS

Consent

3. **Recommendation**

Approve the request to allocate \$8,250,000 in tax exempt, private activity bonds to Cutler Vista Apartments, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

E. Assignment of Bond Underwriters and Structuring Agents

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the construction of the proposed Development referenced below, a Final Credit Underwriting Report is being presented to the Board for approval simultaneously with this request to assign the appropriate professional to this transaction. A brief description of the Development is detailed below along with the Staff's recommendation for the assignment.
- b) Additionally, the Corporation's Senior Financial Advisor has prepared a method of bond sale letter. Staff has reviewed the method of sale letter and Board approval is requested at the current meeting.

2. Present Situation

- a) The Credit Underwriters, the Senior Financial Advisor and Florida Housing staff have reviewed the financing structure for the proposed Development.
- b) The Senior Financial Advisor's recommendation for the method of bond sale is being presented to the Board at the current meeting during the Multifamily Mortgage Revenue Bond Program Update of items on the agenda.

3.

MULTIFAMILY BONDS

Consent

Recommendation

That the Board approve the assignment of the recommended professional as shown in the chart for the proposed Development.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional
Alabaster Gardens	Escambia	147	Negotiated/Private Placement	Morgan Keegan & Company

MULTIFAMILY BONDS

Consent

F. Request Approval of the Method of Bond Sale Recommendation from Florida Housing's Senior Financial Advisor

1. Background/Present Situation

- a) The Credit Underwriter has provided a Final Credit Underwriting Report for the proposed Development below. Florida Housing seeks Board approval pursuant to the recommendation of the Credit Underwriter and the appropriate Florida Housing staff.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed bond structure by the Senior Financial Advisor in order to make a recommendation to the Board for the method of bond sale.
- c) CSG Advisors has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as [Exhibit F](#).

Development Name	Location of Development	Number of Units	Method of Bond Sale
Alabaster Gardens	Escambia	147	Negotiated/Private Placement

2. Recommendation

That the Board approve the recommendation of the Senior Financial Advisor for the method of bond sale for the above Development.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VI. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan to The Arcadia Oaks Associates, Ltd. and The Arcadia Palms Associates, Ltd. for The Oaks and The Palms (PLP 05-076)

DEVELOPMENT NAME (“Development”):	The Oaks and The Palms
APPLICANT/DEVELOPER (“Developer”):	The Arcadia Oaks Associates, Ltd. and The Arcadia Palms Associates, Ltd.
CO-DEVELOPER:	Judd K. Roth
NUMBER OF UNITS:	110
LOCATION (“County”):	DeSoto County
TYPE:	Rental
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 500,000
ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval. Also, The Arcadia Oaks Associates, Ltd. and The Arcadia Palms Associates, Ltd. are single asset entities that were created for the sole purpose of these Developments. The Arcadia Housing Authority is the sole managing member of the general partner entities.	

1. Background/Present Situation

- a) On July 28, 2005, Florida Housing issued an Invitation to Participate in the PLP to the Developer. The Development will be located in DeSoto County.
- b) The Technical Assistance Provider (TAP) has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit A](#)). The TAP assisted the Developer in preparing the development plan and budget ([Exhibit B](#)). Staff has reviewed them and determined that all budget items are PLP eligible.

2. Recommendation

Approve a PLP Loan in the total amount of \$500,000 to the Developer, a public housing authority, for predevelopment expenses as recommended by the TAP and allow staff to issue the commitment letter and begin loan closing proceedings.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan to Renaissance Manor, Inc., a non-profit corporation, for Broadway Place (PLP 05-077)

DEVELOPMENT NAME (“Development”):	Broadway Place
APPLICANT/DEVELOPER (“Developer”):	Renaissance Manor, Inc., a non-profit corporation
CO-DEVELOPER:	n/a
NUMBER OF UNITS:	20
LOCATION (“County”):	Lee
TYPE:	Rental
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 461,300
ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval	

1. Background/Present Situation

- a) On July 15, 2005, Florida Housing issued an Invitation to Participate in the PLP to the non-profit Developer. The Development will be located in Lee County.
- b) The TAP has approved the development plan and has recommended a loan amount of \$461,300 for PLP eligible activities ([Exhibit C](#)). The TAP assisted the Developer in preparing the development plan and budget ([Exhibit D](#)). Staff has reviewed them and determined that all budget items are PLP eligible.
- c) Additionally, \$230,000 of the \$461,300 total PLP Loan amount will be utilized for site acquisition. As such, the Development will be undergoing credit underwriting to approve the site acquisition portion of the loan. Upon receipt of such positive recommendation, the credit underwriting report will be presented to the Board for approval. In the interim, the Applicant has other financial obligations related to the Development that will require Florida Housing to close on the initial \$231,300, which is the non-site acquisition portion of the loan.

2. Recommendation

Approve a PLP Loan in the total amount of up to \$461,300 to the Developer, a non-profit corporation, for predevelopment expenses as recommended by the TAP and allow staff to begin loan closing proceedings for the non-site acquisition portion of the PLP Loan in the amount of \$231,300.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

- C. **Request Approval of Credit Underwriting Report for Housing The Housing League, Inc., a non-profit corporation, for Murray Manor (PLP 03-056)**

DEVELOPMENT NAME (“Development”):	Murray Manor
APPLICANT/DEVELOPER (“Developer”):	The Housing League, Inc., a non-profit corporation
CO-DEVELOPERS:	n/a
NUMBER OF UNITS:	15
LOCATION (“County”):	St. Johns
TYPE:	Homeownership
SET ASIDE:	100% @ 80% AMI
PLP LOAN AMOUNT:	\$ 218,150
ADDITIONAL COMMENTS: The Credit Underwriter (CU) has recommended approval	

1. Background/Present Situation

- a) On October 20, 2004, Florida Housing issued an Invitation to Participate in the PLP to the non-profit Developer. The Development will be located in St. Johns County.
- b) On August 25, 2005, the Board approved the development plan and budget that was submitted by the Technical Assistance Provider (TAP) recommending a loan of \$218,150 for PLP eligible activities. Of this \$218,150, Staff was authorized to proceed with loan closing activities for \$143,150, the non-site acquisition portion of the loan, with the remaining \$75,000 pending a positive recommendation from the Credit Underwriter for site acquisition.
- c) Staff received a credit underwriting report on September 20, 2005 with a positive recommendation for a PLP Loan in the amount of \$218,150, subject to the standard terms and conditions outlined in the PLP loan agreement ([Exhibit E](#)).

2. Recommendation

Approve the Credit Underwriter’s final recommendation and authorize staff to proceed with loan closing activities.

PROFESSIONAL SERVICES SELECTION

Consent

VII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Investment Manager Services

1. Background

At its June 22, 2002 meeting, the Board of Directors of Florida Housing selected Bear Stearns Asset Management, Inc. to provide investment manager services.

2. Present Situation

- a) The initial term of the contract expired September 18, 2005. The contract may be renewed twice. Each renewal shall be for an additional one-year period.
- b) Florida Housing staff supported a renewal to extend the term of the contract for an additional one-year period.

3. Recommendation

Ratify staff's decision to renew the contract with Bear Stearns Asset Management effective September 18, 2005 with an expiration date of September 18, 2006.

PROFESSIONAL SERVICES SELECTION

Consent

B. Court Reporting Services

1. Background

- a) At its August 1, 2003 meeting, the Board of Directors of Florida Housing directed staff to initiate contract negotiations with Dorothy B. King, RPR to provide court reporting services.
- b) The initial contract was effective September 10, 2003. The contract may be renewed twice. Each renewal shall be for an additional one year period.

2. Present Situation

Florida Housing staff supported a renewal to extend the term of the contract for an additional one-year period.

3. Recommendation

Ratify staff's decision to renew the contract with Dorothy B. King, RPR effective September 10, 2005 with an expiration date of September 10, 2006.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VIII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of a New Permanent First Mortgage Lender and Extension of the Term of the SAIL Loan for Hidden Creek Villas, Cycle XII, (95S-015)

Development Name: Hidden Creek Villas (“Development”)	Location: Orange County
Developer/Principal: Hidden Creek Villas, Inc. (“Developer”)	Set-Aside: 20% @ 40% AMI and 80% @ 60% AMI
Number of Units: 304	Allocated Amount: \$3,100,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$8,668,711
Demographics: Family	MMRB: N/A

1. **Background/Present Situation**

- a) Hidden Creek Villas, Inc. received a SAIL loan in the amount of \$3,100,000 from the 1995 application cycle for the construction of a 304-unit family development in Orange County.
- b) On November 9, 1995, the SAIL loan in the amount of \$3,100,000 closed.
- c) On July 15, 2005 staff received a letter from the Developer requesting approval of a new permanent first lender for the first mortgage and that the SAIL loan maturity date be extended by three and one half years to match the proposed refinanced first mortgage loan. ([Exhibit A](#)).
- d) On September 7, 2005, staff received a credit underwriting review regarding the new permanent first lender and the SAIL loan extension ([Exhibit B](#)). The Developer has agreed to extend the affordability period by the length or time equal to the extension of the SAIL loan. Staff has reviewed the report and finds that the Development meets all of the requirements of SAIL Rule 67-48 F.A.C.

2. **Recommendation**

Approve the updated credit underwriting review for a new permanent first lender, the extension of the SAIL loan and the affordability period, and direct staff to amend the appropriate SAIL loan documents.

SPECIAL ASSETS

Consent

IX. SPECIAL ASSETS

A. Request Approval of Extension of SAIL Loan for Cutler Canal III Associates, Ltd., a Florida Limited Partnership for Cutler Hammock Apartments (Cutler Canal III) (90S-027)

Development Name: Cutler Hammock (Cutler Canal III) (“Development”)	Location: Miami-Dade County
Developer/Principal: The Related Companies of Florida (“Developer”)	Set-Aside: 100% @ 60% AMI
Number of Units: 262	Allocated Amount: \$2,900,000
Demographics: Elderly/Family	Housing Credits: \$1,049,192

1. Background/Present Situation

- a) During the 1990 SAIL Cycle II, Florida Housing awarded a \$2,900,000 construction/permanent loan to Cutler Canal III Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 262-unit development in Miami, Dade County. The SAIL loan closed on September 14, 1990 and matured on September 14, 2005. The Development also received a 1990 allocation of low-income housing tax credits and was placed in service June 19, 1992.
- b) The Borrower has requested a one year SAIL loan and Land Use Restriction Agreement (LURA) extension to September 14, 2006 and September 14, 2021 respectively, to allow the borrower sufficient time to sell the property to maintain the Development’s affordability ([Exhibit A](#)).

2. Recommendation

Approve the request to extend the SAIL loan and LURA and direct staff to proceed with loan modification activities.