

FLORIDA HOUSING FINANCE CORPORATION
Telephonic Board Meeting
November 2, 2018
Consent Items



ELDERLY HOUSING COMMUNITY LOAN (EHCH)

Consent

I. ELDERLY HOUSING COMMUNITY LOAN (EHCL)

A. Request Approval of Credit Underwriting Report for Campus Towers (2016-350E)

Development Name: Campus Towers (“Development”)	Location: Duval County
Applicant/Borrower: Edward Waters College Senior Citizens Home, Inc.	Set-Aside: 100% @ 50% AMI
Demographic: Elderly	Number of Units: 192
Requested Amount: EHCL \$750,000	Development Category/Type: Rehabilitation/Garden Apartments

1. Background/Present Situation

- a) On September 15, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-108 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 December 9, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. On December 19, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Applicant, with a firm loan commitment issuance deadline of September 27, 2017.
- c) On September 22, 2017, the Board approved a request to extend the firm loan commitment issuance deadline from September 27, 2017 to March 27, 2018. On March 16, 2018, the Board approved a waiver request for an additional extension of the firm loan commitment issuance deadline from March 27, 2018 to September 27, 2018. On September 14, 2018, the Board approved a waiver request for an additional extension of the firm loan commitment issuance deadline from September 27, 2018 to December 27, 2018.
- d) On October 8, 2018, staff received a final credit underwriting report with a positive recommendation for EHCL funding ([Exhibit A](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

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

HOUSING CREDITS

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II. HOUSING CREDITS

A. Request Approval to Exceed the 20% Subcontractor Limitation for St. Andrew Tower II (RFA 2015-104/2015-241C)

Development Name: St. Andrew Tower II	Location: Broward County
Applicant/Borrower: St. Andrew Towers II, Ltd./Kenneth Naylor	Set Aside(s): 20% @ 33% AMI and 80% @ 60% AMI
Developer/Principal: St. Andrew Towers II Development, LLC/Kenneth Naylor/Elizabeth Wong	Demographic/Number of units: Elderly Non-ALF / 219 units
Requested Amounts: \$1,660,000 Housing Credits	Development Category/Type: Acquisition & Preservation / High Rise

1. Background/Present Situation

- a) St. Andrew Towers II, Ltd. ("Applicant") applied for and was awarded funding from Request for Applications (RFA) 2015-104 for Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the acquisition and preservation of a 219-unit Elderly Non-ALF development in Broward County. On October 30, 2015, staff issued an invitation to the Applicant to enter credit underwriting. Subsequently, on December 14, 2015, staff issued a Preliminary Allocation of \$1,660,000 in Housing Credits and the Carryover Allocation Agreement was executed on December 28, 2015.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontract to exceed the 20% limitation in Rule 67-48.0072(16)(f), F.A.C. See [Exhibit A](#) for Applicant's request.
- c) Pursuant to Rule 67-48.0072(16)(f), F.A.C., the General Contractor must meet the following conditions:
 - (1) Ensure 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*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) The largest scope of work at St. Andrew Tower II was plumbing, which consisted of: (1) re-piping 208 units; (2) removing and replacing all vertical sanitary cast iron pipes; (3) removing and replacing all plumbing fixtures; (4) supplying and installing new shower bases; (5) adding eleven auxiliary drains in the ADA units; (6) completely renovating the eleven ADA units; and (7) replacing the sewer laterals underneath the building. Additionally, due to the design of the building, plumbing work could only be completed in vertical stacks of seven units, which led to further inefficiencies that increased labor hours and total length of

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construction. Due to the fact that the plumbing need was so extensive at St. Andrew Tower II, costs exceeded the 20% limitation by 2.5%.

- e) The Applicant informed their underwriter in June 2017 of the possibility of exceeding the 20% limitation, at which time the extensive plumbing work was acknowledged by the underwriter who indicated they would not be opposed to providing a positive recommendation. Due to the small amount of overage, staff does not feel that a formal recommendation from the underwriter is necessary at this time. In addition, while this information was uncovered through the cost certification process, the Applicant did inform the underwriter and Florida Housing prior to exceeding the amount and therefore, staff does not recommend any penalty be imposed.

2. **Recommendation**

- a) Approve the request to exceed the 20% subcontractor limitation.

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III. LEGAL

A. In Re: Blue Broadway, LLC - FHFC Case No. 2018-071VW (RFA 2016-113/2017-212C)

Development Name: (“Development”):	Preserve at Sabal Park
Developer/Principal: (“Developer”):	Blue Sky Communities III, LLC Shawn Wilson
Number of Units: 144	Location: Hillsborough
Type: Garden Apartments	Set Asides: 10% @ 40% AMI 90% @ 60% AMI
Demographics: Family	Funding: 9% Credits: \$2,110,000 Development Viability Loan: \$1,250,000

1. Background

- a) Blue Broadway, LLC (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications 2016-113 (the “RFA”) to assist in financing the construction of a development known as Preserve at Sabal Park.
- b) On September 26, 2018, Florida Housing received a Petition for Waiver from Petitioner. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Petitioner requests waiver of Rule 67-48.002(96), Fla. Admin. Code and subsection II.K of the 2016 Qualified Allocation Plan, which provides as follows:

K. Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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- b) Petitioner requests a waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2019. Petitioner asserts between the time it initially underwrote the transaction in the fall of 2016 and early 2018, the transaction was negatively impacted by a \$2,458,150 decrease in tax credit equity proceeds and a \$1,335,966 increase in construction costs. According to Petitioner, the decrease in the tax credit equity proceeds was the result of federal corporate tax reform and the increase in construction costs was partially due to numerous storm related events. Petitioner asserts that it has taken efforts to manage the increase in costs and decrease in funding, but that caused significant delay in the permitting process. According to Petitioner, the delays were unforeseen and unanticipated. Petitioner states that it is ready to move forward with the Development and the Credit Underwriting Report is completed and has been submitted for Board approval.
- c) On September 28, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 44, Number 190. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- e) Granting the requested waiver does not impact other participants in funding programs administered by Florida Housing, nor does it detrimentally impact Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation**

- a) Staff recommends the Board GRANT Petitioner’s request for a waiver of the above Rule and 2016 QAP provision to permit Petitioner to exchange its 2017 credits for an allocation of 2018 credits now rather than in the last calendar quarter of 2019.

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B. In Re: Warley Park, Ltd - FHFC Case No. 2017-072VW

Development Name: (“Development”):	Warley Park
Developer/Principal: (“Developer”):	Warley Park Developer, LLC Step Up Developer, LLC Jonathan Wolf
Number of Units: 80	Location: Seminole
Type: Garden Apartments	Set Asides: 10% @ 22% AMI (NHTF) 10% at 40% AMI 90% @ 60% AMI
Demographics: Homeless and Disabling Conditions	Funding: 9% Credits \$1,510,000 SAIL \$2,825,000 NHTF \$1,273,600

1. Background

- a) Warley Park, Ltd (“Petitioner”) successfully applied for an award of competitive Housing Credits, SAIL funding, and NHTF funding under Request for Applications 2017-103 (the “RFA”) to assist in the construction of 80 new garden style units for homeless individuals or families and persons with a disabling condition in Seminole County.
- b) On September 27, 2018, Florida Housing received a Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(95), Fla. Admin. Code, from Petitioner. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.002(95), Fla. Admin. Code, defines and incorporates by reference the following provision of the 2016 QAP at Section II.2:

K. ...where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service...
- b) Petitioner requests a waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2019. Petitioner asserts that because of unforeseen delays in obtaining all necessary local government approvals, which are described in detail in the Petition, achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner also asserts that potential tax credit investors are unwilling to close on the Development without assurance that tax credits will be available to the Development even though the Development will likely not be placed in service by December 31, 2019.

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Petitioner therefore requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2019.

c) On September 28, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 44, Number 190. To date, Florida Housing has received no comments concerning the Petition.

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

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

e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. Recommendation

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2016 QAP provision to permit Petitioner to exchange its 2017 credits for an allocation of 2018 credits now rather than in the last calendar quarter of 2019.

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C. In Re: Silver Pointe Development Partners, LLC - FHFC Case No. 2017-075VW

Development Name: (“Development”):	Silver Pointe
Developer/Principal: (“Developer”):	Gardner Capital Development Florida, LLC Joseph Chambers
Number of Units: 90	Location: Marion County
Type: Garden Apartments	Set Asides: 10% at 45% AMI 90% @ 60% AMI
Demographics: Family	Funding: 9% Credits: \$1,400,000 Development Viability Loan: \$1,250,00

1. Background

- a) Silver Pointe Development Partners, LLC (“Petitioner”) successfully applied for an award of competitive Housing Credits, under Request for Applications 2016-110 (the “RFA”) to assist in the construction of 90 new garden style units for low-income families in Marion County.
- b) On October 2, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.002(95), Fla. Admin. Code, from Petitioner. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-48.002(95), Fla. Admin. Code, defines and incorporates by reference the following provision of the 2016 QAP at Section II.2:

K. ...where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service...
- b) Petitioner requests a waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2019. Petitioner asserts that because of changes in tax credit equity pricing and rising construction costs the project has had to undergo various value engineering changes, and for this reason achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner also asserts that potential tax credit investors are unwilling to close on the Development without assurance that tax credits will be available to the

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Development even though the Development will likely not be placed in service by December 31, 2019.

- c) Petitioner therefore requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2019.
- d) On October 3, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 44, Number 193. To date, Florida Housing has received no comments concerning the Petition.
- e) 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.
- f) Granting the requested waiver 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 or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2016 QAP provision to permit Petitioner to exchange its 2017 credits for 2018 credits now rather than in the last calendar quarter of 2019.

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D. In Re: Amaryllis Park Place Development Partners, LLC - FHFC Case No. 2017-076VW

Development Name: (“Development”):	Amaryllis Park Place
Developer/Principal: (“Developer”):	Gardner Capital Development Florida, LLC SHA Affordable Development, LLC DB Development Florida, LLC Joseph Chambers
Number of Units: 84	Location: Sarasota County
Type: Garden Apartments	Set Asides: 10% at 35% AMI 90% @ 60% AMI
Demographics: Elderly	Funding: 9% Credits \$1,510,000

1. Background

- a) Amaryllis Park Place Development Partners, LLC (“Petitioner”) successfully applied for an award of competitive Housing Credits, under Request for Applications 2016-110 (the “RFA”) to assist in the construction of 84 new garden style units for low-income families in Sarasota County.
- b) On October 2, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.002(95), Fla. Admin. Code, from Petitioner. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-48.002(95), Fla. Admin. Code, defines and incorporates by reference the following provision of the 2016 QAP at Section II.2:

K. ...where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service...
- b) Petitioner requests a waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2019. Petitioner asserts that because of unforeseen delays in getting local government approvals to demolish the existing public housing project on the property, achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner also asserts that potential tax credit investors are unwilling to close on the Development without assurance that tax credits will be available to the Development even though the Development will likely not be placed in service by December 31, 2019. Petitioner therefore

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requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2019.

- c) On October 3, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 44, Number 193. To date, Florida Housing has received no comments concerning the Petition.

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

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

- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2016 QAP provision to permit Petitioner to exchange its 2017 credits for 2018 credits now rather than in the last calendar quarter of 2019.

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E. **In Re: Redding Development Partners, LLC - FHFC Case No. 2018-073VW (RFA 2015-106/2016-042C)**

Development Name: (“Development”):	Redding Redevelopment
Developer/Principal: (“Developer”):	Sanford Redevelopment Partners, LLC SHA Development, LLC Joseph Chambers
Number of Units: 90	Location: Seminole
Type: Garden Apartments	Set Asides: 10% @ 40% AMI 90% @ 60% AMI
Demographics: Elderly	Funding: 9% Credits: \$1,510,000 Development Viability Loan: \$1,000,000

1. **Background**

- a) Redding Development Partners, LLC (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications 2015-106 (the “RFA”) to assist in financing the construction of a development known as Redding Redevelopment (the “Development”).
- b) On October 1, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.002(95) from Petitioner. A copy of the Petition is attached as Exhibit E. On October 2, 2018, Florida Housing received an Amended Petition for Waiver of Rule 67-48.002(95), a copy of which is attached as [Exhibit E](#).

2. **Present Situation**

- a) Petitioner requests waiver of Rule 67-48.002(95), Fla. Admin. Code and subsection II.K of the 2015 Qualified Allocation Plan, which provides as follows:

K. Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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- b) Petitioner requests a waiver of the above Rule and bolded selection of the 2015 QAP provision to permit it to exchange its tax credits now rather than in the last calendar quarter of 2019. This Board previously granted Petitioner an exchange of its credits in Florida Housing case number 2017-074VW, thereby exchanging their 2016 credits for 2017 credits and extending the placed in-service deadline from 2018 to 2019.
- c) In support of its current request, Petitioner asserts the following:
- (1) Petitioner anticipates that the Credit Underwriting Report will be submitted to the Board in December 2018 with all closings to follow immediately thereafter.
 - (2) Obtaining approvals of the site plan, HUD disposition, HUD project-based voucher, and HUD subsidy layering contributed to delaying the process.
 - (3) Escalation of construction pricing required a lengthy process of restructuring the Development to mitigate the increased costs.
 - (4) The equity investor is concerned about the Development's placed in-service deadline of 2019 and will not close on financing without an extension of that deadline.
 - (5) Petitioner is unable to meet the 10% test because there are no land acquisition costs and the Development is all concrete construction.
 - (6) Without the successful implementation of the Development, the City of Sanford's redevelopment efforts will be significantly hindered, and its low-income citizens will continue to struggle to find quality, safe, and affordable housing.
- d) Additionally, Petitioner has agreed to commence construction by May 1, 2019.
- e) On October 3, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 44, Number 193. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variations 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.

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- g) Granting the requested waiver does not impact other participants in funding programs administered by Florida Housing, nor does it detrimentally impact Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. 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) Given the fact that the Development is very close to closing and that Petitioner has agreed to commence construction by May 1, 2019, staff recommends the Board GRANT Petitioner’s request for a waiver of the above Rule and 2015 QAP provision to permit Petitioner to exchange its 2017 credits for 2018 credits now rather than in the last calendar quarter of 2019.

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F. **In Re: Woodland Park Redevelopment I, LLC - FHFC Case No. 2018-080VW (RFA 2015-106/2016-008CS)**

Development Name: (“Development”):	Woodland Park Phase I
Developer/Principal: (“Developer”):	Pinnacle Housing Group LLC GHA Development, LLC / David Deutch
Number of Units: 96	Location: Alachua County
Type: Garden	Set Asides: 30% at 33% AMI 70% at 60% AMI
Demographics: Family	9% HC: \$1,155,000 SAIL: \$3,840,000

1. **Background**

- a) Woodland Park Redevelopment I, LLC (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications 2015-106 (the “RFA”) to assist in financing the construction of a development known as Woodland Park Phase I (the “Development”).
- b) On October 16, 2018, Florida Housing received a Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(95) and Rule 67-48.0072(4)(c) from Petitioner, a copy of which is attached as [Exhibit F](#).

2. **Present Situation**

- a) Petitioner requests waiver of Rule 67-48.002(95), Fla. Admin. Code and subsection II.K of the 2015 Qualified Allocation Plan, which provides as follows:

K. Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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- b) Petitioner also requests a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code and the associated provision in Section 11.f of Exhibit C to the RFA. Rule 67-48.0072(4)(c) provides:
- (c) For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. . . . In the event the loan does not close by the end of the 12 month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.
- c) Petitioner was invited to credit underwriting on May 6, 2016 and received a 12-month extension to close the loan until May 6, 2018. Petitioner was granted a further extension of the SAIL loan closing date from May 6, 2018 until November 6, 2018 due to delays in the development process. Petitioner is now requesting an additional extension of the SAIL loan closing deadline to May 1, 2019 and to exchange its 2017 housing credits for 2018 housing credits for the reasons outlined below.
- d) Petitioner states that it has encountered difficulty in procuring a construction contract with the general contractor within the total development cost per unit (“TDC”) limits. Due to the involvement of a public housing authority with the Development, construction must comply with federal Davis-Bacon requirements and also with HUD Section 3 requirements. According to Petitioner, there is a scarcity of local contractors that meet those requirements. Petitioner is negotiating with subcontractors in other markets but is experiencing difficulty in meeting the TDC requirements. Additionally, volatility in the construction market due to real and potential tariffs has made negotiating with general contractors extremely difficult because contractors are seeking escalation clauses based on future cost increases. According to Petitioner, Florida Housing does not allow escalation clauses to the extent that they cause the Development to exceed guaranteed maximum price limitations.
- e) Petitioner also asserts that its equity investor is concerned about the uncertainty of the credit swap if delayed until the last quarter of 2019 and is unwilling to close on the equity financing without assurance that the tax credits will be available to the Development if the Development is not placed in service prior to October 31, 2019.
- f) Petitioner expects to finalize bids for the construction contract by the first week of November 2018 and anticipates obtaining final building permits from the City of Gainesville by late November 2018. Petitioner anticipates that the credit underwriting report will be submitted for approval at the December 2018 Board meeting. Petitioner anticipates closing upon debt and equity financing for the development by early April 2019 and would begin razing existing structures and

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commencing construction at that time. Petitioner anticipates competition of construction to occur in May 2020.

g) On October 18, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 44, Number 204. To date, Florida Housing has received no comments concerning the Petition.

h) 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.

i) Granting the requested waiver does not impact other participants in funding programs administered by Florida Housing, nor does it detrimentally impact Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. 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) Given the fact that the Development is close to closing and that Petitioner has agreed to commence construction by May 1, 2019, staff recommends the Board GRANT Petitioner’s request for a waiver of the above Rule and 2015 QAP provision to permit Petitioner to exchange its 2017 credits for 2018 credits now rather than in the last calendar quarter of 2019. Staff also recommends the Board GRANT Petitioner’s request for a waiver of SAIL Loan closing deadlines and extend the closing deadline from November 8, 2018 to May 1, 2019.

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G. In re: Resolution 2018-036A; Delegation of Temporary Authority to Designated Staff to Consider, Grant or Deny Requests for Waiver or Variance of R. 67-48.023(2), Fla. Admin. Code

1. Background

- a) On March 23, 2018, H.R. 1625 was signed into law by the President, creating a new subsection C within Section 42(g)(1) of the Internal Revenue Code (IRC), the regulations that govern the Corporation's administration of the Low Income Tax Credit (LIHTC) program.
- b) This new provision of the IRC permits Developers of LIHTC developments to average the imputed income limitations of tenants, in ten percent increments, for purposes of compliance with the IRC.
- c) Versions of Rule 67-48.023(2), Fla. Admin. Code, that were in effect prior to July 8, 2018, did not permit income averaging to impute income for LIHTC purposes. Because applicants for funding are generally held to the requirements of the rules that were in effect at the time of application, any applicants that sought funding prior to July 8, 2018 are unable to take advantage of the new additions to the IRC without a waiver or variance of this Rule.
- d) Similarly, versions of Rule 67-21.027(1), Fla. Admin. Code, that were in effect prior to July 8, 2018, did not permit incoming averaging to impute income for non-competitive housing credit purposes. As discussed above, any applicants that sought funding prior to July 8, 2018 are unable to take advantage of the new additions to the IRC without a waiver or variance of this Rule.
- e) Applications for non-competitive housing credit funding are incorporated into Rule 67-21.003(1)(b), Fla. Admin. Code. The applications incorporated in versions of Rule 67-21.003(1)(b) prior to July 8, 2018, did not permit incoming averaging to impute income for non-competitive housing credit purposes. As discussed above, any applicants that sought funding prior to July 8, 2018 are unable to take advantage of the new additions to the IRC without a waiver or variance of this Rule to allow an amendment to the application.

2. Present Situation

- a) Corporation staff estimate that dozens of current Applicants and Developers participating in the LIHTC may request waivers or variances of the above Rule in light of the changes to the IRC.
- b) It is likely that all such requests would receive a positive staff recommendation, but would also require each individual case to be brought before the Board, potentially delaying the progress of LIHTC developments currently in the Corporation pipeline.
- c) To promote the efficient processing of these requests, the Board granted Resolution 2018-36 on September 14, 2018, to temporarily delegate the authority to designated staff to consider, grant or deny requests for waiver or variance of the 2018 version of Rule 67-48.023(2).

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Consent

- d) Staff requests that Resolution 2018-036 be amended to temporarily delegate authority to consider, grant or deny requests for waiver or variance of the current version and any earlier version of Rules 67-48.023(2), 67-21.027(1), and 67-21.003(1)(b). Staff also requests that this Resolution provide authority to waive or modify any other ancillary or collateral requirements as necessary to permit developers to take advantage of income averaging, such as amending the Extended Use Agreement, the Land Use Restriction Agreement, and the Link Memorandum of Understanding.
- e) At each Board meeting, staff will provide an informational item informing the Board of the developments that have been approved to change their minimum set-aside election.

3. Recommendation

- a) Staff recommends that the Board amend Resolution 2018-036 to Resolution 2018-036A as stated herein.

MULTIFAMILY BONDS

Consent

IV. MULTIFAMILY BONDS

A. Request Approval of RFA Waiver for Change of Applicant Entity for Twin Lakes Estates Phase II (2016-369BS)

Development Name: Twin Lakes Estates Phase II fka Lake Beulah View	Location: Polk County
Applicant/Borrower: Lake Beulah, Ltd.	Set Aside(s): 100% @ 60% AMI (MMRB, and HC) 10% @ 40% AMI (SAIL and ELI) 90% @ 60% AMI (SAIL)
Developer/Principal: HTG Lake Beulah Developer, LLC and Polk County Housing Developers, Inc. / Matthew Rieger	Demographic/Number of units: Family / 132
Requested Amounts: \$11,100,000 Multifamily Mortgage Revenue Bonds (MMRB) \$6,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$875,090 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, the Board approved the final scores and recommendations for RFA 2016-109 and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 24, 2017, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On March 31, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On July 27, 2018, the Board approved the credit underwriting report and directed to staff to proceed with loan closing activities.
- f) On August 27, 2018, staff received a letter from the Applicant requesting a change to the co-general partner of the Applicant from LHA West Lake, LLC to Twin Lakes II, LLC ([Exhibit A](#)). The sole owner/member of the existing and proposed co-general partner is Lakeland-Polk Housing Corporation and therefore no change of ownership will result from the requested change to the co-general partner of the Applicant.

MULTIFAMILY BONDS

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- g) Per the RFA, the applicant entity shall be the recipient of the 4% HC, and the borrowing entity for the SAIL loan, and if applicable, the MMRB loan, and cannot be changed in any way until after the closing of the loans. The lender and investor are requesting the change because LHA West Lake, LLC is the sole general partner in Twin Lakes Estates Phase I and cannot serve as co-general partner in Twin Lakes Estates Phase II due to the lender and investor's single purpose entity requirements. Absent the RFA waiver the lender or investors may be unwilling to close, which will jeopardize the feasibility of the project.

2. **Recommendation**

- a) Approve the request for RFA waiver to allow the change to the co-general partner as described above.

MULTIFAMILY BONDS

Consent

B. Request Approval of Credit Underwriting Report for Mary Bethune Highrise (2016-104B)

Development Name: Mary Bethune Highrise	Location: Hillsborough County
Applicant/Borrower: WRDG Mary Bethune, LP	Set Aside(s): 100% @ 60% AMI (MMRB and 4% HC)
Developer/Principal: WRDG Mary Bethune Developer, LLC / Alberto Milo, Jr.	Demographic/Number of units: Elderly / 150
Requested Amounts: \$15,500,000 Multifamily Mortgage Revenue Bonds (MMRB) \$981,185 Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation / High Rise

1. Background/Present Situation

- a) The Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$14,000,000 and non-competitive Housing Credits in the amount of \$808,543. The Applicant subsequently increased the MMRB request amount to \$15,500,000.
- b) On February 6, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- c) Staff reviewed the credit underwriting report, giving a positive recommendation for a MMRB loan in the amount of \$15,500,000 ([Exhibit B](#)). Staff finds that the development meets all the requirements of the Non-Competitive Application.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval of the Method of Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of a Recommended Professional

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the rehabilitation of the proposed Development referenced below, the final credit underwriting report is being presented to the Board for approval simultaneously with this request to assign the appropriate professionals for the transaction and approval of the recommended method of sale. A brief description of the Development is detailed below, along with staff's recommendation.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as [Exhibit C](#).

2. Present Situation

- a) Florida Housing staff, the Credit Underwriter, and the IRMA have reviewed the financial structure for the proposed Development.

3. Recommendation

- a) Approve the assignment of the recommended professionals and the Independent Registered Municipal Advisor's recommendation for the method of bond sale, as shown in the chart below, for the proposed Development.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Mary Bethune Highrise	Hillsborough County	150	Negotiated Public Offering	RBC Capital Markets, LLC	Exhibit C

MULTIFAMILY PROGRAMS

Consent

V. MULTIFAMILY PROGRAMS

A. Request Approval to Terminate Restrictive Covenant and Grant Agreement for Marymac Group Home (2014-149G)

Development Name: Marymac Group Home	Location: Suwanee County
Applicant/Borrower: The Arc North Florida, Inc.	Set-Aside(s): 33% @ 45% AMI 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents
Requested Amounts: Grant \$62,822	Development Category/Type: Rehabilitation/CRH

1. Background/Present Situation

- a) On October 11, 2013, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2013-005 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 13, 2013, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. The applicant entered credit underwriting at-risk on January 10, 2014.
- c) On May 23, 2014, the Corporation received a positive recommendation from the credit underwriter, and on June 13, 2014, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities.
- d) On July 7, 2014, staff issued a Firm Commitment Letter. Subsequently on November 10, 2014, a Restrictive Covenant and Grant Agreement was recorded in Suwanee County.
- e) On March 24, 2015, the Applicant submitted a final draw request for \$54,623.07 along with an email notification stating the Marymac Group Home would not draw the balance of grant funds because the project was completed under the original amount.
- f) Marymac Group Home is a community residential home, located in rural Suwanee County, serving six residents with developmental disabilities. The RFA and the Grant Agreement limit occupancy of the development to a maximum of six residents and require that each resident have a private bedroom. Pursuant to the Agency for Persons with Disabilities, each resident has their own bedroom to allow for privacy. On July 9, 2018, the Applicant contacted the Corporation to request the addition of two residents to the community residential home ([Exhibit A](#)). The additional residents come from aging parents, one who requires placement in a nursing home and one who has a terminal illness. Neither are able to find caregivers for their adult sons. Both families would like to keep their sons in the rural community with which they are familiar. The Applicant would like to accommodate this request. However, in order to accommodate the request, two of the current residents will be required to share a

MULTIFAMILY PROGRAMS

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bedroom with the new residents. This is in conflict with the Agency for Persons with Disabilities. In return, the Applicant is willing to repay the grant funding and asks that we terminate the Restrictive Covenant and Grant Agreement. Upon the request of the Corporation, the Applicant submitted a letter ([Exhibit B](#)), dated August 6, 2018, stating they have discussed this with the current residents and all agreed to allowing two additional residents to move in. The Corporation also requested written and signed statements from the two existing residents stating they are willing to share a bedroom with the new residents. The Corporation received the statements on August 9, 2018 ([Exhibit C](#)).

- g) Staff recommends the Board approve the return of grant funding for \$54,623.07 and terminate the Restrictive Covenant and Grant Agreement thereby allowing Marymac Group Home to serve the persons in need in their community.

2. Recommendation

- a) Approve the return of grant funding and direct staff to proceed with a Termination of the Restrictive Covenant and Grant Agreement.

MULTIFAMILY PROGRAMS

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B. Request Approval to Exceed the 20% Subcontractor Limitation for Mount Carmel Gardens (RFA 2014-111/2014-423S/2015-504C)

Development Name: Mount Carmel Gardens	Location: Duval County
Applicant/Borrower: MCG Senior Apartments, LLC	Set Aside(s): 16% @ 33% AMI and 84% @ 60% AMI for HC; 15% @ 33% AMI and 85% @ 60% AMI for SAIL
Developer/Principal: BREC Development, LLC	Demographic/Number of units: Elderly Non-ALF / 207 units
Requested Amounts: \$4,010,087 SAIL \$1,968,900 ELI Loan \$611,874 Housing Credits	Development Category/Type: Acquisition & Preservation / High Rise

1. Background/Present Situation

- a) MCG Senior Apartments, Ltd (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. The Applicant subsequently submitted a 4% Non-Competitive Housing Credit application in February 2015, which was scored and approved by staff. The funds are being utilized to finance the acquisition and preservation of a 207-unit Elderly Non-ALF development in Duval County.
- b) On December 19, 2014, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Applicant for the competitive SAIL funding. On December 11, 2015, the Board approved the Credit Underwriting Report and on December 14, 2015, staff issued a firm commitment for a SAIL loan in the amount of \$4,010,087 and an ELI loan in the amount of \$1,968,900.
- c) On March 5, 2015, staff issued an invitation to the Applicant to enter credit underwriting for the non-competitive Housing Credits funding. Subsequently, staff issued a preliminary determination of Housing Credits in the amount of \$611,874 on February 11, 2016.
- d) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow three subcontracts to exceed the 20% limitation in Rules 67-48.0072(17)(f) and 67-21.026(13)(e), F.A.C. See [Exhibit D](#) for Applicant's Request.
- e) Pursuant to Rules 67-48.0072(17)(f) and 67-21.026(13)(e), F.A.C., the General Contractor must meet the following conditions:

Ensure 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*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)

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- f) The Applicant purports that they were unaware of the rule and completed the Development using two related (to each other) subcontractors and one unrelated subcontractor that each individually surpassed 20% of the total construction costs. The total construction costs per the General Contractor Cost Certification was \$8,359,698. A total of \$2,073,015, representing 24.8% of construction costs was paid to Interior Contracting, LLC for cabinets and countertops, plumbing and hot water, electrical, appliances, specialties and other labor/materials. A total of \$1,999,067, representing 23.9% of construction costs was paid to Harvest Contract Services, LLC for roads, walks and paving, waterproofing, doors and windows, tile work and wood flooring, acoustical, special construction (accessory building), and electrical. A total of \$1,861,726, representing 22.3% of construction costs was paid to Total Construction Services for rough carpentry, roofing, painting and decorating, and HVAC.
- g) Since this information was discovered by FHFC during review of the General Contractor's Cost Certification, after the construction work had already been completed, staff proposes the following penalty be imposed: No GC Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum subcontract amount allowed under Rules 67-21.026(13)(e) F.A.C. and 67-48.0072(17)(f), F.A.C. If the GC Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's Profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

2. Recommendation

- a) Approve the request to allow three subcontractors to individually exceed the 20% subcontractor limitation under the condition that they will incur a penalty on the GC and Developer fees as outlined above.

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C. Request Approval to Exceed the 20% Subcontractor Limitation for Trinity Towers East (RFA 2015-112/2016-168BS/2016-507C)

Development Name: Trinity Towers East	Location: Brevard County
Applicant/Borrower: Trinity Towers East Preservation Associates LLLP	Set Aside(s): 90% @ 60% AMI for HC and Bonds; 10% @ 35% AMI and 80% @ 60% AMI for SAIL
Developer/Principal: Preservation of Affordable Housing LLC	Demographic/Number of units: Elderly Non-ALF / 156 units
Requested Amounts: \$4,018,404 SAIL \$889,600 ELI Loan \$9,450,000 Tax Exempt Bonds \$484,584 Housing Credits	Development Category/Type: Acquisition & Rehabilitation / High Rise

1. Background/Present Situation

- a) Trinity Towers East Preservation Associates LLLP (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2015-112 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. The funds are being utilized to finance the acquisition and rehabilitation of a 156-unit Elderly Non-ALF development in Brevard County.
- b) On January 11, 2016, the Applicant entered credit underwriting at risk. On June 24, 2016, the Board approved the Credit Underwriting Report and on July 1, 2016, staff issued a firm commitment for a SAIL loan in the amount of \$4,018,404 and an ELI loan in the amount of \$889,600. The Bonds closed on November 29, 2016, and staff issued a preliminary determination of Housing Credits in the amount of \$484,584 on November 30, 2016.
- c) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontract to exceed the 20% limitation in Rules 67-21.014(2)(r)(6), F.A.C., 67-21.026(13)(e), F.A.C. and 67-48.0072(17)(f), F.A.C. See [Exhibit E](#) for Applicant's request.
- d) Pursuant to Rules 67-21.014(2)(r)(6), F.A.C., 67-21.026(13)(e), F.A.C. and 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:
 - (1) Ensure 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*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- e) As part of the scope of the rehabilitation, the original heating and cooling system for this 14-story building was replaced with a modern, energy-efficient HVAC system. The work was a comprehensive building system and could not be broken out between multiple subcontractors. In addition, warranty issues required that the equipment and installation be covered by one subcontractor. The subcontract also included \$184,982 in common area electrical work that

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was not associated with the new HVAC system, but the Applicant purports that it was significantly less expensive to include the costs as part of this subcontract.

- f) The work for this development has been completed and Florida Housing was not informed of the departure from the rule until after completion. Typically, staff would recommend a traditional penalty be imposed due to the request being made after the fact. However, the Developer and the general partner of the applicant on Trinity Towers East is Preservation of Affordable Housing (POAH) or an instrumentality of POAH. POAH is a non-profit and the Applicant purports that no individual at POAH benefits from the fees generated by this Development and further asserts that POAH uses all fees to further its mission of providing housing and support services for low-income families and seniors. In addition, the reasons why one subcontractor was utilized for both the HVAC system and the electrical systems as indicated in the prior paragraph demonstrates there was not an option to split these two rehabilitation activities into separate subcontractors. The replacement of the HVAC system in a high-rise rehabilitation development is the primary cost within a rehabilitation construction contract. Since a rehabilitation construction budget is generally smaller than a new construction budget, it is easier to reach the 20 percent limitation of a single subcontractor. Due to these reasons, staff is recommending the following lower alternative penalty to be imposed: the maximum Developer fee shall be reduced by an amount equal to one-half of the Developer Fee on the subcontract amounts that surpass the maximum subcontract amount allowed under Rules 67-21.026(13)(e) F.A.C. and 67-48.0072(17)(f), F.A.C.
- g) At the request of Florida Housing staff, Seltzer reviewed the Applicant's request, bids received, and the proposed schedule of values. After review and analysis, Seltzer, in conjunction with the Construction Consultant, GLE Associates, Inc., found the proposed cost to be appropriate for the proposed scope of work. Seltzer recommends that Florida Housing approve the General Contractor's use of a subcontractor which will provide work at a cost which exceeds 20% of the total construction cost for the Development. See [Exhibit F](#) for Seltzer's recommendation.

2. **Recommendation**

- a) Approve the request to exceed the 20% subcontractor limitation under the condition that they will incur a penalty on the Developer fee as outlined above.

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D. Request Approval of Credit Underwriting Report for The Memory Care Group Home 2018-005G

Development Name: The Memory Care Group Home	Location: Palm Beach County
Applicant/Borrower: Palm Beach Habilitation Center, Inc.	Set Aside(s): 33% @ 30% AMI and 67% at 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents
Requested Amounts: \$517,000 Grant Funding	Development Category/Type: New Construction/CRH

1. Background/Present Situation

- a) On August 2, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-106 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On October 27, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On November 6, 2017, staff issued a Letter of Preliminary Award and subsequently, on March 13, 2018, staff issued an invitation to enter credit underwriting to Palm Beach Habilitation Center, Inc.
- d) On October 15, 2018, staff received a positive recommendation for a grant amount of \$517,000 to be allocated to the Development ([Exhibit G](#)).

2. Recommendation

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

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E. Request Approval of Credit Underwriting Report for Village at Hyde Park (f.k.a Londontowne Lane Project) (2017-256CSN)

Development Name: Village at Hyde Park	Location: Duval County
Applicant/Borrower: Ability Londontowne, LLC	Set-Aside(s): 10% @ 33% AMI & 90% @ 60% AMI (SAIL/HC), 10% @ 22% AMI (NHTF)
Developer/Principal: Ability Housing, Inc. / Shannon L. Nazworth	Demographic/Number of Units: Homeless/Persons with Disabling Condition/80
Requested Amounts: SAIL \$2,750,000; NHTF \$1,452,285.92; Annual 9% HC \$1,780,000	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On March 22, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-103 for Housing Credit and SAIL Financing to Develop Housing in Medium and Large Counties for Homeless Households and Persons with a Disabling Condition. National Housing Trust Fund (NHTF) funding was also awarded to the proposed Developments selected for funding.
- b) On June 16, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting at risk to the Applicant on October 30, 2017, which states that the SAIL and NHTF loans must close within 12 months of the date of the invitation to enter credit underwriting, giving them a closing dealing of October 30, 2018.
- c) On December 8, 2017, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- d) On December 29, 2017, staff approved a Development name change from Londontowne Lane Project to Village at Hyde Park.
- e) On July 27, 2018, the Board approved a request to extend the loan closing deadline from October 30, 2018 to April 30, 2019.
- f) On October 15, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit H](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

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

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F. Request Approval of Credit Underwriting Report for Preserve at Sabal Park (2018-342V)

Development Name: Preserve at Sabal Park	Location: Hillsborough County
Applicant/Borrower: Blue Broadway, LLC	Set-Aside(s): 10% @ 40%, 90% @ 60%
Developer/Principal: Blue Sky Communities III, LLC/ Shawn Wilson	Demographic/Number of Units: Family/144
Requested Amounts: Viability: \$1,250,000 Annual 9% HC: \$2,110,000	Development Category/Type: New Construction/ Townhouses

1. Background/Present Situation

- a) On October 28, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-113 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties.
- b) On May 5, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. The Applicant was invited to enter credit underwriting on September 26, 2017.
- c) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding (Viability Loan) for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes.
- d) On May 4, 2018, the Board approved the final scores and recommendations for RFA 2018-109, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 6, 2018.
- e) On October 16, 2018, staff received a final credit underwriting report with a positive recommendation for Viability Loan funding ([Exhibit I](#)). Staff has reviewed this report and finds that it meets all the requirements of RFA 2016-113 and RFA 2018-109.

2. Recommendation

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

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G. Request Approval of Loan Closing Deadline Extension for Warley Park (2017-258CSN)

Development Name: Warley Park	Location: Seminole County
Applicant/Borrower: Warley Park, Ltd	Set-Aside(s): 10% @ 40% AMI & 90% @ 60% AMI (SAIL/HC), 10% @ 22% AMI (NHTF)
Developer/Principal: Warley Park Developer, LLC; Step Up Developer, LLC / Jonathan L. Wolf	Demographic/Number of Units: Homeless/Persons with Disabling Condition/85
Requested Amounts: SAIL \$2,825,000; NHTF \$1,307,714.48 Annual 9% HC \$1,510,000.	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On March 22, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-103 for Housing Credit and SAIL Financing to Develop Housing in Medium and Large Counties for Homeless Households and Persons with a Disabling Condition. National Housing Trust Fund (NHTF) funding was also awarded to the proposed Developments selected for funding.
- b) On June 16, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting at risk to the Applicant on October 30, 2017, which states that the SAIL and NHTF loans must close within 12 months of the date of the invitation to enter credit underwriting, giving them a closing dealing of October 30, 2018.
- c) On December 8, 2017, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- d) On March 16, 2018, the Board approved an RFA waiver exempting the non-profit board members from having to submit the IRS form 8821.
- e) On October 2, 2018, staff received a request from the Applicant to extend the closing deadline from October 30, 2018 to April 30, 2019 ([Exhibit J](#)), due to delays encountered from the City of Sanford in attempting to get on the agenda for the Planning and Zoning Commission. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the loan closing deadline from October 30, 2018 to April 30, 2019, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirement of the RFA.

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H. Request Approval of Credit Underwriting Report for Dr. Alice Moore Apartments (2016-333CL)

Development Name: Dr. Alice Moore Apartments	Location: Palm Beach County
Applicant/Borrower: Dr. Alice Moore Apartments, LLLP	Set-Aside(s): 10% @ 33% AMI & 90% @ 60% AMI
Developer/Principal: Carrfour Supportive Housing, Inc. / Stephanie Berman	Demographic/Number of Units: Persons with a Disabling Condition/36
Requested Amounts: Annual HC \$820,000 FAF Loan \$550,000	Development Category/Type: New Construction/Mid-Rise (4 stories)

1. Background/Present Situation

- a) On March 4, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-103 for Competitive Housing Credit and Gap Financing for Permanent Supportive Housing Developments for Persons with a Disabling Condition.
- b) On June 24, 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 July 1, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Dr. Alice Moore Apartments, LLLP, which states that the loan must close within 9 months of the date of the executed Housing Credit Carryover Allocation Agreement. The Housing Credit Carryover Allocation Agreement was executed on July 7, 2017, giving them a closing deadline of April 9, 2018. Applicants may request one (1) extension of up to 12 months related to the loan closing.
- d) On March 16, 2018, the Board approved to extend the loan closing deadline from April 9, 2018 to April 9, 2019.
- e) On October 18, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit K](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

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

I. Request Approval of General Partner Change for Dr. Alice Moore Apartments (RFA 2016-103/2016-333CL/2017-281CL)

Development Name: Dr. Alice Moore Apartments	Location: Palm Beach County
Applicant/Borrower: Dr. Alice Moore Apartments, LLLP	Set-Asides: 10% @ 33% AMI and 70% @ 60% AMI
Developers/Principals: Carrfour Supportive Housing, Inc.	Demographic/Number of Units: Disabling Conditions/36
Requested Amounts: \$820,000 Housing Credits (HC) \$550,000 Loan Funding	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Dr. Alice Moore Apartments, LLLP (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2016-103 for Competitive Housing Credit and Gap Financing for Permanent Supportive Housing Developments for Persons with a Disabling Condition. The funds are being utilized to finance the construction of a 36-unit Disabling Conditions development in Palm Beach County.
- b) On July 1, 2016, staff issued an invitation to the Applicant to enter credit underwriting. On November 2, 2016, staff issued a Preliminary Allocation for \$820,000 in Housing Credits and on November 13, 2016, the Carryover Allocation Agreement was fully executed. On June 16, 2017, the Board granted the Applicant’s request to exchange its 2016 credits for 2017 credits and a new Preliminary Allocation and Carryover Allocation Agreement was issued in July 2017.
- c) On August 31, 2018, staff received a request from the Applicant to change the name of the General Partner of the Applicant from C4 AMA, LLC to Carrfour Supportive Housing, Inc. It should also be noted that multiple board members/officers of the non-profit General Partner will be replaced as well (as illustrated in the organizational charts). Current and proposed organizational charts are provided as exhibits [L](#) and [M](#).
- d) This change will enable the Applicant to be eligible to avail itself of the provision 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 income-limited persons who are disabled or age 62 and older and which have a 501(c)(3) corporation as the sole general partner.
- e) Per the RFA, the Applicant entity shall be the recipient of the Housing Credits and cannot be changed in any way until after the Carryover Allocation Agreement is in effect. Once the Carryover Allocation Agreement has been executed by all parties, a replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change.
- f) Staff has reviewed this request and finds that the development meets all of the requirements of RFA 2016-103.

MULTIFAMILY PROGRAMS

Consent

2. **Recommendation**

- a) Approve the General Partner change.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VI. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan Amount Modification for McCurdy Senior Housing Corporation, a not-for-profit entity, for Quiet Meadows (2018-004P-09)

DEVELOPMENT NAME (“Development”):	Quiet Meadows
APPLICANT/DEVELOPER (“Developer”):	McCurdy Senior Housing Corporation
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	120 Rental
LOCATION (“County”):	Palm Beach County
TYPE:	Elderly
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$650,000
ADDITIONAL COMMENTS: Original request for PLP loan was \$500,000	

1. Background

- a) On May 16, 2018, Florida Housing issued an Invitation to Participate in the PLP to the Developer.
- b) On July 27, 2018, the Board approved a PLP loan in the amount of \$500,000 to the Developer.

2. Present Situation

- a) On September 11, 2018, staff received a revised development plan and a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of an increased PLP Loan in the amount of \$650,000. This additional \$150,000 is to be used for the acquisition of one of the parcels required for the development which is currently owned by the City of Belle Glade. The funds requested for acquisition will be subject to review and a positive recommendation from a credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the increase in the PLP Loan for a new amount of \$650,000 to McCurdy Senior Housing Corporation for Quiet Meadows and allow staff to assign the Applicant to credit underwriting for the acquisition funds and continue with the loan closing process on the non-site acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Hannibal Square Community Land Trust, Inc., a not-for-profit entity, for 350 East Sixth (2018-005P-09)

DEVELOPMENT NAME (“Development”):	350 East Sixth
APPLICANT/DEVELOPER (“Developer”):	Hannibal Square Community Land Trust, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	24 Homeownership
LOCATION (“County”):	Orange County
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI, 80% @ 120% AMI
PLP LOAN AMOUNT:	\$614,000
ADDITIONAL COMMENTS:	

1. Background

- a) On September 12, 2018, the Applicant submitted an application for a PLP loan for 350 East Sixth in Orange County.
- b) On September 13, 2018, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On October 3, 2018, staff received a development plan and a letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of a PLP Loan in the amount of \$614,000. Of this loan amount, \$450,000 is requested for the acquisition of the property. The funds requested for acquisition will be subject to review and a positive recommendation from a credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the increase in the PLP Loan in the amount of \$614,000 to Hannibal Square Community Land Trust, Inc., for 350 East Sixth and allow staff to assign the Applicant to credit underwriting for the acquisition funds and commence with the loan closing process on the non-site acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. **Request Approval of PLP Loan for Turner Five Ash Phase 1, a not-for-profit entity, for Turner Family Homes at Lake Wales (2016-011P-09)**

DEVELOPMENT NAME (“Development”):	Turner Family Homes at Lake Wales
APPLICANT/DEVELOPER (“Developer”):	Turner Five Ash Phase 1, LLC
CO-DEVELOPER:	N Vision Communities, Inc.
NUMBER OF UNITS:	11 Rental homes
LOCATION (“County”):	Polk County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$223,243
ADDITIONAL COMMENTS: The application for this development was originally submitted in the name of Turner Senior Apartments located in DeSoto County. The development is being moved to a new site in Polk County. The original loan amount was \$609,095 but is being reduced to eliminate the funding of land acquisition.	

1. **Background**

- a) On October 18, 2016, Florida Housing issued an Invitation to Participate in the PLP to the Developer for Turner Senior Apartments. The development received an award of HOME funds from RFA 2016-101 for the construction of the proposed development. In 2017, after a number of issues arose and deadlines passed, the HOME award was de-obligated.
- b) The developer has drawn \$71,129 in PLP funds on the original development. Subsequent to the de-obligation of HOME funds, the developer approached staff about the possibility of locating another site and reconfiguring the development. After much discussion, it was determined that the PLP development could be relocated to another site. The developer was required to work with the assigned technical assistance provider to formulate and submit a revised development plan.

2. **Present Situation**

- a) On October 3, 2018, staff received a revised development plan and a letter ([Exhibit C](#)) from the technical assistance provider recommending a revised loan amount of \$223,243 for a smaller development located in Polk County. The revised amount does not include any funds for acquisition.
- b) Staff has reviewed the revised Development Plan and determined that all budget items are PLP eligible.

3. **Recommendation**

- a) Approve the PLP Loan in the reduced amount of \$223,243 to Turner Five Ash Phase I, LLC, an entity owned by N Vision Communities for Turner Family Homes at Lake Wales, and allow staff to amend the loan closing documents.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of Revised PLP Loan for Residential Options of Florida, Inc., a not-for-profit entity, for Liberty Place (2018-002P-09)

DEVELOPMENT NAME (“Development”):	Liberty Place
APPLICANT/DEVELOPER (“Developer”):	Residential Options of Florida, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	1 Rental
LOCATION (“County”):	Collier
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	50% AMI
PLP LOAN AMOUNT:	\$332,300
ADDITIONAL COMMENTS: Original loan amount was \$339,530 for 2 units.	

1. Background

- a) On April 9, 2018, Florida Housing issued an Invitation to Participate in the PLP to the Developer.
- b) On July 27, 2018, the Board approved a PLP loan in the amount of \$339,530 to the Applicant. The loan has not closed and no funds have been drawn.

2. Present Situation

- a) On October 5, 2018, staff received a revised development plan and a letter ([Exhibit D](#)) from our technical assistance provider (TAP) recommending approval of the revised PLP Loan in the amount of \$332,300. The Developer is requesting the lower amount because the local government agreed to fully fund one of the units. The Developer is requesting \$275,000 of the overall loan for the site acquisition of the subject property (remaining \$57,300 will be used for soft costs). The site acquisition portion of the loan is required to be reviewed by an assigned credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the revised PLP Loan in the amount of \$332,300 to Residential Options of Florida, Inc., for Liberty Place and allow staff to continue with the loan closing process on the non-site acquisition funds in the amount of \$57,300.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Firm Loan Commitment Issuance Extension and Change to Developer Principal for Venetian Walk II (2018-017S)

Development Name: Venetian Walk II	Location: Sarasota County
Applicant/Borrower: Venetian Walk Partners II, LLLP	Set-Aside(s): 10% @ 33% AMI & 90% @ 60% AMI
Developer/Principal: Norstar Development USA, LP; Venetian Walk Developers, LLC / Richard Higgins	Demographic/Number of Units: Family/52
Requested Amounts: SAIL \$2,290,000 ELI \$464,200	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 8, 2017, 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 8, 2018, staff issued a preliminary commitment letter and invitation to enter credit underwriting to Venetian Walk Partners II, LLLP, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 12, 2018, giving them a firm loan commitment issuance deadline of December 12, 2018. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On October 3, 2018 staff received a request from the Applicant to extend the December 12, 2018 firm loan commitment issuance deadline to June 12, 2019 ([Exhibit A](#)), which will allow additional time to complete the permitting process and the credit underwriting process. Staff has reviewed this request and finds that it meets all requirements of the RFA.
- e) On October 12, 2018, staff received a request from the Applicant to change the Developer principal ([Exhibit B](#)). The change will be removing the principal, Norstar Investment USA, Inc., from the Developer, Norstar Development USA, LP., since it does not own any portion of the managing general partner, Nordev, Inc. Per the RFA, the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. Staff has reviewed this request and finds that the development meets all the requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

- a) Approve the request to extend the firm loan commitment issuance deadline from December 12, 2018 to June 12, 2019, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA, and approve the change to the Developer principal.

SPECIAL ASSETS

Consent

VIII. SPECIAL ASSETS

- A. Request Approval to Renegotiation, Extension and Subordination of the SAIL Loan, and First Mortgage Refinancing for Riverview House Limited Partnership, a Florida Limited Partnership, for Riverview House Apartments (1999-023S/1999-519C)

Development Name: Riverview House Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)/ Riverview House Limited Partnership (“Borrower”)	Set-Aside: SAIL 100% @ 60%; HC 100% @ 60% AMI; LURA: 50 years; EUA: 50 years
Number of Units: 160	Allocated Amount: SAIL \$1,662,960; HC \$428,893.80
Demographics: Elderly	Servicer: First Housing Development Corporation

1. **Background**

- a) During the 1999 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a \$1,662,960 State Apartment Incentive Loan (“SAIL”) to Riverview House Limited Partnership, a Florida Limited Partnership (“Borrower”), for the construction of a 160-unit development in Palm Beach County, Florida. The SAIL loan closed on July 13, 2000 and will mature on September 30, 2031. The Development also received a 1999 allocation of low-income housing tax credits (“HC”) of \$428,893.80. In May 2018, the Board approved a SAIL loan interest rate renegotiation from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48 in exchange for payment of the 3% outstanding and accrued interest as well as a renegotiation fee to Florida Housing.

2. **Present Situation**

- a) The Borrower requests consent from the Board to allow for the refinancing of the first mortgage and to renegotiate the SAIL terms. The first mortgage refinancing will require the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), and Low-Income Housing Tax Credit Extended Use Agreement (“EUA”) be subordinated to the new first mortgage.
- b) The Borrower also requests approval of the extension of the terms of the SAIL loan to meet the requirements of the new first mortgage lender.
- c) Staff received a credit underwriting report from Seltzer Management Group ([Exhibit A](#)) with a positive recommendation for approval of the refinancing, renegotiation and subordination of the SAIL loan documents, SAIL LURA, and the HC EUA to the new first mortgage.

SPECIAL ASSETS

Consent

3. **Recommendation**

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