

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
October 28, 2016  
Consent Items



**ELDERLY HOUSING COMMUNITY LOAN (EHCL)**

*Consent*

**I. ELDERLY HOUSING COMMUNITY LOAN (EHCL)**

**A. Request Approval of Credit Underwriting Update Letter and Loan Closing Extension for Trinity Towers South (2015-228E)**

<b>Development Name: Trinity Towers South</b>	<b>Location: Brevard County</b>
<b>Applicant/Borrower: Trinity Towers South Preservation Associates LLLP</b>	<b>Set-Aside(s): 20% @ 50% AMI</b>
<b>Developer/Principal: Preservation of Affordable Housing LLC</b>	<b>Demographic/Number of Units: Elderly/162</b>
<b>Requested Amounts: EHCL \$750,000</b>	<b>Development Category/Type: Rehabilitation/Mid Rise</b>

**1. Background/Present Situation**

- a) On January 23, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-102 for Elderly Housing Community Loan (EHCL) funding to be used to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older.
- b) On May 8, 2015, the Board approved the final scores and recommendations for RFA 2015-102, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 22, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Trinity Towers South Preservation Associates LLLP with a closing deadline of May 23, 2016.
- d) On May 6, 2016, the Board approved a request from the Applicant to extend the loan closing deadline of the preliminary commitment letter and an invitation to enter credit underwriting from May 23, 2016 to May 23, 2017.
- e) On June 24, 2016, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities.
- f) On July 1, 2016, staff issued a firm commitment letter to Trinity Towers South Preservation Associates LLLP, which states that the loan must close within 120 calendar days of the date of the issuance of the firm commitment, giving them a closing deadline of October 31, 2016. Applicants may request a closing extension of up to 90 calendar days.
- g) On September 6, 2016, staff received correspondence from the Applicant requesting a transfer of ownership, the assignment and assumption of the EHCL loan, first mortgage refinance and subordination of the EHCL loan, release of the current owner as Guarantor and assignment of the new owner as Guarantor, and a 90-day extension of the EHCL firm commitment loan closing deadline ([Exhibit A](#)). Staff has reviewed this request and finds that the development meets all of the requirements of RFA 2015-102.

## ELDERLY HOUSING COMMUNITY LOAN (EHCL)

### *Consent*

- h) On October 13, 2016, staff received a credit underwriting update letter with a positive recommendation for the changes noted above ([Exhibit B](#)). Staff has reviewed this letter and finds that the development meets all of the requirements of RFA 2015-102.

### 2. Recommendation

- a) Approve the credit underwriting update letter including the request to extend the EHCL firm commitment loan closing deadline from October 31, 2016 to January 30, 2017, subject to payment of the required non-refundable extension fee of one-half of one percent of the loan amount, pursuant to the requirements of the RFA.

**ELDERLY HOUSING COMMUNITY LOAN (EHCL)**

*Consent*

**B. Request Approval of Credit Underwriting Report Update Letter and Loan Closing Extension for Trinity Towers East (2015-227E)**

<b>Development Name: Trinity Towers East</b>	<b>Location: Brevard County</b>
<b>Applicant/Borrower: POAH Trinity Towers East, LLC</b>	<b>Set-Aside(s): 20% @ 50% AMI</b>
<b>Developer/Principal: Preservation of Affordable Housing LLC</b>	<b>Demographic/Number of Units: Elderly/156</b>
<b>Requested Amounts: EHCL \$750,000</b>	<b>Development Category/Type: Rehabilitation/High Rise</b>

**1. Background/Present Situation**

- a) On January 23, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-102 for Elderly Housing Community Loan (EHCL) funding to be used to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older.
- b) On May 8, 2015, the Board approved the final scores and recommendations for RFA 2015-102, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 22, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to POAH Trinity Towers East, LLC with a closing deadline of May 23, 2016.
- d) On May 6, 2016, the Board approved a request from the Applicant to extend the loan closing deadline from May 23, 2016 to May 23, 2017.
- e) On June 24, 2016, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities.
- f) On July 1, 2016, staff issued a firm commitment letter to POAH Trinity Towers East LLC, which states that the loan must close within 120 calendar days of the date of the issuance of the firm commitment, giving them a closing deadline of October 31, 2016. Applicants may request a closing extension of up to 90 calendar days.
- g) On October 6, 2016, staff received correspondence from the Applicant requesting a 90-day extension of the EHCL firm commitment loan closing deadline ([Exhibit C](#)). Staff has reviewed this request and finds that the development meets all of the requirements of RFA 2015-102.
- h) On October 13, 2016, staff received a credit underwriting update letter with a positive recommendation for a 90-day extension of the EHCL firm commitment closing deadline in addition to a change in the length of EHCL loan term, a change in the interest rate of the subordinate Seller loan, and the release of the current owner as the EHCL loan Guarantor and assignment of the new owner as the EHCL loan Guarantor ([Exhibit D](#)). Staff has reviewed this letter and finds that the development meets all of the requirements of RFA 2015-102.

## **ELDERLY HOUSING COMMUNITY LOAN (EHCL)**

### *Consent*

#### **2. Recommendation**

- a) Approve the credit underwriting update letter including the request to extend the firm commitment loan closing deadline from October 31, 2016 to January 30, 2017, subject to payment of the required non-refundable extension fee of one-half of one percent of the loan amount, pursuant to the requirements of the RFA.

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**II. LEGAL**

**A. In Re: Joe Moretti Phase Two, LLC - FHFC Case No. 2016-039VW**

<b>Development Name: (“Development”):</b>	<b>Joe Moretti Phase Two</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Joe Moretti Phase Two Developer, LLC Alberto Milo, Jr.</b>
<b>Number of Units: 96</b>	<b>Location: Miami-Dade</b>
<b>Type: Garden Apartments</b>	<b>Set Asides: 30% @ 33% AMI 70% @ 60% AMI</b>
<b>Demographics: Elderly (non-ALF)</b>	<b>9% HC: \$1,043,294.00</b>

**1. Background**

- a) Joe Moretti Phase Two, LLC (the “Petitioner”) applied for and was awarded a 9% tax credit allocation under RFA 2014-104 for Preservation of Existing Affordable Housing Developments (the “RFA”). On October 12, 2016, Petitioner filed its “Petition for Waiver of Rule 67-48.004(3)(i) for a Change in Number of Units” (the “Petition”). A copy of the Petition is attached as [Exhibit A](#).

**2. Present Situation**

- a) Rule 67-48.004(3), Fla. Admin. Code (2014) provides, in pertinent part:

For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provisions of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

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(i)Total number of units; notwithstanding the foregoing, the total number of units may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation...”

- b) Petitioner requests a waiver from this Rule to decrease the total number of units to which it committed in its Application from 96 to 95, in order to re-designate one residential unit as community space for the provision of essential services to Development residents, in lieu of providing such services in other on-site structures. In accordance with the provisions of the RFA, Petitioner provides “Required Resident Programs” to be conducted on the Development site (Exhibit C, Section 5(b) of RFA), which include Computer Training and Literacy Training. It is these two programs which Petitioner wishes to provide on-site in the converted residential unit.

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### *Consent*

- c) Petitioner reports that this effort has been complicated by the limitations on physically altering the layout of the Development due to its historic character and integrity, and as required by the State of Florida Division of Historical Resources (“FDHR”), which has required that the Petitioner cancel its original plans to add separate facilities for community space to minimize any effect on the historical character of the site. Petitioner asks for the conversion of a single unit to make it possible to provide resident programs on site, to permit it to meet the resident program requirements of the RFA and the aesthetic standards of FDHR alike.
- d) Petitioner asserts that denial of the requested waiver would result in substantial hardship, in that it would be unable to renovate the Development without potential violation of historic preservation standards. Petitioner further asserts that the granting of this waiver serves the underlying purpose of Chapter 420, Part V, Fla. Stat., and would not adversely impact Petitioner, the Corporation or any other party that applied under the RFA.
- e) On October 14, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 201. To date, Florida Housing has received no 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) Granting the requested waiver would not have any impact on other participants in the housing credit program administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

- a) Staff recommends that the Board **GRANT** Petitioner’s requested waiver from Rule 67-48.004(3), Fla. Admin. Code (2014) to permit it to reduce the Total Number of Units in the Development from 96 to 95. The tax credit allocation shall be reduced pro rata upon update of the Credit Underwriting Report based on the new number of units and credit underwriter recommendations.

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### B. In Re: Tacolcy Tuscany Cove I, LLC - FHFC Case No. 2016-040VW

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

#### 1. Background

- a) Petitioner was selected to receive SAIL Financing of Affordable Multifamily Housing Developments under RFA 2014-103, to be used in conjunction with Multifamily Mortgage Revenue Bonds (MMRB) and non-competitive Housing Credits to assist in the construction of a Development serving low-income elderly tenants in Miami, Florida. Tacolcy received an invitation to enter into credit underwriting from Florida Housing which was accepted by Tacolcy, and the final credit underwriting report was approved by Florida Housing at its September 16, 2016 meeting. On October 13, 2016, Florida Housing received a Petition for Waiver of Rules 67-21.003 and 67-48.004 to allow the Petitioner to change an Applicant’s name and ownership structure after loan closing. A copy of the Petition is attached as [Exhibit C](#).

#### 2. Present Situation

- a) Petitioner submitted its application for MMRB and non-competitive Housing Credits in 2014. At that time Rule 67-21.003 incorporated this application by reference and thus made it part of the rule as follows:

67-21.003 Application and Selection Process for Developments. (1) When submitting an Application, Applicants must utilize the Non-Competitive Application in effect at the time the Applicant submits the Application.

(a) The Non-Competitive Application Package or NCA (Rev. 11-14) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s Website under the Multifamily Programs link labeled Apply for Funding or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-04905>, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for MMRB only, Non-Competitive HC only, or both MMRB and Non-Competitive HC.



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### *Consent*

- b) Section A.2.a.(1) of the Non-Competitive Application instructions provides (in part), as follows:

"The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and may not change until after the Final Housing Credit Allocation Agreement has been approved and the IRS Forms 8609 have been issued."

- c) Section A.2a.(2) of the Non-Competitive Application instructions provides (in part) as follows:

"If applying for MMRB, with or without Non-Competitive Housing Credits, the Applicant entity shall be the borrowing entity and cannot be changed until after the loan closing. Replacement of the Applicant or a material change (33.3 percent or more of the Applicant, a general partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval."

- d) Section 4A.2.d. of RFA 2014-103 provides as follows: "All applicants must provide a list, as Attachment 2 to Exhibit A, identifying the Principals for the Applicant."

- e) "Principals" is defined in Rule 67-48.002(93)(a)3., with respect to an Applicant that is a limited liability company, as "any manager or member of the Applicant limited liability company . . ."

- f) Exhibit C to RFA 2014-103 provides, in Section 2:

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

- g) As a SAIL Applicant, Rule 67-48.004(3) prohibits Petitioner from changing the name of the Applicant entity except with Board approval:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

## **LEGAL**

### ***Consent***

(a) Name of Applicant entity; notwithstanding the foregoing, the name of the Applicant entity may be changed only by written request of an Applicant to Corporation staff and approval of the Board as follows:

1. After the Applicant has been invited to enter credit underwriting for the SAIL and HOME Programs, and

2. After the Carryover Allocation Agreement is in effect for the Competitive HC Program. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation.

h) As an Applicant for MMRB and non-competitive Housing Credits, Rule 67-21.003(8)(a) prohibits Petitioner from changing the name of the Applicant entity except with Board approval:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. These items are as follows:

(a) Name of Applicant entity; notwithstanding the foregoing, the name of the Applicant entity may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited into credit underwriting. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation.

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### *Consent*

- i) Petitioner requests a waiver of the applicable provisions of the RFA, the Non-Competitive Application, and the Rule incorporating the Non-Competitive Application in order to allow for (i) the conversion of the entity structure of Tacolcy from a limited liability company to a limited liability limited partnership (with no substantive change in ownership), (ii) the change in the name of Tacolcy from "Tacolcy Tuscany Cove I, LLC" to "Tacolcy Tuscany Cove I, LLLP," and (iii) a change of the "principal" of Tacolcy from Tacolcy Economic Development Corporation, Inc. (as sole and managing member in its application) to a wholly owned subsidiary thereof named Tacolcy Tuscany Cove I General Partner, LLC. The requested waiver will enable Tacolcy, once converted to a limited liability limited partnership, to avail itself of the provisions of Section 196.1975, Florida Statutes, which allows for an exemption from real estate taxes in favor of affordable housing communities which are restricted to occupancy by persons age 62 and older and which have a 501(c) (3) corporation as the sole general partner.
- j) Petitioner also requests approval from the Board to change the name of the Applicant entity for the SAIL Application and the MMRB and Non-Competitive Housing Credits Application from "Tacolcy Tuscany Cove I, LLC" to "Tacolcy Tuscany Cove I, LLLP." Such approval does not require a waiver as such, but the relevant rules do require Board approval.
- k) On October 14, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 201. To date, Florida Housing has received no comments concerning the Petition.
- l) 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.
- m) Granting the requested waivers would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waivers are needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waivers are not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waivers are granted.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.003(1)(a), Fla. Admin. Code, **GRANT** Petitioner's request for a name change under Rules 67-48.004(3)(a) and 67-21.003(8)(a), Fla. Admin. Code, and **GRANT** Petitioner's request change the name and ownership structure of the SAIL borrowing entity in the Application for RFA 2014-103, so that Petitioner will be able to convert to a limited liability limited partnership, change the entity name, and change the entity's principal.

## LEGAL

### *Consent*

#### C. In Re: Trinity Towers South Preservation Associates, LLLP - FHFC Case No. 2016-041VW

<b>Development Name: (“Development”):</b>	<b>Trinity Towers South</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Preservation of Affordable Housing, LLC</b>
<b>Number of Units: 162</b>	<b>Location: Brevard County</b>
<b>Type: Mid-Rise (Rehab)</b>	<b>Set Asides: 20% of units at 50% AMI</b>
<b>Demographics: Elderly</b>	<b>EHCL: \$750,000</b>

#### 1. Background

- a) Petitioner requested an Elderly Housing Community Loan for \$750,000 for rehabilitation of 162 units intended to serve low-income persons in Brevard County, Florida. A copy of the Petition is attached as [Exhibit B](#).

#### 2. Present Situation

- a) Petitioner requests a waiver from Rule 67-48.041(1)(c), Florida Administrative Code (2016). Specifically, Petitioner is seeking to lengthen the maturity date of the EHCL loan from 15 years to 32 years, coterminous with subordinate debt which will encumber the Development.

- b) Rule 67-48.041(1)(c) provides, in relevant part, as follows:

"The loan term shall not exceed 15 years but may be for a shorter period of time as requested by the Applicant or recommended by the Credit Underwriter. However, if the lien of the Corporation's encumbrance is subordinate to the lien of another mortgage, then the term may be made coterminous with the longest term of the superior lien if requested by the borrower and approved by the Credit Underwriter based upon debt service coverage ratio, loan to value ratio, and other factors established in a competitive solicitation."

- c) Petitioner timely submitted its Application to the Corporation for the EHCL program (pursuant to RFA 2015-102) for \$750,000 of EHCL funding. Petitioner was awarded such funding and invited to credit underwriting on May 22, 2015. The Corporation approved the final credit underwriting for the EHCL loan on June 10, 2016. An affiliate of Petitioner (New Trinity South Preservation Associates, LLLP) ("New Trinity Towers") has contracted to purchase the Development from Petitioner and has applied for and been preliminary awarded tax exempt financing from the Brevard County Housing Finance Authority, AHP financing from the San Francisco office of Federal Home Loan Bank, and non-competitive 4% low income housing tax credits from the Corporation. New Trinity Towers will also utilize the proceeds of loans from affiliates of Petitioner (the "Petitioner Loans") to assist in the financing of the acquisition and rehabilitation of the Development. It is intended that Petitioner will close on the EHCL financing and, on the same day, sell the Development to New Trinity Towers, and that New Trinity Towers will assume the EHCL financing.
- d) The tax credit investor in New Trinity Towers has advised that, in order for the subordinate debt on the Development (which includes the EHCL loan and the Petitioner Loans) to be included in the eligible basis of the Development for purposes of computing the amount of the 4% non-competitive low income housing tax credit generated in connection with the acquisition and rehabilitation of the Development, such debt must have a maturity of at least 32 years.

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- e) A denial of the requested waiver would result in a substantial economic hardship for Petitioner, since a shorter (15 year) maturity date for the EHCL loan will not permit the inclusion of such loan in the eligible basis of the Development, thereby decreasing the amount of non-competitive 4% low income housing tax credits generated in connection with the acquisition and rehabilitation of the Development. Such decrease in the amount of noncompetitive 4% low income housing tax credits (and the corresponding decrease in the amount of tax credit equity generated in connection with the syndication thereof) will cause the acquisition and rehabilitation of the Development to be economically infeasible.
- f) On October 14, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 201. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) Granting the requested waiver would not have any impact on other participants in the Elderly Housing Community Loan program administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

- a) Staff recommends that the Board **GRANT** Petitioner’s requested waiver from Rule 67-48.041(1)(c) F.A.C. (2016) allowing it to lengthen the maturity date of the EHCL loan from 15 years to the date which would be coterminous with the debt encumbering the Development that is subordinate to the EHCL loan, but not longer than 32 years.

## MULTIFAMILY PROGRAMS

### *Consent*

### III. MULTIFAMILY PROGRAMS

#### A. Request Approval to Minimally Exceed Subcontractor Cost Limit for Quest Village (2015-004CSG)

<b>Development Name: Quest Village</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Quest Village, Ltd.</b>	<b>Set Aside(s): 25% @ 40% AMI &amp; 75% @ 60% (ELI, SAIL, Grant) 100% @ 60% AMI (Housing Credits)</b>
<b>Developers/Principals: TVC Development, Inc. Quest Village Developer, LLC</b>	<b>Demographic/Number of units: Family / 48</b>
<b>Requested Amounts: \$1,000,000 (SAIL) \$1,000,000 (Grant) \$957,253 (Housing Credits)</b>	<b>Development Category/Type: New Construction / Quadraplex</b>

#### 1. Background/Present Situation

- a) On October 17, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-113 for Financing to Build Larger Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-113, and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 23, 2014, staff issued an invitation to enter credit underwriting to Quest Village, Ltd.
- d) On December 11, 2015, the Board approved a loan closing deadline extension from December 23, 2015 to December 23, 2016.
- e) On September 20, 2016, the Applicant requested Board approval to waive the Rule 67-48.0072(17)(f), F.A.C., ([Exhibit A](#)) which ensures that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development. Given the complexity of the site prep work for Quest Village, the Applicant believes it is in the best interest to award the work to one contractor due to the extensive coordination between muck removal, earthwork, site utilities and site finishes.
- f) The credit underwriter has reviewed the Applicant's request and corresponded with the construction consultant, Varian Associates, PA. As a result, the credit underwriter has provided a positive recommendation to this request ([Exhibit B](#)). Staff has reviewed this recommendation and finds that the development meets all of the requirements of RFA 2014-113.

## MULTIFAMILY PROGRAMS

### *Consent*

2. **Recommendation**
  - a) Approve the waiver request to minimally exceed subcontractor cost limit.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Credit Underwriting Report for The Randy Mason Home (2015-376G)

<b>Development Name: The Randy Mason Home</b>	<b>Location: Lake County</b>
<b>Applicant/Borrower: Sunrise Arc, Inc. aka The Arc Sunrise of Central Florida</b>	<b>Set-Asides: 33% @ 40% AMI &amp; 67% @ 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amount: \$392,000 Grant funding</b>	<b>Development Category/Type: New Construction/Single Family</b>

1. Background/Present Situation

- a) On August 14, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 11, 2015, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 17, 2015, staff issued a Letter of Preliminary Award to Sunrise Arc, Inc. aka The Arc Sunrise of Central Florida, and on March 9, 2016, staff issued an invitation to enter credit underwriting.
- d) On October 10, 2016, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$392,000 ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2015-105.

2. Recommendation

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



## MULTIFAMILY PROGRAMS

### *Consent*

#### C. Request Approval of Credit Underwriting Report for Independence Place (2014-331G)

<b>Development Name: Independence Place (“Development”)</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Volunteers of America of Florida, Inc.</b>	<b>Set-Aside(s): 50% @ 33% AMI and 50% @ 60% AMI</b>
<b>Developer/Principal: Volunteers of America of Florida, Inc.</b>	<b>Demographic/Number of Units: Homeless/12</b>
<b>Requested Amounts: Grant: \$1,050,000</b>	<b>Development Category/Type: Rehabilitation/Quadraplex</b>

#### 1. Background/Present Situation

- a) On January 8, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-101 for Financing to Build Permanent Supportive Housing for Homeless Persons and Families. The funding must be used to purchase and renovate existing houses or to construct or purchase and renovate small specialty housing of 15 units or less.
- b) On March 14, 2014, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On January 6, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Volunteers of America of Florida, Inc.
- d) On October 7, 2016, staff received a positive recommendation for a grant in the amount of \$1,050,000 ([Exhibit D](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2014-101.

#### 2. Recommendation

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

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

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

##### A. Single Source Procurement for the Affordable Housing Locator Subscription Services

###### 1. Background

- a) In August 2005 and May 2008, Florida Housing's Board of Directors authorized staff to carry out a solicitation process to select an entity to develop and maintain a web-based housing Locator to help Floridians conduct searches for available rental housing financed by Florida Housing. The goal was to create an adaptable system to enable the eventual inclusion of any affordable rental unit statewide that met Florida Housing's inclusion standards (for example, units that serve households at or below 140% of area median income).
- b) At the conclusion of both solicitations, the Board authorized staff to enter into contract negotiations with SocialServe.com. The Locator services, including the web-based search engine ([www.floridahousingsearch.org](http://www.floridahousingsearch.org)) and a staffed call center, launched in October 2006.
- c) At the December 2013 meeting, the Board authorized a single source procurement to purchase housing Locator services directly from Non-Profit Industries d/b/a SocialServe.com, with a contract term of up to three years.
- d) In August 2015, Emphasys Computer Solutions, Inc. acquired the technology assets of Non-Profit Industries d/b/a SocialServe.com. The Locator continues to be managed by the same staff in the same manner as it was before this transition.

###### 2. Present Situation

- a) On March 24, 2017, the term for Florida Housing's current contract with Emphasys Computer Solutions, Inc., will expire. Florida Housing is aware of forty-two states using some form of housing locator services. Thirty-six states have contracts with Emphasys, fourteen of which have sole source contracts, primarily due to the quality of the service performed. Eighteen larger, local jurisdictions also contract with Emphasys for these services, nine of which are sole source contracts. [Exhibit A](#) provides a list of states and local governments who have contracted with Emphasys for Locator services.
- b) The Locator service has been very successful. It is well-respected for being a very user-friendly service that allows people to locate available housing that best fits their individual and family needs. Throughout the past decade, Florida Housing has never received a complaint about the Locator or attendant call center services.
- c) Florida Housing staff has been very satisfied with the Locator's growth in use by consumers and landlords, as well as the provision of services by Emphasys to consumers who may need help with the site, advocates for consumers, landlords and Florida Housing itself. With the end of the current contract approaching, the staff has been researching prospective vendors that may be qualified and interested in applying to manage the Locator services with the same capacity and quality as the current Locator service.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

- d) The services are widely used by supportive services agencies, homeless coalitions and legislators' staffs in their efforts to assist Floridians find affordable and available rental housing that meets their needs. The on-line and call center services are ADA certified for use by persons with disabilities. Individuals can access the information online, in many languages, 24 hours a day. They can easily search for available rental housing using a wide variety of search criteria with special mapping features and receive apartment listings that provide a variety of important information about each unit. In addition, the site connects people to other housing and community resources through website links and provides helpful tools for renters such as an affordability calculator, rental checklist, and renter rights and responsibilities information.
- e) The toll-free call center is staffed by specialists who are trained to work with both the public and landlords, with bilingual capacity to assist Spanish-speaking persons. The vendor is a non-profit organization that strives to train and hire persons with disabilities, formerly homeless individuals, and those with other special needs. Many of the call center specialists have had experiences similar to the consumers they are now assisting to find housing.
- f) There are nearly 164,000 units registered in the Locator data, of which the majority were funded by Florida Housing.
- g) The services listed below that Florida Housing obtains from Emphasys cannot be replicated by any other vendor in the market:
  - (1) Assisting landlords to manage listings by helping to register units, monitoring for accuracy and helping them keep the listings current. It is not an "inventory style" listings like other services; it is real-time availability that is typically not offered through other housing locators and is critical to State disaster response needs as well as for locating available properties in a time-sensitive/time-critical manner. Listings are required to be updated every 10 to 28 business days;
  - (2) Screening properties for listing accuracy and Fair Housing violations and removing those in non-compliance;
  - (3) Conducting rental housing searches for households that do not have access to the internet;
  - (4) In addition to customer specialists at the call center, providing professionally trained case managers who assist households with special needs and/or are in crisis to search for temporary and permanent housing that meets their immediate and/or long term needs;
  - (5) Contacting and working with households directly upon request by staff from Florida Housing, State agencies and Legislators' offices; and
  - (6) Assisting state and local emergency management systems in helping displaced households find housing local, regional and statewide. A component of disaster services is to update available housing stock in its database on a 24/7 basis and conduct ongoing searches for additional housing units and options.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

- h) As a result of our research, and after consideration of the standards Florida Housing expects for a Housing Locator service and the available vendor options, Florida Housing's staff believes that Emphasys is the only vendor with the capacity, qualifications and experience to maintain the level of service that Florida Housing and the State of Florida relies on and has come to expect for Locator services.

### 3. **Recommendation**

- a) Staff believes that it is in the best interest of Florida Housing to continue with these services and proceed with a new contract. Staff requests authorization to enter into negotiations for a single source contract with Emphasys Computer Solutions, Inc., for this purpose.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Contract Renewal – Trustee Services**

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

- a) At the December 2013 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the five firms below for trustee services.
- b) Current contract information is as follows:

<b>Contract Number</b>	<b>Vendor</b>	<b>Initial Term Start Date</b>	<b>Initial Term Expiration Date</b>
2013-15-Q-130-004	Zions First National Bank	3/18/2014	3/17/2017
2013-15-Q-130-002	Wells Fargo Corporate Trust Services	3/25/2014	3/24/2017
2013-15-Q-130-005	Regions Bank	4/9/2014	4/8/2017
2013-15-Q-130-001	The Bank of New York Mellon Trust Company, N.A.	4/10/2014	4/9/2017
2013-15-Q-130-003	U.S. Bank Global Trust Services	5/22/2014	5/21/2017

- c) Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice for an additional one-year period. There are two optional renewal terms remaining for all five firms.

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

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

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

- a) Staff recommends the Board direct staff to proceed with the first one-year renewal option.

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

*Consent*

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

**A. Request Approval of Credit Underwriting Report for The Villages at West Lakes (2015-232CS)**

<b>Development Name: The Villages at West Lakes</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: West Lakes Phase I, LP</b>	<b>Set-Aside(s): 10% @ 40% AMI &amp; 70% @ 60% AMI</b>
<b>Developer/Principal: New Affordable Housing Partners, LLC and LIFT Orlando Community Development, LLC</b>	<b>Demographic/Number of Units: Family/200</b>
<b>Requested Amounts: SAIL: \$2,000,000, HC 9%: \$2,110,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On March 26, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-103 for Housing Credit Financing to Provide Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives. State Apartment Incentive Loan (SAIL) Program funding is included in the RFA along with the Housing Credits.
- b) On June 19, 2015, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 2, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to West Lakes Phase I, LP.
- d) On June 24, 2016, Florida Housing’s Board approved an extension of the SAIL loan closing deadline from July 1, 2016 to July 1, 2017.
- e) On October 13, 2016, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2015-103.

**2. Recommendation**

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

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

*Consent*

**B. Request Approval to Minimally Exceed Subcontractor Cost Limit for Timber Ridge at Sanders Pines Reserve (2015-107S)**

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

**1. Background/Present Situation**

- a) On December 19, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-117 for SAIL Funding to Preserve Farmworker and Commercial Fishing Worker Housing.
- b) On March 20, 2015, the Board approved the final scores and recommendations for RFA 2014-117, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on March 26, 2015.
- c) On March 18, 2016, the Board approved a loan closing deadline extension from March 28, 2016 to March 28, 2017.
- d) On January 29, 2016, the Board approved the final credit underwriting report and directed staff to proceed with a firm loan commitment and closing activities. Staff issued a firm loan commitment for funding on February 1, 2016. The Board approved two 90-day extension of the closing deadline specified in the firm commitment changing the closing deadline to November 27, 2016.
- e) On October 6, 2016, the Applicant requested Board approval to waive Rule 67-48.0072(17)(f), F.A.C., which ensures that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development. The request is due to the high cost of demolition, rough/finish carpentry in all units, interior removal of all vinyl composition tile and baseboards, and replacement of front porches and exterior doors to create an accessible route.
- f) The underwriter has reviewed the Applicant's request and corresponded with the construction consultant, On Solid Ground. As a result, the underwriter has provided a positive recommendation to this request on October 12, 2016 ([Exhibit B](#)).

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

*Consent*

2. **Recommendation**

- a) Approve the waiver request to minimally exceed subcontractor cost limit and direct staff to proceed with closing activities.



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

*Consent*

**C. Request Approval of Credit Underwriting Report for Caya Place (2016-016CS)**

<b>Development Name: Caya Place</b>	<b>Location: Monroe County</b>
<b>Applicant/Borrower: Keys Affordable Development II, LLC</b>	<b>Set-Aside(s): 10% @ 25% AMI &amp; 90% @ 60% AMI</b>
<b>Developer/Principal: Tri-Star Affordable Development, LLC</b>	<b>Demographic/Number of Units: Family/42</b>
<b>Requested Amounts: SAIL \$3,500,000, Annual HC \$1,00,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On September 3, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-106 for Housing Credit and SAIL Financing for Affordable Housing Developments Located in Medium and Small Counties.
- b) On May 6, 2016, the Board approved the Final Order(s) allowing staff to proceed with all necessary credit underwriting activities.
- c) On May 6, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Keys Affordable Development II, LLC.
- d) On October 14, 2016, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2015-106.

**2. Recommendation**

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

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

*Consent*

**D. Request Approval of Credit Underwriting Update Letter for Trinity Towers East (2016-168BS)**

<b>Development Name: Trinity Towers East</b>	<b>Location: Brevard County</b>
<b>Applicant/Borrower: Trinity Towers East Preservation Associates LLLP</b>	<b>Set-Aside(s): 10% @ 25% AMI &amp; 90% @ 60% AMI</b>
<b>Developer/Principal: Preservation of Affordable Housing LLC</b>	<b>Demographic/Number of Units: Elderly/156</b>
<b>Requested Amounts: MMRN \$10,500,000 SAIL \$4,018,404 ELI \$889,600 Annual HC \$484,584</b>	<b>Development Category/Type: Acquisition and Rehabilitation/High Rise</b>

**1. Background/Present Situation**

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for the SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On January 11, 2016, the Applicant entered credit underwriting at-risk.
- c) On March 18, 2016, the Board approved the Final Order(s) allowing staff to proceed with all necessary credit underwriting activities.
- d) On June 24, 2016, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities.
- e) On October 13, 2016, staff received a credit underwriting update letter with a positive recommendation for a change in the length of the SAIL and ELI loan terms and a change in the interest rate of the subordinate Seller loan ([Exhibit D](#)). Staff has reviewed this letter and finds that the development meets all of the requirements of RFA 2015-112.

**2. Recommendation**

- a) Approve the credit underwriting update letter and direct staff to proceed with closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval of Credit Underwriting Report for Landings of St. Andrew (2015-245CS)

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

1. **Background/Present Situation**

- a) On May 12, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-104 for Housing Credit and SAIL Financing for the Preservation of Existing Affordable Multifamily Housing Developments.
- b) On August 7, 2015, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On September 8, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Landings Port Richey Senior Housing Limited Partnership with a closing deadline of September 8, 2016.
- d) On August 5, 2016, the Board approved an extension of the loan closing deadline from September 8, 2016 to September 8, 2017.
- e) On October 17, 2016, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit E](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2015-104.

2. **Recommendation**

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

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

*Consent*

**F. Request Approval of Credit Underwriting Report and Approval of Related Party Subcontractor for Pinnacle at Hammock Crossings (2016-006CS)**

<b>Development Name: Pinnacle at Hammock Crossings</b>	<b>Location: Bay County</b>
<b>Applicant/Borrower: Lynn Haven Acquisitions, LLC</b>	<b>Set-Aside(s): 10% @ 40% AMI &amp; 90% @ 60% AMI</b>
<b>Developer/Principal: Pinnacle Housing Group, LLC</b>	<b>Demographic/Number of Units: Family / 92</b>
<b>Requested Amounts: SAIL: \$3,220,000 HC 9%: \$1,114,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On September 3, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-106 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties.
- b) On January 29, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 30, 2016, the Applicant entered credit underwriting at-risk.
- d) On May 6, 2016, the Board approved the Final Order allowing staff to proceed with credit underwriting.
- e) Pursuant to Rule 67-48.0072(17)(g), the General Contractor must meet the following condition: "Ensure that no construction cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board for a specific Development." Upon receiving updated information regarding the General Contractor, CB Constructors, Inc. ("CB"), having a related-party subcontractor CB Structures, Inc. ("CB Structures"), the credit underwriter and its PCA provider, C3 Consulting Group, Inc. ("C3") reviewed the CB contract and CB Structures subcontract with its schedule of values and itemized costs and C3 states they appear to be within industry cost standards (based on location and type of development) for concrete slabs and wood framing. Based on the review, the underwriter recommends Board approval of the related party subcontractor.
- f) On October 17, 2016, staff received a final credit underwriting report with a positive recommendation for funding and for the related party subcontractor ([Exhibit F](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2015-106.

**2. Recommendation**

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

## SPECIAL ASSETS

### *Consent*

#### VI. SPECIAL ASSETS

- A. Request Approval of the Extension and Modification of SAIL Loan Terms for Del Prado Acquisition, LLC, a Florida Limited Liability Company, for Del Prado Gardens (98S-009/97L-029)

<b>Development Name: Del Prado Gardens (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Carrfour Supportive Housing, Inc. (“Developer”); Del Prado Acquisition, LLC, (“Borrower”)</b>	<b>Set-Aside: SAIL 50% @ 50% &amp; 40% @ 60% AMI; HC 15% @ 35%, 35% @ 50% and 50% @ 60% AMI; LURA: 52 years; EUA: 50 years</b>
<b>Number of Units: 32</b>	<b>Allocated Amount: SAIL - \$332,592 Housing Credits: \$168,577</b>
<b>Demographics: Family</b>	<b>Servicer – Seltzer Management Group</b>

#### 1. Background

- a) During the 1996-97 State Apartment Incentive Loan (“SAIL”) Cycle X(a), Florida Housing awarded a \$332,592 construction/permanent loan to Del Prado Acquisition, LLC., a Florida limited liability company, as successor to Del Prado Gardens, Ltd., (“Borrower”) for the construction of a 32-unit development in Miami-Dade County. The SAIL loan closed on November 24, 1998, and would have originally matured on November 23, 2014. The Board previously approved extensions to November 23, 2016. The Development also received a 1997 allocation of low-income housing tax credits of \$168,577.

#### 2. Present Situation

- a) The Borrower has requested an additional one-year extension of the SAIL loan, to allow time for refinancing of the Development. The Borrower needs the additional time to complete the refinancing. The Borrower has agreed to an additional one-year extension of the SAIL Land Use Restriction Agreement (“LURA”) term (adding one year to the current 52 years).
- b) The Borrower has requested that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower will pay all accrued and outstanding 3% interest on the current SAIL note as required in order for the loan to be renegotiated.

#### 3. Recommendation

- a) Approve the extension of the SAIL loan, to November 23, 2017, extension of the LURA for an additional year, and renegotiation of the SAIL loan terms from a 9% interest rate to 3% and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

**B. Request Approval of the Extension of the SAIL Loan for Creative Choice Homes VII, Ltd. for Coral Gardens (93HRR-010/94L-160)**

<b>Development Name: Coral Gardens (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Creative Choice (“Developer”)/Creative Choice Homes VII, Ltd., (“Borrower”)</b>	<b>Set-Aside: SAIL 100% @ 50% AMI; HC 20% @ 40% and 80% @ 60% LURA: 38 years; EUA 30 years</b>
<b>Number of Units: 91</b>	<b>Allocated Amount: SAIL \$1,330,000, HC \$413,820</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

- a) During the 1993 State Apartment Incentive Loan/Hurricane Recovery and Rebuilding Program (“SAIL/HRR”) Application Cycle, Florida Housing awarded a \$1,330,000 SAIL/HRR construction/permanent loan to Creative Choice Homes VII, Ltd., a Florida limited partnership (“Developer”), for the acquisition and rehabilitation of a 91-unit development in Miami-Dade County. The SAIL loan closed on September 7, 1994 and the original maturity date was December 1, 2011. The Board previously approved extensions of the loan to December 1, 2016. The Development also received a 1994 annual allocation of low-income housing tax credits (“HC”) of \$413,820.

**2. Present Situation**

- a) The Borrower has requested an additional 9-month extension of the SAIL loan to allow time to sell or refinance the Development of which proceeds will be used to pay off the SAIL loan. The Borrower has agreed to pay the FHFC loan extension fee and extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding 9 months to the current 38 years).

**3. Recommendation**

- a) Approve the extension of the SAIL loan at its current terms, to September 1, 2017, extension of the LURA for an additional 9 months and direct staff to proceed with loan document modification activities as needed.