

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
December 3, 2004  
Consent Items



# GUARANTEE PROGRAM

## *Consent*

### I. GUARANTEE PROGRAM

#### A. Consideration of Application by the Housing Finance Authority of Bay County to become a Qualified Lending Institution

##### 1. Background

- a) Rule 67-39.0025 provides for a Commitment to Guarantee to be issued only to a Qualified Lending Institution.
- b) Rule 67-39.0045 addresses the information that applicants are required to submit to the Guarantee Program to attain Qualified Lending Institution status.

##### 2. Present Situation

- a) On September 28, 2004, Guarantee Program Staff received from the Housing Finance Authority of Bay County ("Authority") the information required for consideration as a Qualified Lending Institution. This information is provided for review in [Exhibit A](#).
- b) Following is an analysis of the information submitted by the Authority:
  - (1) The Authority was created as a public body corporate and politic in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes (1979), following the adoption of an approving ordinance No. 00 22, dated October 19, 2000 by the Board of County Commissioners of Bay County, Florida (the "BOCC"). The purpose of the Authority is to alleviate the shortage of affordable residential housing facilities, and to encourage the investment of private capital and stimulate the construction of residential housing for low, moderate or middle-income families through the use of public financing.
  - (2) The Authority is authorized to issue bonds in principal amounts specifically authorized by the BOCC to fulfill its corporate purpose. The BOCC appoints the Authority members; may alter or change the organization, structure, activities or programs of the Authority; may remove a member of the Authority from office; terminate the Authority; and, review the budget of the Authority. For financial reporting purposes, the Authority is considered a reporting entity of the BOCC. The BOCC provides financial oversight and accountability to the citizens of Bay County.
  - (3) The Authority has experience originating loans since 2001. The Authority has issued three Single Family Mortgage Revenue Bond series totaling \$44.5 million. Thus far, 152 families have received the benefit of BCHFA's single family bond program.
  - (4) A four (4) member board directs the Authority. One member serves as chairperson. Benjamin Johnson is the current Chairman and was a founding member of the Authority. Mr. Johnson is well-known to Florida Housing through his professional capacity as the president of Seltzer Management Group, Inc. (SMG), an approved underwriter for

## GUARANTEE PROGRAM

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Florida Housing. SMG has underwritten numerous Guarantee Program transactions.

- (5) The Authority has no staff, but utilizes qualified professionals to implement its programs. Issuer's counsel is Harrison, Rivard, Zimmerman & Bennett. Serving as bond counsel to the Authority is Nabors, Giblin & Nickerson, P.A. The Authority's bond underwriter is Morgan Keegan & Company, Inc., represented by James Fowler, Jr., who has structured bond issues for over 100 multifamily developments and has completed 19 transactions with Florida Housing since 2001. The Authority utilizes First Housing Development Corporation as credit underwriters in connection with the review of proposed transactions. The Authority relies on its bond underwriter and credit underwriters for financial advice and, therefore, has not engaged a financial advisor.
- (6) The Authority has submitted audited financial statements as of September 30, 2004. Guarantee Program Staff and TIBOR Partners Inc. have reviewed the financial statements, including the unqualified opinion of the CPA.
- c) Bay County HFA will be the 14th local HFA approved by the Guarantee Program as a QLI to date.
- d) The Authority has awarded 2004 tax-exempt bond allocation to Rae Companies, Inc. to finance a proposed multifamily rental development, totaling 120 units of affordable housing in Bay County.

### 3. **Recommendation**

Guarantee Program staff and TIBOR recommend approval of the Housing Finance Authority of Bay County as a Qualified Lending Institution.

# HOME RENTAL

## *Consent*

### II. HOME RENTAL

#### A. Request Approval for Refinancing of the First Mortgage Loan for Mount Carmel Gardens (97HR-014)

<b>Development Name: (“Development”)</b>	<b>Mount Carmel Gardens</b>
<b>Developer/Principal/Borrower: (“Borrower”)</b>	<b>Mount Carmel, Inc.</b>
<b>Number of Units: 207</b>	<b>Location: Jacksonville, Duval County</b>
<b>Type: New Construction</b>	<b>Set Aside: 95% @ 50% AMI 5% @ 60% AMI</b>
<b>Allocated Amount: \$1,637,763</b>	

#### 1. Background

A HOME loan in the amount of \$1,637,763 for new construction of a 207-unit senior independent living facility in Duval County closed on June 23, 1998.

#### 2. Present Situation

- a) On September 22, 2004, the Borrower (through the lender) requested approval for refinancing and increase of the first mortgage loan, and to extend the term of the loan ([Exhibit A](#)).
- b) Rule 67-48.020 requires a proportionate amount of the increase in the superior mortgage be used to reduce the outstanding HOME loan balance. The Borrower has submitted a Petition for Rule Waiver, which is addressed in the Legal section of this Board package.
- c) On November 19, 2004, staff received a credit underwriting review with a positive recommendation to approve the request for refinancing of the first mortgage loan and to extend the term of the HOME loan to be coterminous ([Exhibit B](#)).

#### 3. Recommendation

Approve the Borrower’s request for refinancing of the first mortgage loan, and extension of the HOME loan, subject to approval of the Rule Waiver referenced above, and direct staff to amend the appropriate HOME loan documents.

# HOME RENTAL

## Consent

### B. Request Approval to Amend the LURA for Park Place Apartments (95HR-004)

Development Name: (“Development”)	Park Place Apartments
Developer/Principal: (“Developer”)	Spinal Cord Living- Assistance Development, Inc.
Number of Units: 34	Location: Hialeah, Miami-Dade County
Type: New Construction Demographic Targeting: None	Set Aside: 20% @ 50% AMI 80% @ 60% AMI
Allocated Amount: \$1,372,677	

#### 1. Background

A HOME loan in the amount of \$1,372,677 for new construction of a 34-unit family development in Miami-Dade County closed on April 11, 1996.

#### 2. Present Situation

- a) On October 27, 2004, the Developer requested an amendment to the LURA that would correct the inaccuracy that the Development’s two-bedroom units are equipped with two baths ([Exhibit C](#)).
- b) According to the Developer, during the “Annual Management Review,” it was discovered that the LURA called for the two-bedroom units to have two baths. The two-bedroom units in the Development have only one bath.
- c) After reviewing the application, it was determined that the Developer did not commit to two baths in the two-bedroom units.

#### 3. Recommendation

Approve Developer’s request to amend the LURA to accurately reflect that the Development’s two-bedroom units have only one bath.

# HOME RENTAL

## Consent

### C. Request Approval for Refinancing of the First Mortgage for Heritage Phoenix Apartments (93HD-034)

Development Name: (Development)	Heritage Phoenix Apartments
Developer/Principal: ("Developer")	Heritage Partners Group, Inc.
Number of Units: 164	Location: Homestead, Miami-Dade County
Type: Rehabilitation	Set Aside: 40% @ 50% AMI 60% @ 60% AMI
Allocated Amount: \$2,300,000	

#### 1. Background

A HOME loan in the amount of \$2,300,000 for rehabilitation of a 164-unit family development in Miami-Dade County closed on July 29, 1994.

#### 2. Present Situation

- a) On April 28, 2004, staff received a request to refinance the first mortgage debt. The refinance would allow Development to take advantage of lower bond interest rates while establishing debt service reserves from the proceeds ([Exhibit D](#)).
- b) The Developer would like to take advantage of lower interest rates and refinance its Series 1999 Taxable Bonds. The new interest rate would be approximately 7% for the new Series 2004 Taxable Bonds, compared to the current rate of 8.5% for the Series 1999.
- c) On November 19, 2004, staff received a credit underwriting review with a positive recommendation to refinance the first mortgage debt ([Exhibit E](#)), subject to the following conditions:
  - (1) Confirmation at closing that all fees due and owing FHFC are current.
  - (2) Confirmation at closing that Heritage Phoenix Apartments and other developments owned by the Heritage Companies have no outstanding non-compliance or past-due issues.
  - (3) Approval of the form of the 1<sup>st</sup> mortgage by FHFC or its legal counsel.
  - (4) It is a condition of this recommendation that the HOME Loan accrued interest be reduced by any excess cash flow from the refinance.
  - (5) The HOME Loan shall maintain second priority lien after the substitution of the new First Mortgage.

#### 3. Recommendation

Approve the Developer's request to refinance first mortgage debt, subject to the above conditions.

# HOMEOWNERSHIP LOAN PROGRAM

## *Consent*

### III. HOMEOWNERSHIP LOAN PROGRAM

#### A. Request for Approval of the Analytical Review for Three Rivers Housing Foundation, Inc. (Non-Profit) for Columbia HOME / HH03-027

<b>Applicant Name (“Applicant”):</b>	<b>Three Rivers Housing Foundation, Inc. (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Columbia HOME</b>
<b>Developer/Principal (“Developer”):</b>	<b>Forrest Boone</b>
<b>Number of Units: 11</b>	<b>Location: Columbia County</b>
<b>Type: HOME Purchase Assistance Loan</b>	<b>Allocated Amount: \$233,750</b>

#### 1. Background

- a) The Applicant submitted an application during Round Two of the 2003 Homeownership Loan Program Cycle.
- b) On February 24, 2004, Florida Housing issued an invitation into credit underwriting to the Applicant for a HOME Purchase Assistance Loan in the amount of \$340,000 to assist with financing of 16 newly constructed homes in Columbia County.
- c) On October 12, 2004, the Developer requested a reduction of the number of units from 16 to 11, with the HOME funding being reduced from \$340,000 to \$233,750, advising the inability to obtain lots.

#### 2. Present Situation

- a) The credit underwriter provided staff with an Analytical Review outlining the parameters of the proposed Development. The Analytical Review is attached as [Exhibit A](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$233,750 for a HOME Purchase Assistance Loan.

#### 3. Recommendation

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$233,750 to the Developer for a HOME Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

# HOMEOWNERSHIP LOAN PROGRAM

## *Consent*

**B. Request for Approval of the Analytical Review for Habitat for Humanity of Collier County, Inc. (Non-Profit) for Independence / HH03-035**

<b>Applicant Name (“Applicant”):</b>	<b>Habitat for Humanity of Collier County, Inc. (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Independence</b>
<b>Developer/Principal (“Developer”):</b>	<b>Samuel J. Durso, M. D.</b>
<b>Number of Units: 48</b>	<b>Location: Collier County</b>
<b>Type: HOME Purchase Assistance Loan</b>	<b>Allocated Amount: \$960,000</b>

**1. Background**

- a) At its July 30, 2004 meeting, the Board approved the final rankings for 2003-2004 Homeownership Loan Program Supplemental Cycle.
- b) On August 2, 2004, Florida Housing issued an invitation into credit underwriting to the Applicant for a HOME Purchase Assistance Loan in the amount of \$960,000 to assist with the financing of 48 newly constructed homes in Collier County.

**2. Present Situation**

- a) The credit underwriter provided staff with an Analytical Review outlining the parameters of the proposed Development. The Analytical Review is attached as [Exhibit B](#).
- b) Staff has reviewed the report and concurs with the credit underwriter’s recommendation to reserve HOME funds in the amount of \$960,000 for a HOME Purchase Assistance Loan.

**3. Recommendation**

Staff recommends that the Board approve the Analytical Review and authorize staff to issue a firm commitment letter in the amount of \$960,000 to the Developer for a HOME Purchase Assistance Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate Florida Housing staff.



# HOMEOWNERSHIP LOAN PROGRAM

## *Consent*

- C. **Authorize Staff to De-obligate HOME Funds for Three Rivers Housing Foundation, Inc. (Non-Profit) for Red Hills Home Ownership / 00HH-010**

<b>Applicant Name (“Applicant”):</b>	<b>Three Rivers Housing Foundation, Inc. (Non-Profit)</b>
<b>Development Name (“Development”):</b>	<b>Red Hills Home Ownership</b>
<b>Developer/Principal (“Developer”):</b>	<b>Forrest Boone</b>
<b>Number of Units: 16</b>	<b>Location: Jackson County</b>
<b>Type: HOME Purchase Assistance</b>	<b>Allocated Amount: \$304,000</b>

1. **Background**

- a) The Applicant submitted an application during the 2000 / 2001 HOME Home Ownership Construction Loan Program Application Cycle.
- b) The Applicant scored within the funding range and was invited into credit underwriting on October 2, 2001.
- c) The credit underwriting process was completed and the final report, dated February 18, 2002, was approved at the March 7, 2002 Board meeting.
- d) The Developer has indicated that they may re-apply once the Development is ready to proceed.

2. **Present Situation**

On October 28, 2004, the Developer requested that the HOME funds be reallocated, advising that the proposed Development could not be completed by the construction completion deadline of December 31, 2004. However, the Development will proceed by utilizing Federal Home Loan Bank funds, local SHIP funds, and USDA permanent mortgage funds. The Developer has indicated that they may re-apply for HOME funding once the Development is ready to proceed. The letter is attached as [Exhibit C](#).

3. **Recommendation**

Staff recommends that \$304,000 in HOME funds for the Red Hills Home Ownership Development be de-obligated and made available for future use with the HOME Program.

# HOMEOWNERSHIP LOAN PROGRAM

## Consent

### D. Authorize Staff to De-obligate HOME Funds for Falcon's Landing / HH03-019

Applicant Name ("Applicant"):	DFC Homes of Florida, Inc.
Development Name ("Development"):	Falcon's Landing
Developer/Principal ("Developer"):	Kenny Davis
Number of Units: 11	Location: Broward County
Type: HOME Purchase Assistance Loan	Allocated Amount: \$385,000

#### 1. Background

- a) The Applicant submitted an application during Round Two of the 2003 Homeownership Loan Program Cycle.
- b) The Applicant scored within the funding range and was invited into credit underwriting on February 2, 2004.
- c) The credit underwriting process was completed and the final report, dated June 1, 2004, was approved at the June 18, 2004 Board meeting.
- d) On October 21, 2004, the Developer advised Florida Housing of their decision to withdraw the proposed Development, citing the overwhelming demand for the larger, market rate models being offered which exceed the HOME Maximum Sales Price, and therefore, the homebuyers are not eligible to receive the HOME funds. The letter is attached as [Exhibit D](#).

#### 2. Recommendation

Staff recommends that \$385,000 in HOME funds for the Falcon's Landing Development be de-obligated and made available for future use with the HOME Program.

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## Consent

### IV. LEGAL

#### A. In Re: Pinnacle Oaks, Ltd.-2003 Universal Cycle

<b>Development Name: (“Development”):</b>	<b>Pinnacle Oaks</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Pinnacle Oaks, Ltd.</b>
<b>Number of Units: 168</b>	<b>Location: Broward County</b>
<b>Type: Garden</b>	<b>Set Aside: 40% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>Allocated Amount: n/a</b>
<b>MMRB: n/a</b>	<b>Housing Credits: \$1,400,000</b>

#### 1. Background

- a) Petitioner, Pinnacle Oaks filed a Petition for Formal Administrative Hearing, challenging Florida Housing’s interpretation of its Universal Cycle Rules and Qualified Allocation Plan. Pinnacle Oaks contends that Florida Housing erroneously deducted the funding and allocation for the Florida Keys Special Set-Aside from the total pool, rather than deducting the Keys funding and allocation from the small county pool. After review of the petition, Florida Housing determined that no material issue of fact exists and referred the case for an informal hearing pursuant to Sec. 120.569 and 120.57(2), Florida Statutes.
- b) On March 23, 2004, Pinnacle Oaks filed a Petition for Determination of Non-Rule Policy and Amended Petition for Administrative Hearing (“Petition”) with the Division of Administrative Hearings, requesting a formal hearing to determine whether Florida Housing employed non-rule policy in its final ranking of the 2003 Universal Cycle applications, and for a determination whether Florida Housing acted properly in the same ranking. A formal hearing was scheduled for June 4, 2004. Florida Housing filed its Motion to Dismiss the Pinnacle Oaks’ petition on April 4, 2004. Pinnacle Oaks filed its response to the Motion to Dismiss on April 4, 2004. A Final Order Dismissing Petition and Closing Case was issued by the Administrative Law Judge on May 11, 2004.

#### 2. Present Situation

Pinnacle Oaks filed a notice of withdrawal of its Petition on October 19, 2004.

#### 3. Recommendation

Staff recommends the Board issue an Order closing file.

**LEGAL**

*Consent*

**B. In Re: Sandhill Enterprises, Inc., d/b/a W. C. Dailey Construction**

<b>Development Name: (“Development”):</b>	<b>Highlands County Scattered Sites</b>
<b>Developer/Principal: (“Petitioner”):</b>	<b>Sandhill Enterprises, Inc.</b>
<b>Number of Units: 25</b>	<b>Location: Highlands County</b>
<b>Type: Purchase Assistance</b>	<b>Set Aside: n/a</b>
<b>Demographics: n/a</b>	<b>Allocated Amount: \$625,000</b>
<b>MMRB: n/a</b>	<b>Housing Credits: n/a</b>

**1. Background**

- a) During the 2003 Homeownership Loan Program, Supplemental Cycle, Florida Housing awarded an allocation of \$625,000 to Highlands County Scattered Sites Development, Phase I.
- b) On August 26, 2004, Florida Housing received a Waiver of Rule 67-50.005(6), Florida Administrative Code (“Petition”), from the Petitioner.

**2. Present Situation**

On October 6, 2004, Petitioner filed a notice of withdrawal of its Petition.

**3. Recommendation**

Staff recommends the Board issue an Order closing file.

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*Consent*

**C. In Re: Catholic Charities Housing, Inc.**

<b>Development Name: (“Development”):</b>	<b>San Jose Mission</b>
<b>Developer/Principal: (“Petitioner”):</b>	<b>Catholic Charities Housing, Inc./Little Manatee Housing, Inc.</b>
<b>Number of Units: 80</b>	<b>Location: Hillsborough County</b>
<b>Type: Garden</b>	<b>Set Aside: 20% @ 50% AMI</b>
<b>Demographics: Farmworker</b>	<b>Allocated Amount:</b>
<b>MMRB:</b>	<b>Housing Credits:</b>

**1. Background**

- a) During the 2004 Universal Application Cycle, Catholic Charities Housing, Inc./Little Manatee Housing, Inc. applied for SAIL funds for its San Jose Mission development.
- b) On September 15, 2004, Florida Housing received a Petition for Waiver of Rule 67-48.002(111), Florida Administrative Code (“Petition”), from the Petitioner.

**2. Present Situation**

On October 28, 2004, Petitioner filed a notice of withdrawal of its Petition.

**3. Recommendation**

Staff recommends the Board issue an Order closing file.

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## Consent

### D. In Re: Reliance-Cypress Grove Associates, Ltd.

<b>Development Name: (“Development”):</b>	<b>Sandalgrove Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Reliance Housing Services, LLC</b>
<b>Number of Units: 814</b>	<b>Location: Broward County</b>
<b>Type: Mid-Rise w/elevator</b>	<b>Set Aside: 40% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>Allocated Amount:</b>
<b>MMRB:</b>	<b>Housing Credits:</b>

#### 1. Background

- a) Petitioner is a not for profit Florida limited partnership whose general partner is Reliance-Cypress Grove, LLC, and is the developer of an acquisition and rehabilitation of an 814-unit multifamily apartment project in Lauderhill, Broward County, Florida.
- b) Petitioner applied for SAIL funding in the 2004 Universal Cycle, intending to use that loan, along with tax-exempt bonds issued by Broward County and equity generated by the sale of tax credits associated with the bonds. Subsequent to filing its application and prior to its closing on the acquisition of the project, Petitioner learned that its tax credit investor would not proceed with its investment of approximately \$15,000,000, unless Petitioner’s ownership structure was modified to substitute a non-related party for the sole member of Petitioner’s General Partner, General Partner, Reliance-Cypress Grove, LLC. To reflect the structural changes required by its tax credit investor, Petitioner seeks to change its name as well as the name of its General Partner.
- c) Petitioner requests these waivers to allow it to replace the sole member of its General Partner by substituting Housing Preservation Trust, LLC, for Reliance-Cypress Grove, LLC, and to change its name from Reliance-Cypress Grove Associates, Ltd., to HPT-Cypress Grove Associates, Ltd., and to change the name of its General Partner from Reliance-Cypress Grove, LLC to HPT-Cypress Grove LLC. A copy of the Petition is attached as [Exhibit A](#).
- 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) Rule 67-48.004(14)(a), Fla. Admin. Code, provides:

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

(a) Name of Applicant;

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### ***Consent***

- f) The Universal Application Instructions (“Instructions”) are part of the Universal Application Package, which is adopted by Rule 67-48.00(111), Florida Administrative Code, thus a deviation from the Instructions requires a variance or waiver of the rule.
- g) Part II. A. 2(a)(2)., of the Universal Application Instructions provides:
  - (1) If applying for MMRB, SAIL or HOME, the Applicant entity shall be the borrowing entity and cannot be changed until after loan closing. Replacement of the Applicant or a material change (33.3% or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.

### **2. Present Situation**

- a) Petitioner seeks a waiver of Rule 67-48.004(14)(a), Fla. Admin. Code, and Part II. A. 2(a)(2)., of the Universal Application Instructions, to the extent that the Rule and Instructions prohibit changing the Applicant’s name, its General Partner, and its General Partner’s name. The purpose of the underlying statute will be served by granting this waiver, in that granting this waiver request will further Florida Housing’s statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. Moreover, the denial of this request for waiver will result in a substantial hardship to Petitioner, in that loss of the tax credit investor and the SAIL loan will halt the rehabilitation of this development, and will deprive the residents of Broward County of 814 units of badly needed affordable rental housing. Last, application of this Rule to Petitioner in these circumstances may violate the principles of fairness, as Petitioner demonstrated that the necessity for changing the entity and name was due to factors outside its control.

### **3. Recommendation**

That the Board grant the Petition for Waiver of Rule 67-48.004(14)(a), Florida Administrative Code, and Part II.A.2.(a)(2) of the Universal Application Instructions, to the extent necessary to allow Petitioner to change its name from Reliance-Cypress Grove Associates, Ltd., to HPT-Cypress Grove Associates, Ltd., and to provide for the substitution of Housing Preservation Trust, Inc., as General Partner to replace Reliance-Cypress Grove, LLC.

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### *Consent*

#### E. In Re: Bristol Bay Associates, Ltd.

<b>Development Name: (“Development”):</b>	<b>Bristol Bay Apartments</b>
<b>Developer/Principal: (“Petitioner”):</b>	<b>Cornerstone Group Development, LLC</b>
<b>Number of Units: 300</b>	<b>Location: Hillsborough County</b>
<b>Type: Garden</b>	<b>Set Aside: 40% @ 60% AMI</b>
<b>Demographics: Large Family</b>	<b>Allocated Amount:</b>
<b>MMRB: \$15,500,000</b>	<b>Housing Credits:</b>

#### 1. Background

- a) During the 2002 Universal Cycle, Florida Housing awarded an allocation of Multifamily Mortgage Revenue Bond funds to Petitioner in association with the development of Bristol Bay Apartments. On October 21, 2004, Florida Housing received a “Petition for Waiver of Rule 67-21.008(1)(g), Florida Administrative Code (“Petition”), from the Petitioner. A copy of the Petition is attached as [Exhibit B](#).
- b) Rule 67-21.008(1)(g), Florida Administrative Code (the “Rule”), states in pertinent part:

[R]equire the submission to Florida Housing Finance Corporation of an annual audited financial statement for the Development, and for the Applicant if revenue from multiple projects is being pledged.
- c) Petitioner requests a waiver of the above provision of this Rule, in that they request relief from the requirement to submit audited financial statements for the fiscal year ending December 31, 2003. (Petitioner has informed Florida Housing that the Petition contains a typographical error in paragraph 5. References to “December 31, 2004” should read “December 31, 2003”). On November 5, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has received no comments concerning the Petition.

#### 2. Present Situation

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

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

#### 3. Recommendation

Staff recommends the Board grant the Petitioner’s request for a waiver of Rule 67-21.008(1)(g), Florida Administrative Code, with the condition that the next required audited financial statement for the Development include the year 2003.



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### F. In Re: Portofino Associates, Ltd.

<b>Development Name: (“Development”):</b>	<b>Portofino Apartments</b>
<b>Developer/Principal: (“Petitioner”):</b>	<b>Cornerstone Group Development, LLC</b>
<b>Number of Units: 270</b>	<b>Location: Palm Beach County</b>
<b>Type: Garden</b>	<b>Set Aside: 40% @ 60% AMI</b>
<b>Demographics: Large Family</b>	<b>Allocated Amount:</b>
<b>MMRB: \$19,570,000</b>	<b>Housing Credits:</b>

#### 1. Background

- a) During the 2002 Universal Cycle, Florida Housing awarded an allocation of Multifamily Mortgage Revenue Bond funds to Developer in association with the development of Portofino Apartments. On October 21, 2004, Florida Housing received a “Petition for Waiver of Rule 67-21.008(1)(g), Florida Administrative Code” (“Petition”), from Portofino Associates (“Petitioner”). A copy of the Petition is attached as [Exhibit C](#).
- b) Rule 67-21.008(1)(g), Florida Administrative Code (the “Rule”), states in pertinent part:

[R]equire the submission to Florida Housing Finance Corporation of an annual audited financial statement for the Development, and for the Applicant if revenue from multiple projects is being pledged.
- c) Petitioner requests a waiver of the above provision of this Rule, in that they request relief from the requirement to submit audited financial statements for the fiscal year ending December 31, 2003. (Petitioner has informed Florida Housing that the Petition contains a typographical error in paragraph 5. References to “December 31, 2004” should read “December 31, 2003”). On November 5, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has received no comments concerning the Petition.

#### 2. Present Situation

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

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

#### 3. Recommendation

Staff recommends the Board grant the Petitioner’s request for a waiver of Rule 67-21.008(1)(g), Florida Administrative Code, with the condition that the next required audited financial statement for the Development include the year 2003.

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## Consent

### G. In Re: Finlay Interests 46, Ltd.

<b>Development Name: (“Development”):</b>	<b>Collins Cove Senior Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Finlay Interests 46, Ltd.</b>
<b>Number of Units: 160</b>	<b>Location: Duval County</b>
<b>Type: Multi-Family</b>	<b>Set Aside: 40% @ 60% AMI</b>
<b>Demographics: Senior</b>	<b>Allocated Amount:</b>
<b>MMRB: \$5,945,000</b>	<b>Housing Credits:</b>

#### 1. Background

- a) During the 2002 Universal Cycle, Florida Housing awarded an allocation of Multifamily Mortgage Revenue Bond funds to Developer in association with the development of Collins Cove Senior Apartments. On October 29, 2004, Florida Housing received a “Petition for Waiver of Rule 67-21.008(1)(g), Florida Administrative Code” (“Petition”), from Finlay Interests 46, Ltd. (“Petitioner”). A copy of the Petition is attached as [Exhibit D](#).
- b) Rule 67-21.008(1)(g), Florida Administrative Code (the “Rule”), states in pertinent part:

[R]equire the submission to Florida Housing Finance Corporation of an annual audited financial statement for the Development, and for the Applicant if revenue from multiple projects is being pledged.
- c) Petitioner requests a waiver of the above provision of this Rule, in that they request relief from the requirement to submit audited financial statements for the fiscal year ending December 31, 2003. On November 12, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has received no comments concerning the Petition.

#### 2. Present Situation

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

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

#### 3. Recommendation

Staff recommends the Board grant the Petitioner’s request for a waiver of Rule 67-21.008(1)(g), Florida Administrative Code, with the condition that the next required audited financial statement for the Development include the year 2003.

# LEGAL

## Consent

### H. In Re: Mount Carmel Gardens, Inc. - Case No. 2004-050VW

<b>Development Name: (“Development”):</b>	<b>Mount Carmel Gardens (97 HR-014)</b>
<b>Developer/Principal: (“Petitioner”):</b>	<b>Mount Carmel Gardens, Inc.</b>
<b>Number of Units: 207</b>	<b>Location: Duval County</b>
<b>Type: Rehabilitation/</b>	<b>Set Aside %: 95@50 AMI; 5@60AMI</b>
<b>Demographics: elderly</b>	<b>Allocated Amount: \$1,637,763 HOME</b>

#### 1. Background

a) During the 1997 HOME Application Cycle, Florida Housing awarded an allocation of HOME funds to the Petitioner. On November 2, 2004, Florida Housing received a Petition for Variance from Rule 67-48.020(13)(b), Florida Administrative Code (“Petition”) from the Petitioner through its counsel, Susan McDonald, Esq. A copy of the Petition is attached as [Exhibit E](#).

b) Rule 67-48.020(13)(b), Florida Administrative Code, states in pertinent part:

The Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined in paragraph 67-48.020(13)(a), Florida Administrative Code, are met, the original combined loan to value ratio for the superior mortgage and the HOME mortgage is maintained or improved, and a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding HOME loan balance.

c) The Petitioner requests a variance from this Rule that requires Petitioner to reduce the outstanding HOME loan balance when Petitioner refinances the principal amount of its superior mortgage.

d) On November 12, 2004, the Notice of Petition was published in the Florida Administrative Weekly. To date, Florida Housing has received no comments concerning the Petition.

#### 2. Present Situation

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.

#### 3. Recommendation

Staff recommends that the Board grant the Petitioner’s request for a waiver of Rule 67-48.020(13)(b), Florida Administrative Code. Petitioner has demonstrated that it has received a commitment from Great Lakes Financial Group to refinance the HUD insured mortgage. The purpose of the refinancing is to provide Petitioner with funds to make needed repairs to its hydronic system and windows. Petitioner would suffer substantial hardship if it were required to reduce the outstanding HOME loan balance, as there would be insufficient funds to make the repairs. Further, the granting of the waiver will

**LEGAL**

***Consent***

further the purpose of the underlying statute to provide safe and affordable housing to the elderly citizens of Duval County.

# LEGAL

## Consent

### I. In Re: National Development Foundation

<b>Development Name: (“Development”):</b>	<b>Baker Manor</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Barry Haiman (Developer) Borrower: Affordable Housing Solutions for Florida, Inc.</b>
<b>Number of Units: 50</b>	<b>Location: Baker County</b>
<b>Type: Apartments</b>	<b>Set Aside: 20% @ 50%AMI, 60% @ ^0%AMI</b>
<b>Demographics: Family</b>	<b>Allocated Amount: \$1,230,000</b>
<b>MMRB: n/a</b>	<b>Housing Credits: n/a</b>

#### 1. Background

- a) During the 1996-97 SAIL Cycle IX, Florida Housing awarded a \$1,230,000 construction/permanent loan to Affordable Housing Solutions (“Borrower”), for the development of a 50-unit Family Development in MacClenny, Baker County. The SAIL loan closed on December 15, 1997. The Borrower has been delinquent for payment of fees, escrows, replacement reserves and interest as well as delinquent in providing various required financial information since 2000.
- b) On May 19, 2004, National Development Foundation, Inc., a Florida not-for-profit corporation (“Petitioner”) contacted Florida Housing to discuss its plans for the purchase of the Development and assumption of the SAIL loan. On September 8, 2004, the Petitioner submitted a proposal for the workout of past due interest on the SAIL loan. On September 9, 2004, the Petitioner submitted its revised workout proposal.
- c) On September 15, 2004, Florida Housing received a Waiver of Rule 9I-35.006, Florida Administrative Code (“Petition”), from Petitioner. A copy of the Petition is attached as [Exhibit F](#).
- d) Rule 9I-35.006, Florida Administrative Code, states in pertinent part:
  - (4) If the SAIL loan is a First Mortgage, Project Cash Flow shall be applied to pay the following items in order of priority:
    - (a) (c) Any payment of SAIL interest currently due and deferred from previous years;
    - (b) (5)(a) By April 15 of each year of the SAIL loan term, the borrower shall provide the Agency and its servicer with a certification detailing the information needed to determine the annual payment to be made. The certification shall require submission of audited financial statements, the SAIL available Cash Flow Statement and other documents that may be required by the Agency and/or Servicer.

## LEGAL

### *Consent*

- e) Petitioner requests a waiver of the past due reporting requirements and the prioritization of project cash flow.
- f) On September 24, 2004, the Notice of Petition was published in the Florida Administrative Weekly.
- g) To date, Florida Housing has received no comments concerning the Petition.

### 2. Present Situation

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

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

### 3. Recommendation

Staff recommends the Board grant Petitioner's request for a waiver of Rule 9I-35.006(4) and (5)(a), Florida Administrative Code. Petitioner demonstrated that requiring it to spend considerable sums of money to gather, compile and report information for the past years would create a substantial hardship, as its resources are limited, and that waiving past reporting requirements would allow Petitioner to focus those limited resources on completing current reports and bringing the property current on all outstanding arrears. Petitioner contacted Florida Housing only after a purchase agreement with Affordable Housing Solutions had been reached and is seeking approval of a work out plan which will bring current certain interest payments under the original SAIL loan and will set forth a revised prioritization of project cash flow. The grant of the waiver would serve the underlying purpose of the statute as Petitioner will continue to use Baker Manor as an affordable housing property and will increase the Development set-aside to 40% @50% AMI and 60% @60% AMI, subject to a positive credit underwriting report.

## MULTIFAMILY BONDS

### *Consent*

#### V. MULTIFAMILY BONDS

- A. Request approval of the Supplemental Letter to the Final Credit Underwriting Report for the Development in the amount of \$15,500,000 in Tax-Exempt Bonds, consisting of 312 units, located in Orlando, Orange County, Florida

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Mill Creek Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>Prime/Commander Drive, LLC/Whiteco Residential, LLC/White/Peterman RD, LLC/Timothy J. Connelly</b>
<b>NUMBER OF UNITS:</b>	<b>312</b>
<b>LOCATION (County):</b>	<b>Orange</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>85% @ 60% (MMRB) 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$15,500,000 of Tax-Exempt Bonds</b>
<b>ADDITIONAL COMMENTS: Change in Features</b>	

#### 1. Background

- a) At the December 3, 2003, Board Meeting, the Board authorized the adoption of an Acknowledgement Resolution in the amount not to exceed \$19,965,000 in tax-exempt bonds.
- b) At the September 10, 2004 Board Meeting, the Board approved a Final Credit Underwriting Report dated August 27, 2004 which recommended the issuance of \$15,500,000 in tax-exempt bonds for a 33 year term (36 month construction/stabilization period and a 30 year permanent period).

#### 2. Present Situation

- a) Broad and Cassel, counsel for Prime/Commander Drive, LLC, (“Applicant”) in a letter, dated November 11, 2004 ([Exhibit A](#)) requested a substitution of thirty (30) year roofing on all buildings (worth 2 points in the application) for steel exterior entry door frames (worth 1 point in the application).
- b) A Supplemental Letter, dated November 12, 2004, from the Credit Underwriter recommending this substitution is attached as [Exhibit B](#).

#### 3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Supplemental Letter to the Final Credit Underwriting Report dated August 27, 2004 to finance the construction of the Development subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

- B. Request Approval of the November 17, 2004 Credit Underwriting Letter recommending changes to the Final Credit Underwriting Report for the Developments, 1995 Series A and B, in the amount of \$39,285,000 Tax-Exempt Bonds, 338 and 364 Units respectively, located in Orlando, Orange County, Florida**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Grand Reserve at Lee Vista f/k/a Antigua Club and; Grand Reserve at Maitland f/k/a Maitland Club</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>LeCesse Development Corporation Del American Properties, Inc.</b>
<b>NUMBER OF UNITS:</b>	<b>Grand Reserve at Lee Vista 338 Grand Reserve at Maitland 364</b>
<b>LOCATION (“County”):</b>	<b>Orange County</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>20% @ 50% (MMRB) 20% @ 50% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$39,285,000, Tax-Exempt Bonds</b>
<b>ADDITIONAL COMMENTS:</b>	<b>Refunding</b>

**1. Background**

- a) In 1995, Florida Housing financed the construction of the Developments with \$40,355,000 in tax-exempt bonds and \$1,000,000 in taxable bonds designated as 1995 Series A and B.
- b) Florida Housing received a letter from LeCesse Development Corporation dated July 6, 2004, requesting initiation of the process to refund approximately \$39,285,000 of the outstanding bonds. The current, fixed rate bonds are credit enhanced by the Florida Affordable Housing Guaranty Fund (“Guaranty Fund”), however, the proposed new structure is for variable rate demand bonds for a term of 30 years, credit enhanced by the Federal Home Loan Mortgage Corporation (“Freddie Mac”).
- c) At the October 14, 2004 Board Meeting, the Board approved a final Credit Underwriting Report dated October 6, 2004.

**2. Present Situation**

- a) Subsequent to the Boards approval, the financing structure for both developments has been revised to enhance the overall debt service coverages.
- b) The Applicant has requested approval of the following revisions:
  - (1) The total amount of the bonds remains the same but the allocation, through two separate bond issues, shall be \$20,675,000 for Maitland Park and \$18,610,000 for Lee Vista which differs slightly from the original allocations of \$19,575,000 and \$19,710,000, respectively.



## MULTIFAMILY BONDS

### *Consent*

- (2) The structure of the deal has changed from one bond issue, one note and two mortgages to two bond issues with separate notes and mortgages in the amounts as described above. The properties will be cross collateralized at the Freddie Mac credit enhancement level. This allows Freddie Mac to remove the cross-collateralization of the Developments without Florida Housing's consent.
  - (3) The amount of mezzanine financing has increased from \$1,466,000 to \$1,600,000.
  - (4) Replacement Reserve requirements have been adjusted to reflect the recommendations of the final Physical Needs Assessment.
- c) A Credit Underwriting Letter, dated November 17, 2004, recommending changes to the Final Credit Underwriting Report is attached as [Exhibit C](#).

### **3. Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Credit Underwriting Letter dated November 17, 2004 subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

## MULTIFAMILY BONDS

### *Consent*

- C. **Request Approval to amend the Multifamily Mortgage Revenue Bond and SAIL Programs Land Use Restriction Agreements (“LURAs”) for the Development, 1996 Series N in the amount of \$10,690,000 Tax-Exempt Bonds, \$3,157,000 SAIL funds, consisting of 304 units, located in Jacksonville, Duval County, Florida**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Leigh Meadows</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>VCP-SB Associates, Ltd. / Vestcor</b>
<b>NUMBER OF UNITS:</b>	<b>304</b>
<b>LOCATION (County):</b>	<b>Duval</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>40% @ 60% (MMRB &amp; SAIL) 100% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$10,690,000 of Tax-Exempt Bonds \$3,157,000 of SAIL funds</b>
<b>ADDITIONAL COMMENTS: LURA Amendment</b>	

1. **Background**

- a) In 1996, Florida Housing financed the construction of the Development with \$10,690,000 in Tax-Exempt Bonds, designated as 1996 Series N and SAIL funds in the amount of \$3,157,000.
- b) At the time of credit underwriting, the Developer included in its plans and specs a reference to “carpeting throughout” the units. In the 1996 application no points were awarded for flooring of any type.

2. **Present Situation**

- a) The Developer submitted a request, dated October 22, 2004 ([Exhibit D](#)) requesting the LURAs be amended to allow for the substitution of ceramic tile for carpeting.
- b) The Credit Underwriter has reviewed the request and by letter dated Nov. 12, 2004 ([Exhibit E](#)) recommends that Florida Housing allow the substitution of amenities.
- c) Staff further recommends that any reference to a particular floor covering be removed from the LURAs in order to make them consistent with the Application.

3. **Recommendation**

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

## MULTIFAMILY BONDS

### *Consent*

- D. **Request approval of the Transfer of Ownership of the Development; 1998 Series L in the amount of \$12,720,000 in Tax-Exempt Refunding Bonds, consisting of 202 units, located in West Palm Beach, Palm Beach County, Florida**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Village Place Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Teachers’ Retirement System of the State of Illinois/Capri Capital Advisors, LLC/Scott Kupferberg</b>
<b>NUMBER OF UNITS:</b>	<b>202</b>
<b>LOCATION (“County”):</b>	<b>Palm Beach</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>20% @ 65%</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$12,720,000 Tax-Exempt Refunding Bonds</b>
<b>ADDITIONAL COMMENTS: Transfer of Ownership</b>	

1. **Background**

In 1998, Florida Housing re-financed the Development with \$12,720,000 in tax-exempt refunding bonds designated as 1998 Series L.

2. **Present Situation**

- a) B/K Funds GP, LLP, (“Owner”) in a letter dated October 14, 2004 ([Exhibit F](#)), requested approval of a transfer of ownership of the Development to the Purchaser, Capri Capital Advisors, LLC on behalf of the Teachers’ Retirement System of the State of Illinois (TRS). TRS will assign the properties to a new, single-purpose entity. The Bonds are wholly owned by Merrill Lynch and the proposed transfer will not result in any changes to the terms of the Bonds or the related documents. Merrill Lynch will consent to the transfer and remain owner of the Bonds.
- b) A Final Credit Underwriting Report dated November 19, 2004 ([Exhibit G](#)) recommends that Florida Housing allow the transfer.

3. **Recommendation**

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

## MULTIFAMILY BONDS

### *Consent*

- E. **Request approval of the Transfer of Ownership of the Development; 1998 Series K in the amount of \$17,290,000 in Tax-Exempt Refunding Bonds, consisting of 360 units, located in Jacksonville, Duval County, Florida**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Oaks at Mill Creek Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Teachers’ Retirement System of the State of Illinois/Capri Capital Advisors, LLC/Scott Kupferberg</b>
<b>NUMBER OF UNITS:</b>	<b>360</b>
<b>LOCATION (“County”):</b>	<b>Duval</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>20% @ 65%</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$17,290,000 Tax-Exempt Refunding Bonds</b>
<b>ADDITIONAL COMMENTS: Transfer of Ownership</b>	

1. **Background**

In 1998, Florida Housing re-financed the Development with \$17,290,000 in tax-exempt refunding bonds designated as 1998 Series K.

2. **Present Situation**

- a) B/K Funds GP, LLP, (“Owner”) in a letter dated October 14, 2004 ([Exhibit H](#)), requested approval of a transfer of ownership of the Development to the Purchaser, Capri Capital Advisors, LLC on behalf of the Teachers’ Retirement System of the State of Illinois (TRS). TRS will assign the properties to a new, single-purpose entity. The Bonds are wholly owned by Merrill Lynch and the proposed transfer will not result in any changes to the terms of the Bonds or the related documents. Merrill Lynch will consent to the transfer and remain owner of the Bonds.
- b) A Final Credit Underwriting Report dated November 19, 2004 ([Exhibit I](#)) recommends that Florida Housing allow the transfer.

3. **Recommendation**

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

## MULTIFAMILY BONDS

### *Consent*

- F. **Request approval of the Transfer of Ownership of the Development; 1998 Series M in the amount of \$18,000,000 in Tax-Exempt Refunding Bonds, consisting of 300 units, located in Boynton Beach, Palm Beach County, Florida**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Ashley Lake Park Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Teachers’ Retirement System of the State of Illinois/Capri Capital Advisors, LLC/Scott Kupferberg</b>
<b>NUMBER OF UNITS:</b>	<b>300</b>
<b>LOCATION (“County”):</b>	<b>Palm Beach</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>20% @ 65%</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$18,000,000 Tax-Exempt Refunding Bonds</b>
<b>ADDITIONAL COMMENTS: Transfer of Ownership</b>	

1. **Background**

In 1998, Florida Housing re-financed the Development with \$18,000,000 in tax-exempt refunding bonds designated as 1998 Series M.

2. **Present Situation**

- a) B/K Funds GP, LLP, (“Owner”) in a letter dated October 14, 2004 ([Exhibit J](#)), requested approval of a transfer of ownership of the Development to the Purchaser, Capri Capital Advisors, LLC on behalf of the Teachers’ Retirement System of the State of Illinois (TRS). TRS will assign the properties to a new, single-purpose entity. The Bonds are wholly owned by Merrill Lynch and the proposed transfer will not result in any changes to the terms of the Bonds or the related documents. Merrill Lynch will consent to the transfer and remain owner of the Bonds.
- b) A Final Credit Underwriting Report dated November 19, 2004 ([Exhibit K](#)) recommends that Florida Housing allow the transfer.

3. **Recommendation**

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

# MULTIFAMILY BONDS

## *Consent*

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

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

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

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>
<b>Clarcona Groves</b>	<b>Orange</b>	<b>264</b>	<b>Negotiated</b>
<b>Lynn Lake</b>	<b>Pinellas</b>	<b>807</b>	<b>Negotiated</b>

#### **2. Recommendation**

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

# MULTIFAMILY BONDS

## *Consent*

### H. Assignment of Bond Underwriters and Structuring Agents

#### 1. Background

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

#### 2. Present Situation

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

#### 3. Recommendation

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

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>
<b>Clarcona Groves</b>	<b>Orange</b>	<b>264</b>	<b>Negotiated</b>	<b>Citigroup Global Markets, Inc.</b>
<b>Lynn Lake</b>	<b>Pinellas</b>	<b>807</b>	<b>Negotiated</b>	<b>Newman and Associates, Inc.</b>

## MULTIFAMILY BONDS

### Consent

- I. **Request Approval of the Final Credit Underwriting Report for the Development in the amount of \$12,590,000 of tax-exempt bonds, consisting of 264 Units, located in Orlando, Orange County, Florida**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Clarcona Groves Apartments</b>
<b>DEVELOPER/PRINCIPAL (“Applicant”):</b>	<b>Mango Grove, LLC/TRG GP, LLC/Richard P. Richman/The Richman Group of Florida, Inc.</b>
<b>NUMBER OF UNITS:</b>	<b>264</b>
<b>LOCATION (“County”):</b>	<b>Orange County</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>85% @ 60% (MMRB) 60% @ 50% (SAIL) 40% @ 60% (SAIL) 50% @ 50% (HC) 50% @ 60% (HC)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$12,590,000 of Tax-Exempt Bonds</b>
<b>ADDITIONAL COMMENTS:</b>	

1. **Background**

- a) Mango Grove, LLC (“Applicant”) submitted an application (“Application”) on behalf of the proposed Development during the 2004 Universal Application Cycle. Applicant applied for tax-exempt bonds in the amount of \$13,700,000 in order to construct the Development.
- b) At the October 14, 2004 Board meeting, the Board approved an Acknowledgement Resolution for the issuance of tax-exempt bonds in an amount not to exceed \$13,700,000 for construction of the Development.

2. **Present Situation**

- a) While the current Program Rule does not prohibit changes or modifications of the proposed Development during credit underwriting, the Board has directed staff to advise it of any such changes.
- b) The Application indicated \$13,700,000 in tax-exempt bonds however the Applicant has revised its request to \$12,590,000 in tax-exempt bonds to allow for less total debt service.
- c) Total development costs have increased by \$2,246,572 from the time of Application due to increased construction costs and related general development and Applicant’s developer fees. The Applicant will defer additional developer fee to fund the increase.
- d) The ownership structure of TRG GP, LLC, the General Partner (“GP”) and Managing Member of the Applicant has changed. Kristin M. Miller and Todd Fabbri have been removed as members of TRG GP, LLC. The remaining ownership structure is as follows: Richard P. Richman with 62.3% ownership, David A. Salzman with 5.0% ownership, The Richman Family Irrevocable Grantor Trust I with 17.8 % ownership and The Richman Family Irrevocable Grantor Trust II with 14.9% ownership. The percentage change of the GP ownership was less than 33.33%, which complies with MMRB program rule.



## MULTIFAMILY BONDS

### *Consent*

- e) A Final Credit Underwriting Report dated November 19, 2004, is attached as [Exhibit M](#).

### **3. Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated November 19, 2004 recommending that \$12,590,000 in bonds be issued for the purpose of constructing the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

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

**A. Request reduction in number of PLP-funded units and reduced loan amount for Northpoint at Ironwood (PLP 00-042)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Northpoint at Ironwood</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Neighborhood Development Corporation, a non-profit</b>
<b>NUMBER OF UNITS:</b>	<b>31</b>
<b>LOCATION (County):</b>	<b>Alachua</b>
<b>TYPE:</b>	<b>Homeownership</b>
<b>SET ASIDE:</b>	<b>100% @80% AMI</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$103,195</b>
<b>ADDITIONAL COMMENTS: Reduction in number of units and loan amount</b>	

**1. Background**

- a) At the December 12, 2003 Board Meeting, a PLP loan was approved for Neighborhood Development Corporation, a non-profit, for the Development, a 78 unit development in Alachua County in the amount of \$213,049.
- b) In conducting market research for the development, the developer determined that it was more feasible to develop 64 units in a mixed income development.
- c) The Developer requested that the PLP loan be reduced to cover 48 units. In accordance with the reduction in units, they requested a reduction of the loan amount to \$159,786. This request was approved by the Board on January 23, 2004.

**2. Present Situation**

- a) The Development has experienced recent difficulties as it relates to obtaining local government approvals. The Developer believes that he can effectively address the city’s concerns by reducing the number of PLP-funded units from 48 to 31, thus reducing the loan amount from \$159,786 to \$103,195.
- b) The TAP has sent a letter recommending that Florida Housing approve the reduction in the number of units to 31 and the subsequent reduction of the PLP loan to \$103,195 ([Exhibit A](#)).

**3. Recommendation**

Approve the reduction in the number of units from 48 to 31 and the loan amount from \$159,786 to \$103,195.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**B. Request approval of PLP Loan to DeLand Housing Authority for DeLand Gardens (PLP 03-049)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>DeLand Gardens</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>DeLand Housing Authority</b>
<b>CO-DEVELOPER:</b>	<b>The Carlisle Group</b>
<b>NUMBER OF UNITS:</b>	<b>250</b>
<b>LOCATION (County):</b>	<b>Volusia</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>60% @ 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 500,000</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval</b>	

**1. Background/Present Situation**

- a) On June 1, 2004, Florida Housing issued an Invitation to Participate in the PLP program to the Developer. The development will be located in Volusia County.
- b) The TAP assisted the Developer in preparing a development plan and budget ([Exhibit B](#)). Staff has reviewed the development plan and budget and has determined that all budget items are PLP eligible. The TAP has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit C](#)).

**2. Recommendation**

Approve a PLP Loan in the amount of \$500,000 to DeLand Housing Authority for predevelopment expenses as recommended by the TAP.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**C. Request Approval of PLP Loan to West Palm Beach Housing Authority for Merry Place (Rental Units) (PLP 03-050)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Merry Place (Rental Units)</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>West Palm Beach Housing Authority</b>
<b>NUMBER OF UNITS:</b>	<b>128</b>
<b>LOCATION (County):</b>	<b>Palm Beach</b>
<b>TYPE:</b>	<b>Rental</b>
<b>SET ASIDE:</b>	<b>60% @ 60% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 500,000</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval</b>	

**1. Background/Present Situation**

- a) On August 20, 2004, Florida Housing issued an Invitation to Participate in the PLP program to the Developer. The Development will be located in Palm Beach County.
  
- b) The TAP assisted the Developer in preparing a development plan and budget ([Exhibit D](#)). Staff has reviewed the development plan and budget and has determined that all budget items are PLP eligible. The TAP has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit E](#)).

**2. Recommendation**

Approve a PLP Loan in the amount of \$500,000 to West Palm Beach Housing Authority for predevelopment expenses as recommended by the TAP.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**D. Request approval of PLP Loan to West Palm Beach Housing Authority for Merry Place (Homeownership Units) (PLP 03-051)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Merry Place (Homeownership Units)</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>West Palm Beach Housing Authority</b>
<b>NUMBER OF UNITS:</b>	<b>103</b>
<b>LOCATION (County):</b>	<b>Palm Beach</b>
<b>TYPE:</b>	<b>Homeownership</b>
<b>SET ASIDE:</b>	<b>100% @ 80% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 500,000</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval</b>	

**1. Background/Present Situation**

- a) On August 20, 2004, Florida Housing issued an Invitation to Participate in the PLP program to the Developer. The Development will be located in Palm Beach County.
  
- b) The TAP assisted the Developer in preparing a development plan and budget ([Exhibit F](#)). Staff has reviewed the development plan and budget and has determined that all budget items are PLP eligible. The TAP has approved the development plan and has recommended a loan amount of \$500,000 for PLP eligible activities ([Exhibit G](#)).

**2. Recommendation**

Approve a PLP Loan in the amount of \$500,000 to West Palm Beach Housing Authority for predevelopment expenses as recommended by the TAP.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

- E. **Request approval of PLP Loan to Bonita Springs Area Housing Development Corporation, a non-profit, for Red Hibiscus Lane (PLP 03-052)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Red Hibiscus Lane</b>
<b>DEVELOPER/PRINCIPAL (“Developer”):</b>	<b>Bonita Springs Area Housing Development Corporation</b>
<b>NUMBER OF UNITS:</b>	<b>18</b>
<b>LOCATION (County):</b>	<b>Lee</b>
<b>TYPE:</b>	<b>Homeownership</b>
<b>SET ASIDE:</b>	<b>100% @ 80% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$ 317,420</b>
<b>ADDITIONAL COMMENTS: The Technical Assistance Provider (TAP) has recommended approval</b>	

**1. Background/Present Situation**

- a) On January 26, 2004, Florida Housing issued an Invitation to Participate in the PLP program to the Developer. The Development will be located in Lee County.
- b) The TAP assisted the Developer in preparing a development plan and budget ([Exhibit H](#)). Staff has reviewed the development plan and budget and has determined that all budget items are PLP eligible. The TAP has approved the development plan and has recommended a loan amount of \$317,420 for PLP eligible activities ([Exhibit I](#)).

**2. Recommendation**

Approve a PLP Loan in the amount of \$317,420 to Bonita Springs Area Housing Development Corporation for predevelopment expenses as recommended by the TAP.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of New Permanent First Mortgage Lender for Tall Pines Subdivision Apartments, Cycle XII, (200-079S)

<b>Development Name: Tall Pines Subdivision Apartments (“Development”)</b>	<b>Location: Hendry County</b>
<b>Developer/Principal: National Development Foundation, Inc. (“Developer”)</b>	<b>Set-Aside: 15.4% @ 45% AMI, 5.1% @ 50% and 79.5% @ 60% AMI</b>
<b>Number of Units: 39</b>	<b>Allocated Amount: \$2,535,000</b>
<b>Type: Duplex Style Buildings</b>	<b>Total Housing Credit Equity: N/A</b>
<b>Demographics: Farmworker (40% minimum) Disabled (1% minimum)</b>	<b>MMRB: N/A</b>

1. **Background/Present Situation**

- a) A SAIL second mortgage loan in the amount of \$2,353,000 for the construction of 39–unit farmworker/disabled development in Hendry County closed on April 8, 2002.
- b) On October 27, 2004, the Borrower requested approval for a new permanent first mortgage lender ([Exhibit A](#)).
- c) On November 2, 2004, staff received a credit underwriting review with a positive recommendation for the new permanent first mortgage lender ([Exhibit B](#)).
- d) Staff has reviewed this report and finds that the Development meets all of the conditions of SAIL Rule 67-48.

2. **Recommendation**

Approve the request for the new permanent first mortgage lender.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

#### **B. Request Approval of Change of Tenant Programs for Aswan Village Apartments, Cycle XV, (2003-026S)**

<b>Development Name: Aswan Village Apartments (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Banc of America Community Development Corporation (“Developer”)</b>	<b>Set-Aside: 5% @ 30% AMI and 95% @ 60% AMI</b>
<b>Number of Units: 216</b>	<b>Allocated Amount: \$2,000,000</b>
<b>Type: Garden Style Buildings</b>	<b>Total Housing Credit Equity: \$5,563,642</b>
<b>Demographics: Family</b>	<b>MMRB: \$9,900,000 Local</b>

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

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL second mortgage loan in an amount up to \$2,000,000 for this 216-unit family Development in Miami-Dade County.
- c) On May 21, 2004, Board approved the final credit underwriting report and a closing deadline was set for August 6, 2004.
- d) On July 30, 2004, Board approved a (60) day extension for the SAIL loan closing deadline (November 5, 2004).
- e) On September 23, 2004, Board approved a sixty (60) day extension for the SAIL loan closing (December 6, 2004).
- f) On November 5, 2004 staff received a request from the borrower to change tenant programs. It requests that the “After School Program for Children” worth (3) points be replaced with “Welfare to Work or Self Sufficiency Program” worth (1) point and “Job Training” worth (2) points ([Exhibit C](#)).

#### **2. Recommendation**

Approve the request to change tenant programs.



STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of a Request to Increase the Amount of the First Mortgage and the Bridge Loan for Mariner’s Landing, Cycle XV, (2003-023CS)

Development Name: Mariner’s Landing (“Development”)	Location: Lee County
Developer/Principal: Creative Choice Homes, Inc. (“Developer”)	Set-Aside: 60% @ 50% AMI and 40% @ 60% AMI
Number of Units: 112	Allocated Amount: \$860,000
Type: Garden Style Buildings	Total Housing Credit Equity: \$6,846,815
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 14, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$860,000 for this 112-unit elderly development in Lee County.
- c) On September 10, 2003, Board approved the credit underwriting report and a firm commitment letter was issued on September 15, 2004 with a closing deadline of November 15, 2004.
- d) On November 12, 2004 staff received a letter from the Borrower requesting approval for an increase of \$90,000 in the first mortgage loan and an increase of \$44,415 in the bridge loan ([Exhibit D](#)).
- e) On September 15, 2004, staff received an update to the a credit underwriting report with a positive recommendation for an increase in the first mortgage loan and an increase in the bridge loan ([Exhibit E](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

Approve the final credit underwriting update increasing the first mortgage loan and the bridge loan.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Credit Underwriting Report for Clarcona Groves Apartments, Cycle XVI, (2004-017BS)

Development Name: Clarcona Groves Apartments (“Development”)	Location: Orange County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 40% @ 60% AMI and 60% @ 50% AMI
Number of Units: 264	Allocated Amount: \$2,000,000
Type: Garden Style	Total Housing Credit Equity: \$8,571,589
Demographics: Family	MMRB: \$12,590,000 (Florida Housing)

1. Background/Present Situation

- a) On October 14, 2004, the Board approved the final scores and ranking for the 2004 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 28, 2004, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL loan in an amount up to \$2,000,000 for this 264-unit family development in Orange County. This Development was also awarded a MMRB allocation. The credit underwriting report is addressed in the MMRB section of this Board package. Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule 67-48, F.A.C.

2. Recommendation

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

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

**E. Request Approval of SAIL Loan Closing Extension for Harbour Cove Apartments, Cycle XV, (2003-040S)**

<b>Development Name: Harbour Cove Apartments (“Development”)</b>	<b>Location: Broward County</b>
<b>Developer/Principal: Cornerstone Group Development L.L.C. (“Developer”)</b>	<b>Set-Aside: 25% @ 50% AMI and 75% @ 60% AMI</b>
<b>Number of Units: 212</b>	<b>Allocated Amount: \$2,000,000</b>
<b>Type: Mid-Rise with Elevator</b>	<b>Total Housing Credit Equity: \$7,578,000</b>
<b>Demographics: Family</b>	<b>MMRB: \$13,150,000 Local</b>

**1. Background/Present Situation**

- a) On October 9, 2003, the Board approved the final scores and ranking for the 2003 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 16, 2003, staff issued a preliminary commitment letter and an invitation to credit underwriting for a SAIL second mortgage loan in an amount up to \$2,000,000 for this 212-unit family development in Broward County.
- c) On February 27, 2004, The Board approved the final credit underwriting report for this Development for a SAIL loan in the amount of \$2,000,000. On March 1, 2004 a firm commitment letter was issued in the amount of \$2,000,000 for the Development.
- d) On May 21, 2004, the Board approved a SAIL loan closing extension of three months for this Development due to environmental issues.
- e) On July 30, 2004, the Board approved a four month extension resulting in a closing deadline of November 30, 2004.
- f) On October 29, 2004, staff received a request ([Exhibit F](#)) from Developer for a four month loan closing extension for the SAIL loan due to delays with the environmental issue that created the original loan closing extension.

**2. Recommendation**

Approve a loan closing extension until March 28, 2005 for the Development based on information provided by the Developer.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

**F. Request Approval of the Update to the Credit Underwriting Report for Stock Island Apartments, Cycle XV, (2003-025CS)**

<b>Development Name: Stock Island Apartments (“Development”)</b>	<b>Location: Monroe County</b>
<b>Developer/Principal: Creative Choice Homes, Inc. (“Developer”)</b>	<b>Set-Aside: 14% @ 30% AMI and 86% @ 60% AMI</b>
<b>Number of Units: 130</b>	<b>Allocated Amount: \$2,000,000</b>
<b>Type: Garden Style Buildings</b>	<b>Total Housing Credit Equity: \$10,682,571</b>
<b>Demographics: Family</b>	<b>MMRB: N/A</b>

**1. Background/Present Situation**

- a) On July 30, 2004, the Board approved the credit underwriting report for the SAIL loan in the amount of \$2,000,000 for the Development.
- b) On October 14, 2004, the Board approved an update to the credit underwriting report correcting an error in the report concerning the SAIL loan term.
- c) On October 22, 2004, the credit underwriter received a letter ([Exhibit G](#)) from the Developer requesting substitutions in the construction features and amenities for the Development.
- d) On, November 12, 2004, the credit underwriter received a letter ([Exhibit H](#)) requesting a restructuring of the first mortgage and additional bridge loan funds for this Development.
- e) On November 16, 2004, staff received an update to the credit underwriting report ([Exhibit I](#)) in which the credit underwriter recommends approval of the restructuring, additional bridge loan, and the new features and amenities as these items will not adversely affect the Development or Florida Housing’s interests.

**2. Recommendation**

Approve the update to the credit underwriting report for Stock Island Apartments.

## SINGLE FAMILY BONDS

### *Consent*

#### VIII. SINGLE FAMILY BONDS

##### A. Approval of Amended Rule Chapter 67-45, F.A.C.

###### 1. Background

- a) On September 10, 2004, the Board approved Staff's request to proceed with the rule amendment process Rule Chapter 67-45, F.A.C., which governs the Homeownership Assistance Down payment Loan Program (HAP D/P).
- b) On September 24, 2004, a Notice was published in the *Florida Administrative Weekly* announcing the Rule Development Workshop to be held on October 1, 2004. Notices were sent to all interested parties. The Corporation did not receive any response for attendance to the Workshop.
- c) On October 15, 2004 the Notice of Proposed Rule Amendments and the strikethrough version of the rule in the *Florida Administrative Weekly*. The Rule Hearing took place on November 8, 2004.

###### 2. Present Situation

Staff has submitted the strikethrough version of Rule Chapter 67-45 to the Joint Administrative Procedures Committee (JAPC) for review and comment.

###### 3. Recommendation

Approve the Rule Chapter 67-45 ([Exhibit C](#)) subject to approval of JAPC and Notice of Change in the event that substantive comments need to be incorporated.

## SINGLE FAMILY BONDS

### *Consent*

#### **B. Approval of Amended Rule Chapter 67-25, F.A.C.**

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

- a) On September 10, 2004, the Board approved Staff's request to proceed with the rule amendment process Rule Chapter 67-25, F.A.C., which governs the Single Family Mortgage Revenue Bond Program.
- b) On September 24, 2004, a Notice was published in the *Florida Administrative Weekly* announcing the Rule Development Workshop to be held on October 1, 2004. Notices were sent to all interested parties. The Corporation did not receive any response for attendance to the Workshop.
- c) On October 15, 2004 the Notice of Proposed Rule Amendments and the strikethrough version of the rule in the *Florida Administrative Weekly*. The Rule Hearing took place on November 8, 2008.

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

Staff has submitted the strikethrough version of Rule Chapter 67-25 to the Joint Administrative Procedures Committee (JAPC) for review and comment.

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

Approve the Rule Chapter 67-25 ([Exhibit B](#)) subject to approval of JAPC and Notice of Change in the event that substantive comments need to be incorporated.

## SINGLE FAMILY BONDS

### *Consent*

#### C. Approval of New Rule Chapter 67-51, F.A.C

##### 1. Background

- a) On September 10, 2004, the Board approved Staff's request to proceed with the rule development process Rule Chapter 67-51, F.A.C, which is proposed to govern the Homeownership Assistance for Moderate Income Loan Program.
- b) On September 24, 2004, a Notice was published in the *Florida Administrative Weekly* announcing the Rule Development Workshop to be held on October 01, 2004. Notices were sent to all interested parties. The Corporation did not receive any response for attendance to the Workshop.
- c) On October 15, 2004 the Notice of Proposed Rule Development and the strikethrough version of the rule in the *Florida Administrative Weekly*. The Rule took place on November 8, 2004.

##### 2. Present Situation

Staff has submitted the strikethrough version of Rule Chapter 67-51 to the Joint Administrative Procedures Committee (JAPC) for review and comment.

##### 3. Recommendation

Approve the Rule Chapter 67-51 ([Exhibit A](#)) subject to approval of JAPC and Notice of Change in the event that substantive comments need to be incorporated.

## SPECIAL ASSETS

### *Consent*

#### IX. SPECIAL ASSETS

A. Request Approval of Credit Underwriting Report on Liberty Center, Ltd., a Florida not-for-profit corporation for Liberty Center I (89S-046)

<b>Development Name: Magnolia Walk Apartments II (“Development”)</b>	<b>Location: Marion County</b>
<b>Developer/Principal: Ocala Leased housing Corp. (“Developer”)</b>	<b>Set-Aside: 15% @ 30% AMI and 85% @ 60% AMI</b>
<b>Number of Units: 144</b>	<b>Allocated Amount: \$1,000,000</b>
<b>Type: Midrise</b>	<b>Housing Credits: \$906,360</b>
<b>Demographics: Elderly</b>	

1. **Background/Present Situation**

- a) During the 1988-89 SAIL Cycle I, Florida Housing awarded a \$719,899 construction/permanent loan to Liberty Center, Ltd., a Florida not-for-profit corporation (“Borrower”), for the development of a 109-unit Single Room Occupancy (“SRO”) Development for the homeless in Jacksonville, Duval County. The SAIL loan closed on March 23, 1989 and matured on April 1, 2004. The Development also received a 1988 allocation of low-income housing tax credits. The Development had a 10 year SRO HUD Grant which expired and is now allocated on a yearly basis. This Developer is also the general partner for a \$1,429,329 SAIL loan and an allocation of \$269,428 in Housing Credits for Liberty Center II, a 134-unit SRO development for the Homeless; \$1,800,000 SAIL loan for Liberty Center III, a 100-unit SRO development for Homeless; and an award of \$2,000,000 in SAIL funds and a Housing Credit allocation of \$401,534.00 for Liberty Center IV, a 100-unit SRO development for the Homeless also in Jacksonville.
- b) In its original application, the Borrower committed to extend the low income set-aside for the Development to 50 years. Pursuant to Fla. Admin. Code R. 9I-28.006(7) (1988), \$486,286.84 of the total deferred interest of \$866,525.01, is eligible for forgiveness. During the life of the loan, the Borrower paid \$106,048.67 in SAIL interest, an effective rate of 0.98%.
- c) On June 18, 2004, Florida Housing’s Board approved the Borrower’s petition for rule waiver to forgive all deferred SAIL interest on the maturing loan, and a workout proposal to renew the principal at 1% interest for fifteen years, with monthly amortization of principal and interest beginning on November 1, 2004 subject to a positive credit underwriting report and payment of the annual interest payment due, if any, based upon an analysis of the 2003 annual cash flows. An analysis of the 2003 annual cash flow provided that no further interest was due.
- d) On November 1, 2004, staff received a credit underwriting report with a positive recommendation to renew and restructure the SAIL loan with principal at 1% interest for fifteen years, and monthly amortization of principal and interest beginning in November, 2004 with a loan maturity date of March 31, 2019 ([Exhibit A](#)).

2.



## **SPECIAL ASSETS**

### *Consent*

#### **Recommendation**

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