

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
June 8, 2012  
Consent Items



**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**I. PREDEVELOPMENT LOAN PROGRAM (PLP)**

**A. Request Approval of Maturity Extension of PLP Loan for Greater Grace Outreach, LLC, a Not-for-Profit Entity, for Grace Manor Apartments (07-142)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Grace Manor Apartments</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Greater Grace Outreach, LLC, a not-for-profit entity</b>
<b>CO-DEVELOPER (“Co-Developer”)</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>80</b>
<b>LOCATION (“County”):</b>	<b>Duval County</b>
<b>TYPE:</b>	<b>Rental, Family</b>
<b>SET ASIDE:</b>	<b>60% at or below 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$750,000</b>

**1. Background**

- a) On June 19, 2009, the Developer closed on a PLP Loan in the amount of \$750,000 for the Applicant for Grace Manor Apartments.
- b) To date, the Developer has drawn \$643,085 on the loan. The Developer does not anticipate drawing the remaining funds from the loan, but is not prepared to de-obligate the remaining funds at this time.

**2. Present Situation**

- a) The Developer continues to consider and pursue all funding options available for Grace Manor. They currently intend to apply for Low Income Housing Tax Credits through the Universal Application Cycle in 2013 if the project can meet all eligibility requirements of the rule governing the program. They also intend to apply to HUD for the next cycle of HUD 202 funding for elderly projects. The timing of this cycle has not been announced.
- b) On May 14, 2012, staff received a letter from the developer ([Exhibit A](#)) requesting a one year extension to the loan maturity date from June 19, 2012 to June 19, 2013.
- c) The technical assistance provider (TAP) has recommended approval of the maturity extension ([Exhibit B](#)).
- d) Staff believes that granting the Developer a one year extension will allow them time to pursue financing options and will not affect Florida Housing’s security interest in the loan.

**3. Recommendation**

Approve the loan maturity extension for the PLP loan for Grace Manor Apartments from June 19, 2012 to June 19, 2013 and allow staff to begin execution of amended loan documents.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

**B. Request Approval of Maturity Extension of PLP Loan for Apopka Taylor Apartments, Ltd., a Not-for-Profit Entity, for Taylor Apartments (07-136)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Taylor Apartments</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Apopka Taylor Apartments, Ltd., a not-for-profit entity</b>
<b>CO-DEVELOPER (“Co-Developer”)</b>	
<b>NUMBER OF UNITS:</b>	<b>100</b>
<b>LOCATION (“County”):</b>	<b>Orange County</b>
<b>TYPE:</b>	<b>Rental, Family</b>
<b>SET ASIDE:</b>	<b>60% at or below 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$750,000</b>

**1. Background**

- a) On July 17, 2008, the Developer closed on the non-site acquisition portion of the PLP loan. On November 17, 2008 the developer closed on the site acquisition portion of the loan. The loan total is \$750,000.
- b) To date, \$749,940 has been drawn on the loan.
- c) On September 16, 2010, the Board approved a one year extension on the loan from July 17, 2011 to July 17, 2012.

**2. Present Situation**

- a) Due to the developer’s inability to meet the experience requirement for the Universal Application Cycle, the Developer has chosen to sell the project to a developer with the appropriate experience and has executed a sales contract with the developer. This developer applied for low income housing tax credits to be used for this property in the current Universal Application Cycle. The contract is contingent on the development being awarded tax credits. If this occurs, the PLP loan will be repaid at the time of closing on the sales contract. The Developer is currently awaiting the Board’s final decision on Universal Application Cycle ranking, to be made at its June 8, 2012, meeting.
- b) In order to allow for this process to conclude, the Developer has requested a second one-year extension ([Exhibit C](#)).
- c) The technical assistance provider (TAP) has recommended the extension and has submitted a revised development plan as required by rule for a second extension request ([Exhibit D](#)).
- d) Staff believes that an extension is in order, but is recommending an extension of only six months which should be adequate time to close on the sales contract and repay PLP funds, provided the development is awarded tax credits.

**3. Recommendation**

Approve the loan maturity extension for the PLP loan for Taylor Apartments from July 17, 2012 to January 17, 2013 and allow staff to begin execution of amended loan documents.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

## II. PROFESSIONAL SERVICES SELECTION (PSS)

### A. Affordable Housing Catalyst Program Contract Renewal

#### 1. Background

The Affordable Housing Catalyst Program provides training and technical assistance to local governments, non-profits and community based organizations on state and federal housing programs including SHIP and the Hardest Hit Fund.

#### 2. Present Situation

- a) The term of the Affordable Housing Catalyst Program contract between Florida Housing and the current service provider, the Florida Housing Coalition, expires June 30, 2012. The contract allows for two one-year renewals.
- b) The technical assistance and training provided through the Catalyst program is critical to the success of the SHIP program as it allows local government staffs to access professional guidance in managing all aspects of their local SHIP programs. Catalyst is also used to provide technical assistance for other housing programs and to advise non-profit developers on various aspects of the affordable housing industry.
- c) Staff is requesting permission to renew the Affordable Housing Catalyst Program contract for the final one-year period to expire on June 30, 2013.

#### 3. Recommendation

Staff recommends that the Board authorize staff to enter into a contract renewal for the final one-year period with the Florida Housing Coalition for the provision of Catalyst Program training and technical assistance services.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Structuring Agent Services Contract Renewal**

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

At its August 2008 meeting the Board authorized Florida Housing staff to enter into contract negotiations with Morgan Keegan, Stern Brothers & Co., RBC Capital Markets Corporation and Raymond James to provide Structuring Agent services.

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

- a) The initial term of the contracts began in August 2008 for a three year term and expired in August of 2011. Contingent upon the Structuring Agents satisfactorily performing their 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. In June of 2011, the Board gave permission to enter into the initial contract extension for one year.
- b) Florida Housing staff supports a renewal to extend the term of the contract for the final one-year period for all four firms: Morgan Keegan, Stern Brothers & Co., RBC Capital Markets Corporation and Raymond James. Morgan Keegan and Raymond James are in the process of merging the two companies. At the present time, both companies are required to remain separate entities. If the merger is completed, then an amendment will be completed to encompass the new merged entity.

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

Staff believes that it is in the best interests of Florida Housing to continue to retain the structuring agents and recommends the Board direct staff to proceed with the final contract renewal.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

III. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Letter for Highland Palms Apartments, Cycle XIX (2007-109CS/2008-002CS/2007 Supplemental)

Development Name: Highland Palms Apartments (“Development”)	Location: Highlands County
Developer/Principal: Southport Financial Services, Inc. (“Developer”)	Set-Aside: 20% @ 40% AMI and 80% @ 60% AMI
Number of Units: 52	Allocated Amount: \$2,640,000 SAIL and \$425,000 Supplemental
Type: Garden Style	Housing Credit Equity \$6,835,338
Demographics: Farmworker	MMRB: N/A

1. Background/Present Situation

- a) On June 11, 2009, a SAIL loan in the amount of \$2,640,000 and a Supplemental loan in the amount of \$425,000 closed for this 52-unit farmworker development in Highlands County.
- b) On April 11, 2012, staff received a letter from the Borrower ([Exhibit A](#)) requesting approval to change the first mortgage permanent lender from Alabama Banker’s Bank (an affiliate of Regions Banks) to Neighborhood Lending Partners, and to subordinate the SAIL and Supplemental loans to the new first mortgage permanent lender.
- c) On May 23, 2012, staff received a credit underwriting letter with a positive recommendation to change the first mortgage permanent lender and to subordinate the SAIL and Supplemental loans to the new first mortgage permanent lender ([Exhibit B](#)). Staff has reviewed this credit underwriting letter and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

Approve the credit underwriting letter subject to the conditions outlined in the letter and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

**B. Request Approval of Credit Underwriting Letter 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: 30% @ 35% AMI and 70% @ 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 December 30, 2010, a SAIL loan in the amount of \$850,000 closed for this 31-unit homeless development in Escambia County.
- b) On May 1, 2012, staff received a letter from the Borrower ([Exhibit C](#)) requesting approval to change the first mortgage lender from Volunteers of America National Services to TD Bank.
- c) On May 23, 2012, staff received a credit underwriting letter with a positive recommendation to change the first mortgage lender ([Exhibit D](#)). Staff has reviewed this credit underwriting letter and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C. and RFP 2008-01.

**2. Recommendation**

Approve the credit underwriting letter subject to the conditions outlined in the letter and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

#### IV. SPECIAL ASSETS

- A. Request Approval of the Extension of the SAIL Loan for Arbor Place Apartments, Ltd., a Florida Limited Partnership, for Arbor Place (95S-046/96L-006)

<b>Development Name: Arbor Place (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: Volunteers of America of Florida (“Developer”); Arbor Place Apartments, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: 20% @ 40% &amp; 80% @ 60% AMI; LURA &amp; EUA: 50 years</b>
<b>Number of Units: 32</b>	<b>Allocated Amount: SAIL \$185,000; HC \$84,988</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

1. **Background**

During the 1995 State Apartment Incentive Loan (“SAIL”) Cycle, Florida Housing awarded a \$185,000 construction/permanent loan to Arbor Place Apartments, Ltd., a Florida Limited Partnership (“Borrower”), for the construction/rehabilitation of a 32-unit development in Hillsborough County. The SAIL loan closed on January 4, 1996, and matured on May 31, 2012. The Development also received a 1996 allocation of low-income housing tax credits of \$84,988.

2. **Present Situation**

- a) The Borrower has requested approval to extend the SAIL loan, at its current terms, to May 31, 2013, to allow time for refinancing of the Development. The Borrower has agreed to an extension of the Land Use Restriction Agreement (“LURA”) term equal to the loan extension.

3. **Recommendation**

Staff recommends that the Board approve the extension of the SAIL loan, at its current terms, to May 31, 2013, extend the LURA term for an additional year, and direct staff to proceed with loan document modification activities.



## SPECIAL ASSETS

### *Consent*

**B. Request Approval to Refinance the First Mortgage and Renegotiate the SAIL Loan Terms for Pinnacle Palms, Ltd., a Florida Limited Partnership, for Pinnacle Palms Apartments (Guarantee/2001-052S/2002-506C)**

<b>Development Name: Pinnacle Palms Apartments (“Development”)</b>	<b>Location: Palm Beach County</b>
<b>Developer/Principal: Pinnacle Housing Group (“Developer”); Pinnacle Palms, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: .66% @ 25%, 99.34% @ 60% AMI LURA: 50 years; EUA 50 years</b>
<b>Number of Units: 152</b>	<b>Allocated Amount: SAIL: \$1,529,000; HC \$481,660</b>
<b>Demographics: Elderly</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

During the 2001 funding cycle, Florida Housing awarded a \$1,529,000 SAIL (State Apartment Incentive Loan) loan to Pinnacle Palms, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 152-unit apartment complex in Palm Beach County, Florida. The SAIL loan closed on June 26, 2002, and will mature on June 1, 2042. The Development also received a 2002 allocation of low-income housing tax credits of \$481,660 and has funding from local bonds with a non HUD-Risk Sharing guarantee through Florida Housing’s Guarantee Program. The Borrower requested renegotiated SAIL loan terms and the Board approved those terms at the January 27, 2012 Board meeting.

**2. Present Situation**

- a) Due to changes in the first mortgage refinancing and the requirements thereof, the Borrower now requests consent from the Board to amend the refinancing terms of the first mortgage, still removing the Guarantee Program liability, and to renegotiate the SAIL loan terms to be non-amortizing and cash flow only from 75% of available development cash flow at a 3% interest rate for thirty years. The Borrower will pay \$200,000 of the accrued interest at closing with the remaining accrued interest (~\$448,582) added to the end of the loan to be paid at maturity. The Borrower will also add a 4<sup>th</sup> lien to the Development.
- b) Staff agrees that the refinancing and the renegotiated SAIL loan terms will benefit the Guarantee Program portfolio by removing a non HUD-Risk Sharing development and by making the Development financially more viable. Staff received a credit underwriting report ([Exhibit A](#)) providing a positive recommendation.

**3. Recommendation**

Staff recommends that the Board approve the new terms of the refinancing of the first mortgage, the additional 4<sup>th</sup> lien subordinate debt, and the renegotiated terms of the SAIL loan as stated in the credit underwriter’s report, subject to the conditions outlined in the credit underwriter’s report, and to further approvals and verifications by the credit underwriter, legal counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

#### C. Request Approval of Transfer of General Partnership Interest for Hidden Grove Apartments (2000-041S/2001-507C)

<b>Development Name: Hidden Grove Apartments (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Related (“Developer”); Hidden Grove, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: 3% @ 33%; 97 % @ 60% AMI LURA &amp; EUA: 50 years</b>
<b>Number of Units: 222</b>	<b>Allocated Amount: SAIL \$2,239,000; HC \$742,151</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

#### 1. Background

During the 2000 funding cycle, Florida Housing awarded \$2,239,000 in State Apartment Incentive Loan (“SAIL”) funds to Hidden Grove, Ltd., a Florida Limited Partnership (Borrower), for the development of a 222-unit property in Miami-Dade County, Florida. The loan was closed on July 20, 2001, and will mature on September 30, 2042. The Development also received a 2001 allocation of low-income housing tax credits of \$742,151.

#### 2. Present Situation

- a) By correspondence dated October 27, 2011, the Developer requested approval to transfer and assign 50% of the general partner interest in Hidden Grove, Ltd. from RAP FL 5, LLC, an affiliate of the Related Group, to JMP, LLC, another Related Group affiliate.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit B](#)).

#### 3. Recommendation

Staff recommends that the Board approve the transfer of 50% of the general partner interest subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

**D. Request Approval of Transfer of General Partnership Interest for Colonial Park Apartments (2002-111S/2002-542C)**

<b>Development Name: Colonial Park Apartments (“Development”)</b>	<b>Location: Broward County</b>
<b>Developer/Principal: Related (“Developer”); Reflections Housing, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 4% @ 30%, 95% @ 60%; HC 99% @ 60% AMI LURA 50 years; EUA 30 years</b>
<b>Number of Units: 160</b>	<b>Allocated Amount: SAIL \$2,000,000; HC \$378,470</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

During the 2002 funding cycle, Florida Housing awarded \$2,000,000 in State Apartment Incentive Loan (“SAIL”) funds to Reflections Housing, Ltd., a Florida Limited Partnership (Borrower), for the development of a 160-unit property in Broward County, Florida. The loan was closed on May 9, 2003, and will mature on June 1, 2044. The Development also received a 2002 allocation of low-income housing tax credits of 378,470.

**2. Present Situation**

- a) By correspondence dated October 26, 2011, the Developer requested approval to transfer and assign 50% of the general partner interest in Reflections Housing, Ltd. from RAP FL 5, LLC, an affiliate of the Related Group, to JMP, LLC, another Related Group affiliate.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit C](#)).

**3. Recommendation**

Staff recommends that the Board approve the transfer of 50% of the general partner interest subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

**E. Request Approval of Transfer of General Partnership Interest for Meridian Apartments (2002-110S/2002-543C)**

<b>Development Name: Meridian Apartments (“Development”)</b>	<b>Location: Broward County</b>
<b>Developer/Principal: Related (“Developer”); Meridian Housing, L.P. (“Borrower”)</b>	<b>Set-Aside: SAIL 4% @ 30%, 95% @ 60%; HC 99% @ 60% AMI LURA 50 years; EUA 30 years</b>
<b>Number of Units: 160</b>	<b>Allocated Amount: SAIL \$2,000,000; HC \$547,037</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

During the 2002 funding cycle, Florida Housing awarded \$2,000,000 in State Apartment Incentive Loan (“SAIL”) funds to Meridian Housing, L.P., a Florida Limited Partnership (Borrower), for the development of a 160-unit property in Broward County, Florida. The loan was closed on May 9, 2003, and will mature on April 1, 2044. The Development also received a 2002 allocation of low-income housing tax credits of \$547,037.

**2. Present Situation**

- a) By correspondence dated October 26, 2011, the Developer requested approval to transfer and assign 50% of the general partner interest in Meridian Housing, L.P. from RAP FL 5, LLC, an affiliate of the Related Group, to JMP, LLC, another Related affiliate.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit D](#)).

**3. Recommendation**

Staff recommends that the Board approve the transfer of 50% of the general partner interest subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

**F. Request Approval of Transfer of General Partnership Interest for McPines Apartments (2002-152CS/2003-004C)**

<b>Development Name: McPines Apartments (“Development”)</b>	<b>Location: DeSoto County</b>
<b>Developer/Principal: Thomas McMullen (“Developer”); Pines-Cypress, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: 56.25% @ 50%; 43.75% @ 60% AMI LURA &amp; EUA: 50 years</b>
<b>Number of Units: 64</b>	<b>Allocated Amount: SAIL \$1,000,000; HC \$216,056</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

During the 2002 funding cycle, Florida Housing awarded \$1,000,000 in State Apartment Incentive Loan (“SAIL”) funds to Pines-Cypress, Ltd., a Florida Limited Partnership (Borrower), for the development of a 64-unit property in DeSoto County, Florida. The loan was closed on October 2, 2003, and will mature on June 1, 2033. The Development also received a 2003 allocation of low-income housing tax credits of \$216,056.

**2. Present Situation**

- a) By correspondence dated May 2, 2012, the Borrower requested approval to transfer and assign the general partner interest in Pines-Cypress, Ltd. from Seventeen, Inc. to Hallmark-McPines, LLC.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit E](#)).

**3. Recommendation**

Staff recommends that the Board approve the transfer of the general partner interest subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

**G. Request Approval to Refinance the First Mortgage for Emerald Palms Apartments Limited Partnership, a Florida Limited Partnership, for Emerald Palms Apartments (2001-074S/2001-520C)**

<b>Development Name: Emerald Palms Apartments (“Development”)</b>	<b>Location: Broward County</b>
<b>Developer/Principal: Housing Trust Group of Florida LLC (“Developer”); Emerald Palms Apartments Limited Partnership (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC: 100% @ 60% AMI LURA: 50 years; EUA: 30 years</b>
<b>Number of Units: 318</b>	<b>Allocated Amount: SAIL \$2,500,000; HC \$705,917</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

During the 2001 funding cycle, Florida Housing awarded a \$2,500,000 SAIL loan to Emerald Palms Apartments Limited Partnership, a Florida Limited Partnership (“Borrower”), for the development of a 318-unit apartment complex in Broward County, Florida. The State Apartment Incentive Loan (“SAIL”) closed on August 16, 2002, and will mature on December 1, 2033. The Development also received a 2001 allocation of low-income housing tax credits of \$705,917.

**2. Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The Borrower intends to obtain financing from a Fannie Mae or Freddie Mac loan. The Borrower also requests that the terms of the SAIL loan be modified to meet the requirements of the new first mortgage. The SAIL loan, SAIL Land Use Restriction Agreement (“LURA”), and Housing Credit Extended Use Agreement (“EUA”) also need to be subordinated to the new first mortgage.
- b) Staff has received a credit underwriting report ([Exhibit F](#)) providing a positive recommendation for approval for the new financing, subordination of the SAIL loan, SAIL LURA, and HC EUA to the new first mortgage, and modification of the SAIL loan documents as necessary.

**3. Recommendation**

Staff recommends that the Board approve the refinancing of the first mortgage, subordination of the SAIL loan, SAIL LURA, and HC EUA to the new first mortgage, and modification of the SAIL loan documents as necessary subject to the conditions outlined in the credit underwriter’s report and subject to further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities.