

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
June 18, 2010  
Consent Items



**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

*Consent*

**I. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

**A. Request Approval of Credit Underwriting Update Letter for Stenstrom Road Senior Village (2009-026CT/2010-004CT)**

<b>Development Name: Stenstrom Road Senior Village (“Development”)</b>	<b>Location: Hardee County</b>
<b>Developer/Principal: Judd K. Roth Real Estate Development (“Developer”)</b>	<b>Set-Aside: 10% @ 45% AMI &amp; 90% @ 60% AMI</b>
<b>Number of Units: 67</b>	<b>Tax Credit Assistance Program: \$4,161,268</b>
<b>Type: Garden Style</b>	<b>Housing Credit Allocation: \$1,070,000</b>
<b>Demographics: Elderly</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On January 22, 2010, the Board approved a positive recommendation for a 2009 Tax Credit Assistance Program loan in the amount of \$4,161,268, and an annual Housing Credit Allocation in the amount of \$1,070,000 and directed staff to proceed with loan closing activities.
- b) On May26, 2010, staff received a credit underwriting update letter recommending an extension of the TCAP loan term from 15 years to 20 years ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-03.

**2. Recommendation**

Approve the credit underwriting update letter and direct staff to proceed with loan closing activities.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Consent

B. Request Approval of Credit Underwriting Update Letter for Little Oaks Apartments (2009-049CTX)

Development Name: Little Oaks Apartments (“Development”)	Location: Lake County
Developer/Principal: Royal American Development, Inc. (“Developer”)	Set-Aside: 10% @ 33% AMI & 90% @ 60% AMI
Number of Units: 68	Tax Credit Assistance Program: \$1,777,176
Type: Garden Style	Tax Credit Exchange Amount: \$2,170,331
Demographics: Family	MMRB: N/A

1. Background/Present Situation

- a) On January 22, 2010, the Board approved a positive recommendation for a 2009 Tax Credit Assistance Program loan in the amount of \$1,777,176, and a 2009 Tax Credit Exchange Program award in the amount of \$2,170,331, which is equivalent to an annual housing credit allocation of \$255,333 and directed staff to proceed with loan closing activities.
- b) On May 14, 2010, staff received a credit underwriting update letter recommending a change to the construction and permanent first mortgage lender from Grandbridge Real Estate Capital to Royal American Financial, Inc. and a change in the TCAP loan term from 18 years to 15 years ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-04.

2. Recommendation

Approve the credit underwriting update letter and direct staff to proceed with loan closing activities.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

*Consent*

**C. Request Approval of Credit Underwriting Update Letter for Oakdale Apartments (2009-048CTX)**

<b>Development Name: Oakdale Apartments (“Development”)</b>	<b>Location: Walton County</b>
<b>Developer/Principal: Royal American Development, Inc. (“Developer”)</b>	<b>Set-Aside: 10% @ 40% AMI &amp; 90% @ 60% AMI</b>
<b>Number of Units: 48</b>	<b>Tax Credit Assistance Program: \$1,432,291</b>
<b>Type: Garden Style</b>	<b>Tax Credit Exchange Amount: \$5,511,392</b>
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On January 22, 2010, the Board approved a positive recommendation for a 2009 Tax Credit Assistance Program loan in the amount of \$1,432,291 and a 2009 Tax Credit Exchange Program award in the amount of \$5,511,392, which is equivalent to an annual housing credit allocation of \$648,399 and directed staff to proceed with loan closing activities.
- b) On June 7, 2010, staff received a credit underwriting update letter recommending a change to the construction and permanent first mortgage lender from Grandbridge Real Estate Capital to Royal American Financial, Inc. and a change in the TCAP loan term from 18 years to 15 years ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-04.

**2. Recommendation**

Approve the credit underwriting update letter and direct staff to proceed with loan closing activities.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

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**D. Request Approval of Credit Underwriting Update Letter for Grand Reserve at Zephyrhills f/k/a Meetinghouse at Zephyrhills (2009-031CT/2010-002CT)**

<b>Development Name: Grand Reserve at Zephyrhills f/k/a Meetinghouse at Zephyrhills (“Development”)</b>	<b>Location: Pasco County</b>
<b>Developer/Principal: Finlay Development of Florida, LLC and The Richman Group of Florida, Inc. (“Developer”)</b>	<b>Set-Aside: 10% @ 35% AMI &amp; 90% @ 60% AMI</b>
<b>Number of Units: 160</b>	<b>Tax Credit Assistance Program: \$7,500,000</b>
<b>Type: Garden Style</b>	<b>Housing Credit Allocation: \$1,510,000</b>
<b>Demographics: Elderly</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On January 22, 2010, the Board approved a positive recommendation for a 2009 Tax Credit Assistance Program loan in the amount of \$7,500,000 and an annual Housing Credit Allocation of \$1,510,000 and directed staff to proceed with loan closing activities.
- b) On May 28, 2010, staff received a credit underwriting update letter recommending a change to the construction and permanent first mortgage lender from Richman Mortgage Assets Company I, LLC to Bank of America and an extension of the TCAP loan term from 20 years to 30 years ([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 and RFP 2009-03.

**2. Recommendation**

Approve the credit underwriting update letter and direct staff to proceed with loan closing activities.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

*Consent*

**E. Request Approval of Credit Underwriting Update Letter for Arbours at Shoemaker Place (2009-042X)**

<b>Development Name: Arbours at Shoemaker Place (“Development”)</b>	<b>Location: Walton County</b>
<b>Developer/Principal: Arbour Valley Development, LLC (“Developer”)</b>	<b>Set-Aside: 20% @ 40% AMI &amp; 80% @ 60% AMI</b>
<b>Number of Units: 80</b>	<b>Supplemental: \$680,000</b>
<b>Type: Garden Style</b>	<b>Tax Credit Exchange Amount: \$9,095,000</b>
<b>Demographics: Family</b>	

**1. Background/Present Situation**

- a) On February 26, 2010, the Board approved a positive recommendation for a Supplemental Loan in the amount of \$680,000 and a 2009 Tax Credit Exchange Program loan in the amount of \$9,095,000 which is equivalent to an annual housing credit allocation of \$1,070,000 and directed staff to proceed with loan closing activities.
- b) On June 4, 2010, staff received a credit underwriting update letter recommending an alternative financing structure in the event that the current first mortgage financing is not available prior to July 30, 2010 ([Exhibit E](#)). Staff has reviewed this update and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-04.

**2. Recommendation**

Approve the credit underwriting update letter and direct staff to proceed with loan closing activities.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

*Consent*

**F. Request Approval of Credit Underwriting Report for The Portland (2009-263X)**

<b>Development Name: The Portland (“Development”)</b>	<b>Location: Pinellas County</b>
<b>Developer/Principal: The Portland Apartments Developer, L.L.C and Landmark Development Corp. (“Developer”)</b>	<b>Set-Aside: 10% @ 35% AMI &amp; 90% @ 60% AMI</b>
<b>Number of Units: 68</b>	<b>Tax Credit Exchange Amount: \$14,110,000</b>
<b>Type: High-Rise</b>	<b>MMRB: N/A</b>
<b>Demographics: Family</b>	

**1. Background/Present Situation**

- a) On August 14, 2009, The Portland Apartments, Ltd. submitted a response to RFP 2009-04 seeking ARRA funding.
- b) On August 21, 2009, Florida Housing rejected The Portland Apartments, Ltd. response on the basis that certain required information was not included in the response.
- c) On August 31, 2009, The Portland Apartments, Ltd. filed a petition to challenge Florida Housing’s decision.
- d) On November 12, 2009, a Recommended Order was entered in DOAH Case No. 2009-4682BID which found that the selection criteria set forth in the RFP is contrary to Florida Housing’s governing rules and statutes.
- e) On November 30, 2009, Florida Housing and The Portland Apartments, Ltd. executed a Stipulation and Settlement Agreement that allows The Portland Apartments to be admitted into credit underwriting for Tax Credit Exchange Program Funds.
- f) On December 4, 2009, the Board accepted the Stipulation and settlement Agreement, and staff issued a preliminary commitment letter and invitation to enter credit underwriting for Tax Credit Exchange Program Funds.
- g) On June 4, 2010, staff received a credit underwriting report with a positive recommendation for a 2009 Tax Credit Exchange Program award in the amount of \$14,110,000, which is equivalent to an annual housing credit allocation of \$1,660,000 ([Exhibit F](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2009-04.

**2. Recommendation**

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

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

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**G. Request Approval of Credit Underwriting Report for Johnson-Kenneth Court (2010-015CX)**

<b>Development Name: Johnson-Kenneth Court (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: Southport Financial Services, Inc. (“Developer”)</b>	<b>Set-Aside: 10% @ 35% AMI &amp; 90% @ 60% AMI</b>
<b>Number of Units: 200</b>	<b>Tax Credit Exchange Program: \$4,950,000</b>
<b>Type: Garden Style</b>	<b>Housing Credit Allocation: \$1,734,259</b>
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On March 17, 2010, the Board approved the award list of the Request for Proposals (RFP) 2010-04 and directed staff to proceed with all necessary credit underwriting activities.
- b) On March 17, 2010, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Exchange Program funds and a Housing Credit Allocation.
- c) On June 4, 2010, staff received a credit underwriting report with a positive recommendation for a Tax Credit Exchange Program loan in the amount of \$4,950,000, which is equivalent to an annual housing credit allocation of \$582,353, and an annual Housing Credit Allocation of \$1,734,259 ([Exhibit G](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2010-04.

**2. Recommendation**

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



**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

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**H. Request Approval of Credit Underwriting Update Letter for Parkway Place Apartments (2009-022CT)**

<b>Development Name: Parkway Place Apartments (“Development”)</b>	<b>Location: Brevard County</b>
<b>Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)</b>	<b>Set-Aside: 10% @ 33% AMI &amp; 90% @ 60% AMI</b>
<b>Number of Units: 96</b>	<b>Tax Credit Assistance Program: \$4,644,524</b>
<b>Type: Garden Style</b>	<b>Housing Credit Allocation: \$1,480,840</b>
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On January 22, 2010, the Board approved a positive recommendation for a 2009 Tax Credit Assistance Program loan in the amount of \$4,644,524, and an annual Housing Credit Allocation in the amount of \$1,480,840 and directed staff to proceed with loan closing activities.
- b) On May 28, 2010, staff received a credit underwriting update letter recommending a change to the construction first mortgage lender from Richman Mortgage Assets Company I, LLC to JP Morgan Chase Bank, N.A. ([Exhibit H](#)). Staff has reviewed this update and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-03.

**2. Recommendation**

Approve the credit underwriting update letter and direct staff to proceed with loan closing activities.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

*Consent*

**I. Request Approval of Credit Underwriting Update Letter for Hammock Harbor – Phase I (2009-029CT/2010-008CT)**

<b>Development Name: Hammock Harbor – Phase I (“Development”)</b>	<b>Location: Brevard County</b>
<b>Developer/Principal: Atlantic Housing Partners, L.L.P. (“Developer”)</b>	<b>Set-Aside: 10% @ 33% AMI and 80% @ 60% AMI</b>
<b>Number of Units: 122</b>	<b>Tax Credit Assistance Program: \$6,865,982</b>
<b>Type: Garden Style</b>	<b>Housing Credit Allocation: \$1,510,000</b>
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On January 22, 2010, the Board approved a positive recommendation for a 2009 Tax Credit Assistance Program loan in the amount of \$6,865,982, and an annual Housing Credit Allocation in the amount of \$1,510,000 and directed staff to proceed with loan closing activities.
- b) On May 26, 2010, staff received a credit underwriting update letter recommending a change in Syndicator from Regions Bank to Florida Tax Holdings, Ltd., or an affiliate ([Exhibit I](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-03.

**2. Recommendation**

Approve the credit underwriting update letter and direct staff to proceed with loan closing activities.

# AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

## Consent

### J. Request Approval of Credit Underwriting Report for Panama Commons (2009-264X)

<b>Development Name: Panama Commons (“Development”)</b>	<b>Location: Bay County</b>
<b>Developer/Principal: The Paces Foundation, Inc. (“Developer”)</b>	<b>Set-Aside: 10% @ 40% AMI, 10% @ 50% AMI &amp; 80% @ 60% AMI</b>
<b>Number of Units: 92</b>	<b>SAIL: \$1,892,544</b>
<b>Type: Garden Style</b>	<b>Tax Credit Exchange Program: \$10,837,500</b>
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

#### 1. Background/Present Situation

- a) On August 14, 2009, Panama Commons, LP, submitted a response to RFP 2009-04 seeking ARRA funding.
- b) On August 21, 2009, Florida Housing rejected the Panama Commons, LP response on the basis that certain required information was not included in the response.
- c) On August 31, 2009, Panama Commons, LP, filed a petition to challenge Florida Housing’s decision.
- d) On November 12, 2009, a Recommended Order was entered in DOAH Case No. 2009-04682BID which found that the selection criteria set forth in the RFP is contrary to Florida Housing’s governing rules and statutes.
- e) On November 30, 2009, Florida Housing and Panama Commons, LP executed a Stipulation and Settlement Agreement that allows Panama Commons to be admitted into credit underwriting as provided in the RFP.
- f) On December 4, 2009, the Board accepted the Stipulation and Settlement Agreement, and staff issued a preliminary commitment letter and an invitation to enter credit underwriting for Tax Credit Exchange Program funds.
- g) On June 7, 2010, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,892,544, and a 2009 Tax Credit Exchange Program award in the amount of \$10,837,500, which is equivalent to an annual housing credit allocation of \$1,275,000 ([Exhibit J](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2009-04.

#### 2. Recommendation

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

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

*Consent*

**K. Request Approval to Exchange Amenities for Magnolia Landing (2009-055X)**

<b>Development Name: Magnolia Landing (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: The Gatehouse Group, LLC (“Developer”)</b>	<b>Set-Aside: 10% @ 33% AMI &amp; 90% @ 60% AMI</b>
<b>Number of Units: 150</b>	<b>Tax Credit Exchange Amount: \$20,931,250</b>
<b>Type: Townhouse</b>	<b>MMRB: N/A</b>
<b>Demographics: Family</b>	

**1. Background/Present Situation**

- a) On April 28, 2010, a Tax Credit Exchange loan in the amount of \$20,931,250 closed for this 150-unit family development in Miami-Dade County.
- b) On June 3, 2010, staff received a letter from the Developer requesting the exchange of electric water heater with energy factor of .93 or better and wall insulation of a minimum of R-7 for wall insulation of R-10 or better ([Exhibit K](#)). The proposed changes are of equal point value to the amenities originally chosen.
- c) On June 7, 2010, staff received a review from the credit underwriter with a positive recommendation for the exchange of amenities ([Exhibit L](#)).

**2. Recommendation**

Approve the request to exchange the amenities and direct staff to proceed with amending the Extended Low-Income Housing Agreement.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Consent

L. Request Approval of Credit Underwriting Update Letter for Notre Dame Apartments (2009-025CT)

Development Name: Notre Dame Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: BHG Notre Dame Development, L.L.C. (“Developer”)	Set-Aside: 10% @ 33% AMI & 90% @ 60% AMI
Number of Units: 64	Tax Credit Assistance Program: \$4,800,000
Type: High Rise	Housing Credit Allocation: \$1,808,133
Demographics: Family	MMRB: N/A

1. **Background/Present Situation**

- a) On January 22, 2010, the Board approved a positive recommendation for a 2009 Tax Credit Assistance Program loan in the amount of \$4,800,000, and an annual Housing Credit Allocation in the amount of \$1,808,133 and directed staff to proceed with loan closing activities.
- b) On June 7, 2010, staff received a credit underwriting update letter recommending an extension of the TCAP loan term from 15 years to 20 years ([Exhibit M](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C and RFP 2009-03.

2. **Recommendation**

Approve the credit underwriting update letter and direct staff to proceed with loan closing activities.

## HOME RENTAL

### *Consent*

## II. HOME RENTAL

### A. Request Approval of HOME Credit Underwriting Report for Sleepy Hollow (2008-123H)

<b>Development Name: Sleepy Hollow (“Development”)</b>	<b>Location: Highlands County</b>
<b>Developer/Principal: National Development Foundation, Inc. (Principal)</b>	<b>Set-Aside: 20% @ 50% AMI /80% @ 60% AMI 48 HOME Units</b>
<b>Number of Units: 48</b>	<b>Allocated Amount: \$6,140,139</b>
<b>Type: Garden /New Construction</b>	<b>Demographics: Family</b>

#### 1. Background/Present Situation

- a) On September 26, 2008, the Board approved the final scores and ranking for the 2008 Universal Application Cycle and directed Staff to proceed with all necessary credit underwriting activities.
- b) Sleepy Hollow was issued a preliminary commitment letter and an invitation to enter credit underwriting for a HOME loan in an amount up to \$6,347,800 for this 48-unit family Development located in Highlands County.
- c) Rule Chapter 67-48.0072(4)(c), F.A.C. states the HOME loan must close within 14 months of the issuance of the preliminary commitment. Applicants may request one (1) extension of up to 10 months.
- d) On October 2, 2009, staff received a letter from the Developer requesting an extension of 10 months to close the HOME loan. At the October 23, 2009 meeting, the Board approved to extend the deadline until September 29, 2010 to close the HOME loan, subject to payment of the extension fee pursuant to Rule Chapter 67-48.0072(4)(c), F.A.C.
- e) On June 1, 2010, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$6,140,139 ([Exhibit A](#)). 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

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*

#### **B. Request Approval of HOME Credit Underwriting Report for Sleepy Hollow II (2006-101H)**

<b>Development Name: Sleepy Hollow II ("Development")</b>	<b>Location: Highlands County</b>
<b>Developer/Principal: National Development Foundation, Inc. (Principal)</b>	<b>Set-Aside: 20% @ 50% AMI /80% @ 60% AMI 24 HOME Units</b>
<b>Number of Units: 24</b>	<b>Allocated Amount: \$2,538,000</b>
<b>Type: Garden /New Construction</b>	<b>Demographics: Family</b>

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

- a) On July 28, 2006, the Board approved the final scores and ranking for the 2006 Universal Application Cycle and directed Staff to proceed with all necessary credit underwriting activities.
- b) On August 4, 2006, Sleepy Hollow II was issued a preliminary commitment letter and an invitation to enter credit underwriting for a HOME loan in an amount up to \$2,538,000 for this 24-unit family Development located in Highlands County.
- c) On June 1, 2010, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$2,538,000 ([Exhibit B](#)). 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**

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

## LEGAL

### Consent

### III. LEGAL

#### A. In Re: Arbours at Shoemaker Place, LLC – FHFC Case No. 2010-027VW

<b>Development Name: (“Development”):</b>	<b>Arbours at Shoemaker Place Application No.: 2008-25C</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Arbour Valley Development, LLC</b>
<b>Number of Units: 80</b>	<b>Location: Walton County</b>
<b>Type: Gardens</b>	<b>Set Aside: 20% at or below 40% AMI 80% at or below 60% AMI</b>
<b>Demographics: Family</b>	<b>MMRB Bonds: n/a</b>
<b>Competitive HC \$1,070,000</b>	<b>Supplemental ELI: \$680,000</b>

#### 1. Background/Present Situation

a) During the 2008 Universal Application Cycle, Arbours at Shoemaker Place, LLC, (“Petitioner”) applied for Housing Credits and an ELI (Extremely Low Income) Supplemental Loan to finance, in part, the construction of the Arbours at Shoemaker Place (the “Development”) in Walton County, Florida.

b) On May 17, 2010, Florida Housing received a “Petition for Waiver of Rule 67-48.0075(7)(a)1, Florida Administrative Code (2008)” (“Petition”). A copy of the Petition is attached as [Exhibit A](#).

c) Rule 67-48.0075(7)(a)1, F.A.C. states in pertinent part:

(7) Supplemental loans will be subject to the credit underwriting provisions outlined in Rule 67-48.0072 and the loan provisions outlined below:

(a) The terms and conditions of the supplemental loan shall be as follows:

(1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI-Set Aside threshold requirement in the Universal Application Instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.

d) Petitioner requests a waiver of the Rule requiring Florida Housing to forgive a supplemental loan’s principal balance when the awarded amount funds ELI Household units for at least 15 years. Petitioner states that it will suffer negative federal income tax consequences pertaining to forgivable loan without the waiver, as the IRS may consider this loan as “phantom” taxable income. Petitioner requests that Florida Housing cause the maturity date, upon the termination of initial 15-year loan period, to be extended to a date coterminous with the latest maturity date of other financing for the Development, if the units for which the ELI Loan was awarded were targeted to ELI Households during that initial 15-year period.



## LEGAL

### *Consent*

- e) On May 28, 2010, the Notice of Petition was published in the Florida Administrative Weekly in Volume 36, Number 21. To date, Florida Housing has not received any comments concerning the Petition.
- 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) Under these circumstances, strict application of the above Rule to this Petitioner would create a substantial hardship and violate the principals of fairness. Petitioner demonstrated that it may be subject to taxes on the ELI loan even though it has not received the benefit of the ELI loan being forgiven. Additionally, having the designation of the ELI loan as forgivable may reduce the net tax credit for the Development. Petitioner demonstrated that granting this relief does not provide Petitioner with an unfair advantage over other applicants. Granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

### 2. Recommendation

Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0075(7)(a)1, F.A.C., to permit Petitioner to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 15 years; and to instead cause the maturity date at the end of the initial 15-year loan period to be extended to a date coterminous with the latest maturity date of other financing for the Development, if the units for which the ELI Loan was awarded were targeted to ELI Households during that initial 15-year period.

## LOW INCOME HOUSING TAX CREDITS

### *Consent*

#### IV. LOW INCOME HOUSING TAX CREDITS

##### A. Request Approval to Swap Features and Amenities for Village Allapattah (2006-064C)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Village Allapattah APPLICATION # 2006-064C</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Biscayne Housing Group, LLC</b>
<b>APPLICANT: (“Owner”)</b>	<b>Village Allapattah Phase I, LLC</b>
<b>NUMBER OF UNITS:</b>	<b>110</b>
<b>LOCATION (“County”):</b>	<b>Miami-Dade County</b>
<b>TYPE:</b>	<b>New Construction</b>
<b>SET ASIDE:</b>	<b>15% @ 33% AMI 85% @ 60% AMI</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$2,435,000.00</b>

##### 1. Background/Present Situation

- a) Village Allapattah is a 9% Competitive Housing Credit, New Construction Development providing 110 set-aside units in Miami-Dade County, Florida. Florida Housing issued a Preliminary Allocation Certificate in the amount of \$2,435,000 in housing credits in December 2006.
- b) Florida Housing received a request from the Owner on April 30, 2010 to swap features and amenities ([Exhibit A](#)). The Applicant requests the following exchanges:

“Playground/tot lot, accessible to children with disabilities (must be sized in proportion to Development’s size and expected resident population with age-appropriate equipment” (2 pt.) exchanged for “Outside recreation facility: Shuffleboard Court” (2 pt.)
- c) The proposed change is of equal value to the amenities originally chosen in the application.

##### 2. Recommendation

Approve the requested changes reflected above and direct staff to amend the Extended Use Agreement accordingly.

## LOW INCOME HOUSING TAX CREDITS

### *Consent*

**B. Request Approval to Swap Features and Amenities for Amber Garden (2005-041C/2006-002C/2007-006C)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Amber Garden</b>
<b>APPLICATION #:</b>	<b>2005-041C/2006-002C/2007-006C</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Biscayne Housing Group, LLC</b>
<b>APPLICANT: (“Owner”)</b>	<b>Amber Garden, LLC</b>
<b>NUMBER OF UNITS:</b>	<b>110</b>
<b>LOCATION (“County”):</b>	<b>Miami-Dade</b>
<b>TYPE:</b>	<b>New Construction</b>
<b>SET ASIDE:</b>	<b>13% @ 30% AMI 87% @ 60% AMI</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$1,694,617.00</b>

**1. Background/Present Situation**

a) Amber Garden is a 9% Competitive Housing Credit, New Construction Development providing 110 set-aside units in Miami-Dade County, Florida. Florida Housing issued a Final Allocation Certificate of \$1,694,617.00 in housing credits in December 2009.

b) Florida Housing received a request from the Owner on April 30, 2010 to swap features and amenities ([Exhibit B](#)). The Applicant requests the following exchanges:

“Gated community with “carded” entry or security guard, or if 2 or more stories, “carded” secure entry to building” (2 pt.) exchanged for “At least 1.5 bathrooms (one full bath and one with at least a toilet and sink) in all 2 bedroom new construction units” (2 pt.)

c) The proposed change is of equal value to the amenities originally chosen in the application.

**2. Recommendation**

Approve the requested changes reflected above and direct staff to amend the Extended Use Agreement to reflect the changes.

## LOW INCOME HOUSING TAX CREDITS

### *Consent*

#### C. Request Approval to Swap Features and Amenities for Villa Patricia II (2006-060C)

DEVELOPMENT NAME (“Development”):	Villa Patricia II Application # 2006-060C
DEVELOPER/PRINCIPAL (“Developer”):	Biscayne Housing Group, LLC
APPLICANT: (“Owner”)	Villa Patricia Phase II, LLC
NUMBER OF UNITS:	125
LOCATION (“County”):	Miami-Dade County
TYPE:	New Construction
SET ASIDE:	15% @ 33% AMI 85% @ 60% AMI
ALLOCATED AMOUNT:	\$2,435,000.00

#### 1. Background/Present Situation

- a) Florida Housing received a request from the Owner on April 30, 2010 to swap features and amenities ([Exhibit C](#)). The Applicant requests the following exchanges:

“Gated community with “carded” entry or security guard, or if 2 or more stories, “carded” secure entry to building” (2 pt.) exchanged for “Steel exterior entry door frames for all units” (1 pt.) and “Dishwasher in all new construction units” (1 pt.)

- b) The proposed change is of equal value to the amenities originally chosen in the application.

#### 2. Recommendation

Approve the requested changes reflected above and direct staff to amend the Extended Use Agreement accordingly.

## LOW INCOME HOUSING TAX CREDITS

### Consent

#### D. Request Approval to Change Unit Mix for Camacol Tower (2007-071C/2008-004C)

<b>DEVELOPMENT NAME (“Development”):</b>	Camacol Tower Application # 2007-071C/2008-004C
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	Pinnacle Housing Group, LLC
<b>APPLICANT: (“Owner”)</b>	Camacol Tower, Ltd.
<b>NUMBER OF UNITS:</b>	100
<b>LOCATION (“County”):</b>	Miami-Dade County
<b>TYPE:</b>	New Construction
<b>SET ASIDE:</b>	20% @ 33% AMI 80% @ 60% AMI
<b>ALLOCATED AMOUNT:</b>	\$2,561,000.00

#### 1. Background/Present Situation

- a) Camacol Tower is a 9% Competitive Housing Credit, New Construction Development providing 100 set-aside units in Miami-Dade County, Florida. Florida Housing issued a Carryover Allocation Agreement for housing credits in the amount of \$1,276,000.38 in December 2007 and \$1,284,999.62 in January 2008.
- b) Florida Housing received a request from the Owner on May 21, 2010 to change the unit mix ([Exhibit D](#)). The Applicant requests the following changes:
  - (1) Old Unit Mix:
    - (a) 54 One bedroom/one bath units at a minimum of 605 square feet
    - (b) 45 Two bedroom/two bath units at a minimum of 854 square feet
    - (c) 1 Three bedroom/two bath unit at a minimum of 1,230 square feet
  - (2) New Unit Mix
    - (a) 55 One bedroom/one bath units at a minimum of 605 square feet
    - (b) 45 two bedroom/two bath units at a minimum of 820 square feet

#### 2. Recommendation

Approve the requested changes reflected above and direct staff to amend the Extended Use Agreement accordingly.

## LOW INCOME HOUSING TAX CREDITS

### *Consent*

#### E. Request Approval to Amend Set-Aside for Claymore Crossings (2005-514C)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Claymore Crossings Application # 2005-514C</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>The Richman Group of Florida</b>
<b>APPLICANT: (“Owner”)</b>	<b>Claymore Housing, Ltd.</b>
<b>NUMBER OF UNITS:</b>	<b>260</b>
<b>LOCATION (“County”):</b>	<b>Hillsborough</b>
<b>TYPE:</b>	<b>New Construction</b>
<b>SET ASIDE:</b>	<b>100% @ 60% AMI</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$1,068,468.00</b>

#### 1. Background/Present Situation

- a) Claymore Crossing is a Non-Competitive Housing Credit, New Construction Development providing 260 set-aside units in Hillsborough County, Florida. Florida Housing issued an allocation of \$1,068,468.00 in housing credits in July of 2009.
- b) The Applicant selected 85% set-aside units at 60% AMI in their application. The total set-aside amount was revised at credit underwriting to 100% set-aside units at 60% AMI. This set-aside amount is also reflected in the applicant’s final cost certification.
- c) The Extended Low-Income Housing Agreement was executed on September 12, 2007. Due to a scrivener’s error, the total set-aside amount was incorrectly stated as 85% set-aside units at 60% AMI.

#### 2. Recommendation

Approve the requested changes reflected above and direct staff to amend the Extended Use Agreement to reflect the changes.

## MULTIFAMILY BONDS

### *Consent*

#### V. MULTIFAMILY BONDS

##### A. Request Approval of the Final Credit Underwriting Report for Methodist Place Apartments

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Methodist Place Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>SP Three, Ltd./Sage Investment Company/SP Three Holdings, Inc./Sage Partners Investment Company/Debra F. Koehler/Todd S. Turner, individually</b>
<b>NUMBER OF UNITS:</b>	<b>200</b>
<b>LOCATION (“County”):</b>	<b>Hillsborough</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental/Elderly (MMRB,HOME and HC)</b>
<b>SET ASIDE:</b>	<b>85% @ 60% (MMRB) 20% @ 50% (HOME) 80% @ 60% (HOME) 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$9,250,000 of Tax Exempt Bonds and \$3,923,000 HOME Loan</b>
<b>ADDITIONAL COMMENTS: Acquisition/Rehabilitation</b>	

#### 1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development during the 2009 MMRB Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$9,250,000 in order to acquire and rehabilitate the Development. The Applicant also submitted a response to RFP 2009-06 for a HOME loan in the \$3,923,000.

#### 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 notify it of any such changes.
- b) Total development costs listed in the Application have increased from \$16,853,192 to \$19,049,795. The increase is primarily due to cost of issuance fees, prepaid replacement reserves, lease-up reserves, operating reserves and hard and soft contingencies were not included in the Application.
- c) As a result of the increased development costs, the requested Bond issuance amount has increased from \$8,300,000 to \$9,250,000.
- d) The Application listed PNC Multifamily Capital (“PNCCap”) as the Freddie Mac lender. The Developer has since replaced the PNCCap commitment with a CW Capital (“CWC”) permanent loan commitment utilizing a Freddie Mac forward commitment in the amount of \$9,250,000 and a PNC stand-by letter of credit as security during construction.

## MULTIFAMILY BONDS

### *Consent*

- e) The Application did not anticipate a second mortgage. The Developer subsequently responded to RFP 2009-06 and was approved for a HOME loan from Florida Housing in the amount of \$3,923,000.
- f) The Application listed the initial 99.99% Sole Limited Partner of the Applicant as Sage Investment Company. This was a scrivener's error. The actual name of the entity that is the initial 99.99% Sole Limited Partner of the Applicant is Sage Partners Investment Company.
- g) The architectural plans and specifications have changed. The Developer requested a substitution of new bathroom cabinets in all units (1 point) for steel exterior entry door frames for all units (1 point), air conditioning with minimum SEER rating of 14 (1 point) and gas water heater with energy factor of .61 or greater (1 point) for air conditioning with minimum SEER rating of 15 (2 points) and double-pane glass on all windows (2 points) for all windows single-pane with shading coefficient of .67 or better (2 points).
- h) A Final Credit Underwriting Report dated June 6, 2010 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 June 6, 2010, recommending that \$9,250,000 in tax exempt bonds and \$3,923,000 in HOME loan funds be issued for the acquiring and rehabilitating 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*

**B. Request Approval to Change Remarketing Agents for Cypress Lake and Lighthouse Bay Apartments**

<b>DEVELOPMENT NAME (“Developments”):</b>	<b>Cypress Lake Lighthouse Bay</b>
<b>DEVELOPER/PRINCIPAL (“Developer” or “Owner”):</b>	<b>Cypress Lakes Apartments, Ltd/ Lighthouse Bay Holdings, Ltd/Steven Leaffer/William O’Connell/Peter O’Connell</b>
<b>NUMBER OF UNITS:</b>	<b>236 320</b>
<b>LOCATION (“County”):</b>	<b>Hillsborough Hillsborough</b>
<b>TYPE (“Rental, Homeownership”):</b>	<b>Rental/Family (MMRB/SAIL/HC)</b>
<b>SET ASIDE:</b>	<b>35% @ 80% 65% @ 150%</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$8,800,000 of Tax-Exempt Bonds \$1,750,000 of Taxable Bonds - respectively \$6,500,000 of Tax-Exempt Bonds and \$ 200,000 of Taxable Bonds – respectively</b>
<b>ADDITIONAL COMMENTS: Change in Remarketing Agent</b>	

**1. Background**

- a) In 1985, Florida Housing financed the construction of Cypress Lake Apartments with \$12,470,000 in tax-exempt bonds, designated as 1983 Series F.
- b) In 2002, Florida Housing approved the refunding of the bonds for Cypress Lake Apartments with \$6,500,000 in tax-exempt bonds and \$200,000 in taxable bonds, designated as 2002 Series M.
- c) In 1985, Florida Housing financed the construction of Lighthouse Bay Apartments with \$8,800,000 in tax-exempt bonds, designated as 1985 Series V.
- d) In 1993, Florida Housing approved the refunding of the bonds for Lighthouse Bay Apartments with \$8,800,000 in tax-exempt bonds, designated as 1993 Series A and B.
- e) In 2002, Florida Housing approved the refunding of the bonds for Lighthouse Bay Apartments with \$8,800,000 in tax-exempt bonds and \$1,750,000 in taxable bonds, designated as 2002 Series N.

**2. Present Situation**

The Developer, in a letter dated May 21, 2010 attached as [Exhibit B](#), requested a change in the remarketing agent for the Developments from Citi Global Markets to Stern Brothers. The Developer anticipates Stern Brothers will be able to remarket the bonds with cost savings based on historical trading by both remarketing agents. Stern Brothers is an approved underwriter for Florida Housing.

## MULTIFAMILY BONDS

### *Consent*

3. **Recommendation**

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

## MULTIFAMILY BONDS

### *Consent*

**C. Request Approval to Subordinate the LURA for Cypress Trace Apartments to a Newly Proposed Mortgage in Favor of First Housing Development Corporation of Florida and Guaranteed by the Secretary of Housing and Urban Development (“HUD”) Conditioned Upon Bondholder Consent**

<b>Development Name: Cypress Trace Apartments (“Development”)</b>	<b>Location: Hillsborough</b>
<b>Developer/Principal: The Cornerstone Group (“Developer” or “Principal”)</b>	<b>Set-Aside: 5% @ 50% AMI 50% @ 60% AMI (MMRB)</b>
<b>Funding Sources: MMRB 1999 Series F1 &amp; F2</b>	<b>Allocated Amount: \$16,970,000 Tax-Exempt Bonds</b>
<b>Number of Units: 348</b>	<b>Type: Rental</b>
<b>ADDITIONAL COMMENTS: Subordination of the Land Use Restriction Agreement (“LURA”)</b>	

**1. Background**

In 1998, Florida Housing financed the construction of the above referenced Development with \$16,970,000 in tax-exempt bonds, designated as 1998 Series G. There was no HUD guarantee in place at the time of closing.

**2. Present Situation**

- a) The Owner, in a letter dated May 24, 2010, attached as [Exhibit C](#) requests a subordination of the LURA for the Development to a newly proposed mortgage in favor of First Housing and guaranteed by HUD, which will be securing a loan to redeem the bonds. This is a troubled development and the bondholder will be taking a 10% discount on the bonds.
- b) The Owner states HUD will not close the loan without the subordination of the LURA; however, such a subordination could possibly have retroactive adverse tax implications to bondholders in the event the Development enters non-compliance prior to termination of the Qualified Project Period, which does not expire for 14 more years. Furthermore, in the event FHFC subordinates the LURA, any such foreclosure of the mortgage securing the refinance would terminate the LURA restrictions if certain conditions of the IRS Code are not met.

**3. Recommendation**

Staff recommends that the Board approve the requested subordination of the LURA for the Development conditioned upon bondholder consent, subject to further approvals and verifications by Bond Counsel, Special Counsel and Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

#### D. Request Approval to Amend the Trust Indenture for Fairmont Oaks Apartments

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Fairmont Oaks Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>Fairmont Oaks, Ltd/Fairmont Oaks GP Corporation/America First Tax Exempt Investors, LP/Maurice E. Cox Jr./Gary N. Thompson</b>
<b>NUMBER OF UNITS:</b>	<b>178</b>
<b>LOCATION (“County”):</b>	<b>Alachua</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental (MMRB)</b>
<b>SET ASIDE:</b>	<b>30% @ 80% 70% @ 150%</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$8,020,000 of Tax-Exempt Bonds</b>

#### 1. Background

On April 2, 2003, Florida Housing refinanced the Development with Tax-Exempt Bonds in the amount of \$8,020,000.

#### 2. Present Situation

On April 26, 2010, attached as [Exhibit D](#), the developer, Fairmont Oaks L.P. (the “Borrower”) and America First Tax Exempt Investors, L.P. (the “Bond Holder”) requested that Florida Housing approve the amending of the Trust Indenture to waive the 30-day Bond redemption notice, fix the rate of interest on the Bonds to maturity, re-amortize the Bonds if necessary, based on the fixed rate of interest and monthly payments, change interest payment dates to the first of each month and permit mandatory sinking fund redemptions in denominations of \$1,000. The Borrower and the Bondholder have requested these changes in conjunction with a structuring of a loan facility between the Borrower and the Enhancer, the Federal Home Loan Mortgage Corporation.

#### 3. Recommendation

That the Board approve the amending of the Trust Indenture to waive the 30-day Bond redemption notice, fix the rate of interest on the Bonds to maturity, re-amortize the Bonds if necessary, based on the fixed rate of interest and monthly payments, change interest payment dates to the first of each month and permit mandatory sinking fund redemptions in denominations of \$1,000 as well as amending the necessary loan documents, subject to further approvals and verifications by the Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

# MULTIFAMILY BONDS

## Consent

### E. Request Approval to Amend the Trust Indenture for Lake Forest Apartments

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Lake Forest Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>Lake Forest Acquisition Corporation/America First Tax Exempt Investors, LP/Maurice E. Cox Jr./Gary N. Thompson</b>
<b>NUMBER OF UNITS:</b>	<b>240</b>
<b>LOCATION (“County”):</b>	<b>Volusia</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental (MMRB)</b>
<b>SET ASIDE:</b>	<b>25% @ 80% 75% @ 150%</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$10,620,000 of Tax-Exempt Bonds</b>

#### 1. Background

On November 29, 2001, Florida Housing refinanced the Development with Tax-Exempt Bonds in the amount of \$10,620,000.

#### 2. Present Situation

On April 19, 2010, attached as [Exhibit E](#) the developer, Lake Forest Acquisition Corporation (the “Borrower”) and America First Tax Exempt Investors, L.P. (the “Bond Holder”) requested that Florida Housing approve the amending of the Trust Indenture to waive the 30-day Bond redemption notice, fix the rate of interest on the Bonds to maturity, re-amortize the Bonds if necessary, based on the fixed rate of interest and monthly payments, change interest payment dates to the first of each month and permit mandatory sinking fund redemptions in denominations of \$1,000. The Borrower and the Bondholder have requested a partial redemption of the Bonds, in the amount of \$1,250,000, in conjunction with a structuring of a loan facility between the Borrower and the Enhancer, the Federal Home Loan Mortgage Corporation.

#### 3. Recommendation

That the Board approve the amending of the Trust Indenture to waive the 30-day Bond redemption notice, fix the rate of interest on the Bonds to maturity, re-amortize the Bonds if necessary, based on the fixed rate of interest and monthly payments, change interest payment dates to the first of each month and permit mandatory sinking fund redemptions in denominations of \$1,000 as well as amending the necessary loan documents, subject to further approvals and verifications by the Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

**F. Request Approval to Amend the Multifamily Bond LURA and the EUA for Greenview Manor Apartments**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Greenview Manor Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>American Opportunity for Housing-Greenview Manor LP/AOH-Greenview Manor GP, Inc./American Opportunity for Housing, Inc.</b>
<b>NUMBER OF UNITS:</b>	<b>52</b>
<b>LOCATION (“County”):</b>	<b>Pinellas</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental/Elderly (MMRB &amp; HC)</b>
<b>SET ASIDE:</b>	<b>85% @ 60% (MMRB) 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$1,945,000 of Tax-Exempt Bonds</b>
<b>ADDITIONAL COMMENTS: Land Use Restriction Agreement (“LURA”) and Extended Use Agreement (“EUA”) Amendments</b>	

**1. Background**

- a) On December 20, 2007, Florida Housing financed the acquisition and rehabilitation of the Development with Tax-Exempt Bonds in the amount of \$1,945,000.
- b) On October 31, 2008, Florida Housing approved a LURA amendment allowing for the substitution of an insulation factor of R-13 for frame built construction to insulation of R-7 for concrete block construction and from new range, oven and refrigerator in each unit to range, oven and refrigerator in all units.

**2. Present Situation**

The Developer in a letter dated May 3, 2010 attached as [Exhibit F](#) requests the LURA and EUA be amended to substitute the commitment for resident assistance referral to a manger on-call twenty-four hours a day. Both amenities receive two points when scoring the Application.

**3. Recommendation**

That the Board approve the amendment to the MMRB LURA and the EUA for the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, Credit Enhancer and Bond Purchaser (if applicable) and appropriate Florida Housing staff.

# MULTIFAMILY BONDS

## *Consent*

### **G. Assignment of Bond Underwriters and Structuring Agents**

#### **1. Background**

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition, construction and/or rehabilitation of the proposed Developments referenced below, Final Credit Underwriting Reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals to these transactions. Brief descriptions of the Developments are detailed below along with the Staff's recommendations for the assignments.
- b) Additionally, the Corporation's Senior Financial Advisor has prepared a method of bond sale letters. Staff has reviewed the method of sale letters and Board approval is requested at the current meeting.

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

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

#### **3. Recommendation**

That the Board approves the assignment of the recommended professionals as shown in the chart 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>Methodist Apartments</b>	<b>Hillsborough</b>	<b>200</b>	<b>Negotiated</b>	<b>RBC Capital Markets, Inc.</b>
<b>Crossroads</b>	<b>Orange</b>	<b>94</b>	<b>Negotiated</b>	<b>Raymond James</b>

# MULTIFAMILY BONDS

## *Consent*

### **H. Request Approval of the Method of Bond Sale Recommendations from Florida Housing's Senior Financial Advisor**

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

- a) The Credit Underwriter has provided Final Credit Underwriting Reports for the proposed Developments below. Florida Housing seeks Board approval pursuant to the recommendations 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 structures by the Senior Financial Advisor in order to make recommendations to the Board for the methods of bond sale.
- c) TIBOR PARTNERS, Inc. has prepared an analysis and recommendation for the methods of bond sale for the Developments. The recommendation letters are attached as [Exhibit G](#).

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>
<b>Methodist Apartments</b>	<b>Hillsborough</b>	<b>200</b>	<b>Negotiated</b>
<b>Crossroads</b>	<b>Orange</b>	<b>94</b>	<b>Negotiated</b>

#### **2. Recommendation**

That the Board approves the recommendations of the Senior Financial Advisor for the methods of bond sale for the above Developments.



# MULTIFAMILY BONDS

## Consent

### I. Request Approval of the Final Credit Underwriting Report for Crossroads Apartments

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Crossroads Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>SP Crossroads LP/SP Crossroads GP, Inc./Southport Financial Services, Inc./J. David Page, individually</b>
<b>NUMBER OF UNITS:</b>	<b>94</b>
<b>LOCATION (“County”):</b>	<b>Orange</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental/Family (MMRB,HOME and HC)</b>
<b>SET ASIDE:</b>	<b>20% @ 50% (MMRB) 65% @ 60% (MMRB) 20% @ 50% (HOME and HC) 80% @ 60% (HOME and HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$5,250,000 of Tax Exempt Bonds and \$2,000,000 HOME Loan</b>
<b>ADDITIONAL COMMENTS: Acquisition/Rehabilitation</b>	

#### 1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development during the 2010 MMRB Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$5,250,000 in order to acquire and rehabilitate the Development. The Applicant also submitted a response to RFP 2009-06, and was awarded funding, for a HOME loan in the amount of \$2,000,000.

#### 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 notify it of any such changes.
- b) Total development costs listed in the Application have decreased from \$10,738,039 to \$9,611,530. The decrease is primarily due to a reduction in construction costs and developer fee.
- c) The credit enhancer has changed from Prudential Affordable Mortgage Company to Raymond James and Associates, Inc. as a private placement/bond purchaser.
- d) The Applicant requested a HOME loan of \$3,000,000 in the Application, however changed its HOME loan request to \$2,000,000 in HOME RFP 2009-06.
- e) The Application did not contemplate a third mortgage. However, subsequent to the Application the Developer was able to obtain a loan from the City of Orlando which will now provide a third mortgage in the amount of \$300,000 at 0% interest.
- f) The guarantor listed in the Application was J. David Page. Additional guarantors will be SP Crossroads LP and SP Crossroads GP, Inc.

## MULTIFAMILY BONDS

### *Consent*

- g) A scrivener's error in the application incorrectly identified the number of buildings and unit mix of the Development. There are actually 18 buildings, not the 19 buildings reflected in the application, and the correct unit mix is as follows: 52 - two bedroom/one bath units and 42 - three bedroom/one bath units. The Credit Underwriter has stated that these changes have no material impact to the loan recommendation for this Development.
- h) A Final Credit Underwriting Report dated June 9, 2010 is attached as [Exhibit H](#).

### **3. Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated June 9, 2010, recommending that \$5,250,000 in tax exempt bonds and \$2,000,000 in HOME loan funds be issued for the acquiring and rehabilitating of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

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

##### A. Request Approval of PLP Loan for Reliance-Progresso Associates, Ltd., a Not-for-Profit Entity, for Progresso Point (2010-003P-09)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Progresso Point</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Reliance-Progresso Associates, Ltd., a not-for-profit entity</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>76</b>
<b>LOCATION (“County”):</b>	<b>Broward County</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>20% @ or below 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$480,000</b>
<b>ADDITIONAL COMMENTS:</b>	

#### 1. Background

- a) On February 22, 2010, Florida Housing received a PLP Application from the Applicant for Progresso Point. The Development will be located in Broward County.
- b) On March 12, 2010, Florida Housing issued an Invitation to Participate in the PLP to Reliance-Progresso Associates, Ltd., a not-for-profit organization.

#### 2. Present Situation

- a) The Technical Assistance Provider (TAP) has submitted a Development Plan and recommended a loan amount of \$480,000 for PLP eligible activities ([Exhibit A](#)). The Applicant originally requested a loan in the amount of \$750,000 which included costs for acquisition and site clearance. The costs for acquisition and site clearance were determined to be ineligible since the property had been owned by the applicant for more than one year which, by rule, disallows the purchase as an eligible cost and site clearance is not a PLP eligible activity. Therefore the loan request was reduced by the TAP to \$480,000. Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.
- b) On February 26, 2010, the Developer was awarded Low Income Housing Tax Credits for the 2009 Universal Application Cycle. On March 17, 2010, the Developer was awarded funding through the Tax Credit Exchange Program under RFP 2010-04.

#### 3. Recommendation

Approve the PLP Loan in the amount of \$480,000 to Reliance-Progresso Associates, Ltd., a not-for-profit entity, for Progresso Point, for eligible predevelopment expenses as recommended by the TAP, and allow staff to issue the Commitment Letter and commence with loan closing proceedings.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### VII. PROFESSIONAL SERVICES SELECTION (PSS)

##### A. Financial Advisor Services Contract Renewal

###### 1. Background

- a) At its July 2007 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Tibor Partners, Inc., to provide Financial Advisor Services.
- b) The initial three (3) year term of the contract began on August 23, 2007. Contingent upon Financial Advisor satisfactorily performing its obligations under the contract as determined by Florida Housing, the contracts may be renewed twice. Each renewal shall be for an additional one (1) year period.

###### 2. Present Situation

Florida Housing staff supports a renewal to extend the term of the contract for the initial one-year period.

###### 3. Recommendation

Staff believes that it is in the best interests of Florida Housing to continue to retain Tibor Partners, Inc. as a Financial Advisor pursuant to the existing contract, and recommends the Board direct staff to proceed with the initial contract renewal.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Bond Counsel Contract Renewal**

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

- a) At its July 2007 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Hawkins, Delafield & Wood, Kutak Rock LLC, Bryant Miller & Olive and Greenberg Traurig, to provide Bond Counsel Services.
- b) The initial term of the contracts began in August of 2007 for a three year term and expires at the end of August 2010. Contingent upon Bond Counsel satisfactorily performing its obligations under the contract as determined by Florida Housing, the contracts may be renewed twice. Each renewal shall be for an additional one (1) year period.

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

Florida Housing staff supports a renewal to extend the term of the contract for the initial one-year period.

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

Staff believes that it is in the best interests of Florida Housing to continue to retain the current bond counsel and recommends the Board direct staff to proceed with the initial contract renewal.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VIII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval to Exchange Amenities for Esperanza Place, Cycle XX (RFP 2007-10-01)

<b>Development Name: Esperanza Place (“Development”)</b>	<b>Location: Collier County</b>
<b>Developer/Principal: Florida Non-Profit Services, Inc. (“Developer”)</b>	<b>Set-Aside: 20% @ 50% AMI and 80% @ 60% AMI</b>
<b>Number of Units: 47</b>	<b>Allocated Amount: \$3,187,764</b>
<b>Type: Garden Style</b>	<b>Housing Credit Equity: N/A</b>
<b>Demographics: Farmworker</b>	<b>MMRB: N/A</b>

1. **Background/Present Situation**

- a) On February 11, 2010, a SAIL loan in the amount of \$3,187,764 for this 47 unit farmworker development in Collier County closed.
- b) On May 12, 2010, staff received a letter from the Borrower requesting to exchange washer and dryers in each unit for a basketball court ([Exhibit A](#)).
- c) On May 27, 2010, staff received a review from the credit underwriter with a positive recommendation for the exchange of amenities ([Exhibit B](#)).

2. **Recommendation**

Approve the request to exchange the amenities and direct staff to proceed with amending the Land Use Restriction Agreement.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

#### B. Request Approval of Loan Closing Extension for Labre Place (2006-074CS/2009-063CTX)

<b>Development Name: Labre Place ("Development")</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: St. David Development, LLC ("Developer")</b>	<b>Set-Aside: 15% @ 33% AMI and 85% @ 60% AMI</b>
<b>Number of Units: 90</b>	<b>Allocated Amount: \$4,000,000</b>
<b>Type: High Rise</b>	<b>Tax Credit Exchange Amount: \$19,188,358</b>
<b>Demographics: Homeless</b>	<b>MMRB: N/A</b>

#### 1. Background/Present Situation

- a) On September 18, 2009, the Board approved a loan closing extension for the SAIL loan until March 31, 2010, to allow the Borrower time to complete the American Recovery and Reinvestment Act RFP process.
- b) On February 26, 2010, the Board approved a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$4,000,000, and a 2009 Tax Credit Exchange Program award in the amount of \$19,188,358, and directed staff to proceed with loan closing activities.
- c) On April 30, 2010, the Board approved a closing extension for the SAIL loan from March 31, 2010 until June 1, 2010.
- d) On May 27, 2010, staff received a letter from the Developer requesting a 60 day extension of the SAIL closing deadline in order to allow time for all financing sources to close ([Exhibit C](#)).

#### 2. Recommendation

Approve extension of the SAIL closing deadline until July 30, 2010, and direct staff to proceed with loan closing activities.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**C. Request Approval of Credit Underwriting Report for Pensacola Veteran Housing, Cycle XX (RFP 2008-01-02)**

<b>Development Name: Pensacola Veteran Housing (“Development”)</b>	<b>Location: Escambia County</b>
<b>Developer/Principal: Volunteers of America of Florida, Inc. (“Developer”)</b>	<b>Set-Aside: 25% @ 35% AMI and 75% @ 60% AMI</b>
<b>Number of Units: 31</b>	<b>Allocated Amount: \$850,000</b>
<b>Type: Garden Style</b>	<b>Housing Credit Equity: N/A</b>
<b>Demographics: Homeless</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On April 11, 2008, Florida Housing Finance Corporation issued a request for proposal (RFP) for the development and substantial rehabilitation of housing for special needs populations.
- b) On August 8, 2008, the Board approved the final scores and ranking and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 29, 2008, staff issued a preliminary commitment letter and invitation to enter credit underwriting for a SAIL loan in an amount up to \$850,000 for this 31-unit homeless development located in Escambia County.
- d) On June 9, 2010, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$850,000 ([Exhibit D](#)). Staff has reviewed this report and finds the development meets all of the requirements of RFP 2008-01 and Rule Chapter 67-48, F.A.C.

**2. Recommendation**

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



**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**D. Request Approval of Credit Underwriting Report for Lakeside Park I, Cycle XX (RFP 2008-01-06)**

<b>Development Name: Lakeside Park I (“Development”)</b>	<b>Location: Highlands County</b>
<b>Developer/Principal: The Avon Park Housing Authority (“Developer”)</b>	<b>Set-Aside: 30% @ 40% AMI and 70% @ 60% AMI</b>
<b>Number of Units: 16</b>	<b>Allocated Amount: \$760,000</b>
<b>Type: Garden Style</b>	<b>Housing Credit Equity: N/A</b>
<b>Demographics: Homeless</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On April 11, 2008, Florida Housing Finance Corporation issued a request for proposal (RFP) for the development and substantial rehabilitation of housing for special needs populations.
- b) On August 8, 2008, the Board approved the final scores and ranking and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 29, 2008, staff issued a preliminary commitment letter and invitation to enter credit underwriting for a SAIL loan in an amount up to \$760,000 for this 16-unit homeless development located in Highlands County.
- d) On June 9, 2010, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$760,000 ([Exhibit E](#)). Staff has reviewed this report and finds the development meets all of the requirements of RFP 2008-01 and Rule Chapter 67-48, F.A.C.

**2. Recommendation**

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

## SPECIAL ASSETS

### *Consent*

#### IX. SPECIAL ASSETS

##### A. Request Approval to Refinance the First Mortgage for Clipper Cove Associates, Ltd., a Florida Limited Partnership for Clipper Cove Apartments (2000-043S/2000-539C)

<b>Development Name: Clipper Cove Apartments. (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: Cornerstone Group/Clipper Cove Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: 100% @ 60% AMI LURA: 50 years; EUA 50 years</b>
<b>Number of Units: 176</b>	<b>Allocated Amount: SAIL: \$1,828,112, HC \$437,639</b>
<b>Demographics: Family</b>	<b>CU/Servicer: Seltzer Management Group</b>

#### 1. Background

- a) During the 2000 funding cycle, Florida Housing awarded \$1,828,112 SAIL loan to Clipper Cove Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 176-unit apartment complex in Hillsborough County, Florida. The SAIL loan closed on June 27, 2001 and will mature on December 31, 2039. The Development also received a 2000 allocation of low-income housing tax credits of \$437,639.
- b) On January 22, 2010, Florida Housing’s Board of Directors approved the refinancing of the first mortgage, extension of the SAIL loan to be co-terminus with the refinanced first mortgage, extension of the SAIL LURA term and subordination of the SAIL loan to the new first mortgage.

#### 2. Present Situation

The Borrower intends to obtain financing for the new first mortgage from a HUD 223 (f) loan. By letter dated May 24, 2010, the Borrower indicated that HUD requires the subordination of the SAIL LURA and the HC EUA before the loan can be closed in July 2010. This requirement has been confirmed by Florida Housing’s attorneys.

#### 3. Recommendation

Approve the subordination of the SAIL LURA and the HC EUA to the new first mortgage financing with HUD, and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**B. Request Affirmation of HOME Short-pay and Assumption of the First Mortgage for East Ridge Partners Ltd. for Villas of Capri (MMRB1996H/96DHR-016/96L-504)**

<b>Development Name: Villas of Capri (“Development”)</b>	<b>Location: Collier County</b>
<b>Developer/Principal: Related Companies of Florida (“Developer”)</b>	<b>Set-Aside: MMRB 50@60; HOME 20@50, 80@60; HC 100@60 AMI, 50/30 Years</b>
<b>Number of Units: 235</b>	<b>Allocated Amount: MMRB \$9,800,000; HOME \$2,585,000 Housing Credits (annual) \$536,069</b>
<b>Demographics: Family</b>	<b>Servicer: AmeriNational</b>

**1. Background**

During the 1996 Cycle, Florida Housing awarded \$9,800,000 in bonds and a \$2,585,000 HOME loan to East Ridge Partners Ltd, a Florida Limited Partnership (“Borrower”), for the development of a 235-unit apartment complex in Naples, Florida in Collier County. The HOME loan closed on August 27, 1996 and will mature on September 1, 2026. The Development also received an annual Housing Credit allocation of \$536,069.

**2. Present Situation**

- a) The Borrower has tried unsuccessfully to refinance the property, and now has a potential purchaser to buy the Development. The potential purchaser is willing to assume the FHFC bond debt but is unwilling to assume the HOME loan. The current economic viability of the Development does not support the assumption of the HOME loan. The Borrower has been unable to secure any other offers for the property. The proposed purchase price provides sufficient funds to assume the first mortgage amount in full, but not the principal balance on the HOME loan.
- b) Fla. Admin. Code R. 9I-34.010 (6) allows that upon sale of the development if there will be insufficient funds available from the proceeds of the sale of the project, “the HOME loan will not be satisfied until the Agency has received: An appraisal ... indicating that the purchase price ... is reasonable and consistent with existing market conditions; A certificate from the Seller that the purchase price reported is the actual price paid for the project and that no other consideration passed between the parties and that the income reported to the Agency during the life of the loan was true and accurate; and A certificate that there are no other funds available to repay the loan and that the Seller knows of no other source of funds that could or would be forthcoming so as to pay off the loan”. The Borrower has met the outlined requirements to the satisfaction of Florida Housing. On June 3, 2010, staff received a credit underwriting report ([Exhibit A](#)) from AmeriNational recommending approval for the first mortgage assumption and confirming the current economic viability of the Development does not support the assumption of the HOME loan.
- c) The Borrower has been funding operating deficits on this property over the past two years and has offered \$200,000 as a partial payment towards the principal balance of the Home loan.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

Affirm the conditions pursuant to Fla. Admin. Code R. 9I-34.010 (6) and direct staff to prepare modification documents for the assumption of the first mortgage in full for the outstanding bonds, forgiveness of the HOME loan after the principal paydown of \$200,000, subject to the conditions in the credit underwriting report dated June 3, 2010, receipt of a copy of an updated appraisal, if necessary, and staff review of same and other closing documents indicating that the sale proceeds are sufficient only to assume the first mortgage.