

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

August 8, 2008

Consent Items



COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

Consent

I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

A. Request for Approval for the Extension of the Credit Underwriting Period for Eight 2006 CWHIP Projects

Project: Boulevard of the Arts Residences / CWHIP 06-10 (See Exhibit A)	Location: Sarasota County, Florida
Applicant Name (“Applicant”): Community Housing Trust of Sarasota County, Inc.	Developer/Principal (“Developer”): Brian Meurs
Number of Units: 28 Homeownership	Allocated Amount: \$2,560,000

Project: Hatton Street Houses / CWHIP 06-11 (See Exhibit A)	Location: Sarasota County, Florida
Applicant Name (“Applicant”): Community Housing Trust of Sarasota County, Inc.	Developer/Principal (“Developer”): Brian Meurs
Number of Units: 40 Homeownership	Allocated Amount: \$2,440,000

Project: Ridgeview Subdivision / CWHIP 06-17 (See Exhibit B)	Location: Highlands County, Florida
Applicant Name (“Applicant”): Highlands County Florida and Partners	Developer/Principal (“Developer”): Joe Polatty
Number of Units: 50 Homeownership	Allocated Amount: \$2,500,000

Project: Homes of West Augustine / CWHIP 06-18 (See Exhibit C)	Location: St. Johns County, Florida
Applicant Name (“Applicant”): Housing Finance Authority of St. Johns County	Developer/Principal (“Developer”): Thomas Crawford
Number of Units: 111 Homeownership	Allocated Amount: \$5,000,000

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

Consent

Project: Midtown Delray / CWHIP 06-23 (See Exhibit D)	Location: Palm Beach County, Florida
Applicant Name (“Applicant”): Midtown Delray Partnership	Developer/Principal (“Developer”): Garrett M. Bender
Number of Units: 32 Homeownership	Allocated Amount: \$5,000,000

Project: The Preserve / CWHIP 06-28 (See Exhibit E)	Location: Osceola County, Florida
Applicant Name (“Applicant”): The Foundation for Osceola Education, Inc	Developer/Principal (“Developer”): Jonathan L. Wolf
Number of Units: 120 Multifamily	Allocated Amount: \$5,000,000

Project: Village of Quillen / CWHIP 06-30 (See Exhibit F)	Location: Martin County, Florida
Applicant Name (“Applicant”): Village of Quillen Partnership	Garrett M. Bender
Number of Units: 50 Homeownership	Allocated Amount: \$5,000,000

Project: Wolf Creek Village / CWHIP 06-31 (See Exhibit G)	Location: Walton County, Florida
Applicant Name (“Applicant”): Walton County Workforce Housing Corporation	Developer/Principal (“Developer”): F. Lloyd Blue, Jr.
Number of Units: 242 Homeownership	Allocated Amount: \$4,000,000

1. Background

The Applicants submitted Responses to RFP 2006-05, which scored within the funding range and were invited into credit underwriting on April 30, 2007

2. Present Situation

- a) Due to various delays, including zoning issues, local government approvals, and current market conditions, the Applicants are requesting an extension of the credit underwriting period, as well as a waiver of the 1 percent extension fee. The letters are provided as [Exhibit A](#), [Exhibit B](#), [Exhibit C](#), [Exhibit D](#), [Exhibit E](#), [Exhibit F](#), and [Exhibit G](#), respectively.

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

Consent

- b) Pursuant to rule chapter 67-58.020(6), FAC: “The applicant has 14 months from the date of the acceptance of the letter of invitation to complete credit underwriting and receive Board approval unless an extension of up to 10 months is approved by the Board. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and detail the timeframe to close the loan. The written request will then be submitted to the Corporation’s Board for consideration. The Corporation shall charge an extension fee of 1 percent of the CWHIP loan amount if the Board approves the extension request.”
- c) The 2008 Florida Legislature authorized Florida Housing to negotiate any necessary changes to project criteria with any of the housing projects awarded funding under section 420.5095, F.S. that will improve project viability and expedite project completion, pursuant to the proviso language contained in the General Appropriations Act.
- d) Working with the Applicants and credit underwriters, Staff believes that due to the complexities of the CWHIP Program and the learning curve associated with a pilot program, additional time is necessary in order to improve project viability, and therefore, the extension fees should be waived and the credit underwriting period extended.

3. **Recommendation**

Staff recommends that the Board grant an extension of the credit underwriting period until May 8, 2009, and waiver of the 1 percent extension fee for the above-referenced Projects.

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT PROGRAM (CWHIP)

Consent

B. Request for Approval of the Credit Underwriting Report for Westshore Landings One / CWHIP06-33

Applicant Name (“Applicant”):	Westshore Community Development Corporation / Hillsborough County Board of County Commissioners
Development Name (“Development”):	Westshore Landings One
Developer/Principal (“Developer”):	Ron Rotella
Number of Units: 57	Location: Hillsborough County, Florida
Type: CWHIP Loan	Allocated Amount: \$4,000,000

1. Background

- a) On April 27, 2007, the Board approved the final rankings for the 2006 Community Workforce Housing Innovation Pilot (CWHIP) Program / RFP2006-05. Florida Housing issued an invitation to the Developer to enter into credit underwriting on April 30, 2007.

2. Present Situation

- a) The Credit Underwriter has provided staff with a Credit Underwriting Report (CUR), dated July 25, 2008, outlining the parameters of the proposal, which is attached as [Exhibit H](#).
- b) Staff has reviewed the CUR and concurs with the Credit Underwriter’s recommendation to award \$4,000,000 for a CWHIP Loan to assist with the development of 57 homes, subject to the conditions contained in the CUR.

3. Recommendation

Staff recommends that the Board approve the CUR and authorize staff to issue a loan commitment letter in the amount of \$4,000,000 to the Developer for a CWHIP Loan, subject to further approvals by the credit underwriter, counsel, and the appropriate corporation staff.

HOMEOWNERSHIP LOAN PROGRAM

Consent

II. HOMEOWNERSHIP LOAN PROGRAM

A. Request for Approval to Extend the Construction Period for Miami-Dade Infill Housing / HAP03-315

Applicant Name (“Applicant”):	The Housing League (Non-Profit)
Development Name (“Development”):	Miami-Dade Infill Housing
Developer/Principal (“Developer”):	Jerry Flick
Number of Units: 23	Location: Miami-Dade, Florida
Type: HAP Purchase Assistance Loan	Allocated Amount: \$672,750

1. Background

- a) The Applicant submitted an application during the 2003 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on September 15, 2003.
- b) The final credit underwriting report, dated June 1, 2004, was approved at the June 18, 2004 Board Meeting. On June 29, 2004, a loan commitment was issued to the Developer with the construction period scheduled to end June 29, 2007.
- c) On June 22, 2007, the Board granted an extension until June 29, 2008.

2. Present Situation

- a) On July 2, 2008, the Developer requested an additional one-year extension of his loan commitment, citing the difficulties homebuyers are having in obtaining first mortgage financing. The letter is attached as [Exhibit A](#).
- b) To date, the Developer has closed on 8 homes, utilizing \$273,450 out of the original \$672,750 that was awarded.
- c) However, due to the age of this Development and the fact that a previous one-year extension had already been granted by the Board, staff contacted the Developer to discuss his progress in more detail, as it is necessary to conclude the Homeownership Loan Program, whose last application cycle was held in 2003. The Developer provided documentation which included 7 purchase contracts with building permits that would potentially utilize the remaining HAP funds.

3. Recommendation

Staff recommends that the Board grant an extension of the construction period in order for the Developer to complete the closings on the contracts for the 7 pending borrowers, but in no event shall the extension be for a period longer than one year, and to de-obligate any remaining HAP funds.

HOMEOWNERSHIP LOAN PROGRAM

Consent

B. Request for Approval to Extend the Construction Period for Brentwood Estates / HH03-007

Applicant Name (“Applicant”):	Habitat Resources of Duval County, Inc. (Non-Profit)
Development Name (“Development”):	Brentwood Estates
Developer/Principal (“Developer”):	Mary Kay O'Rourke
Number of Units: 93	Location: Jacksonville, Duval County, Florida
Type: HOME Purchase Assistance Loan	Allocated Amount: \$1,944,700

1. Background

- a) The Applicant submitted an application during the 2003 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on September 15, 2003.
- b) The final credit underwriting report, dated January 7, 2004, was approved at the January 23, 2004 Board Meeting. On January 27, 2004, a firm commitment letter was issued to the Developer with the construction period scheduled to end on August 4, 2007.
- c) To date, the Developer has completed the construction of all 93 homes and closed upon 92 homes, utilizing \$1,924,750 out of the original \$1,944,700 that was awarded.

2. Present Situation

- a) On July 9, 2008, the Developer requested a 6-month extension, advising that they are working with the City of Jacksonville to resolve an easement issue. The letter is attached as [Exhibit B](#).
- b) Pursuant to rule 67-50.040(11) a one-year extension is permissible with approval by the Board.

3. Recommendation

Staff recommends that the Board grant an extension of the construction period until August 4, 2009.

HOMEOWNERSHIP LOAN PROGRAM

Consent

C. Request for Approval of the Extension to Purchase the Land and Commencement of Construction for St. Petersburg Neighborhood Housing Services, Inc. (Non-Profit) / CLTRFP06-03-6

Applicant Name (“Applicant”):	for St. Petersburg Neighborhood Housing Services, Inc. (Non-Profit)
Development Name (“Development”):	CLTRFP06-03-6
Developer/Principal (“Developer”):	Deborah Scanlan
Number of Units: 10	Location: Pinellas County, Florida
Type: Community Land Trust Loan (land acquisition)	Allocated Amount: \$440,000

1. Background

- a) On June 9, 2006, the Board approved the final rankings for the 2006 Community Land Trust Request for Proposals (“CLTRFP-06”) and Florida Housing issued the Applicant an invitation into credit underwriting on June 16, 2006.
- b) The final credit underwriting report (“CUR”), dated July 12, 2007, was approved at the July 27, 2007 Board Meeting. The CUR specified that the Applicant must identify, complete purchase and draw funds for all individual sites no later than one year from Board approval of the CUR, and further, limited closing on a maximum of 2 lots at a time until HOP or other acceptable form of down payment assistance is approved for the lots that have closed.
- c) On July 30, 2007, a firm commitment letter was issued to the Developer, which specified that construction must commence within 12 months of the commitment letter.

2. Present Situation

- a) On July 18, 2008 the Developer requested an extension, advising of delays in securing the lots. The letter is attached as [Exhibit C](#).
- b) The technical assistance provider and the credit underwriter have reviewed their request and have given positive recommendations. Their letters are attached as [Exhibit D](#) and [Exhibit E](#), respectively.

3. Recommendation

Staff recommends that the Board grant an extension until March 31, 2009 to purchase the land and an extension until June 30, 2009 to commence construction.

HOMEOWNERSHIP LOAN PROGRAM

Consent

D. Authorize Staff to De-obligate HAP Funds for Lake Forest Farms / HAP03-302

Applicant Name (“Applicant”):	Neighborhood Housing & Development Corporation (Non-Profit)
Development Name (“Development”):	Lake Forest Farms
Developer/Principal (“Developer”):	David Herkalo
Number of Units: 44	Location: Alachua County, Florida
Type: HAP Purchase Assistance Loan	Allocated Amount: \$1,000,000

1. Background

- a) The Applicant submitted an application during the 2003 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on September 15, 2003.
- b) The final credit underwriting report, dated January 7, 2004, was approved at the January 23, 2004 Board Meeting.
- c) On January 27, 2004, a firm commitment letter was issued to the Developer with the construction period scheduled to end December 31, 2007.

2. Present Situation

- a) The Developer has constructed and closed upon 37 homes, utilizing \$859,900 out of the original \$1,000,000 that was awarded.

3. Recommendation

Staff recommends that the remaining \$140,100 in HAP funds be de-obligated and made available for future use in other homeownership programs.

HOMEOWNERSHIP LOAN PROGRAM

Consent

E. Authorize Staff to De-obligate HAP Funds for Latin Quarters / HAP03-305

Applicant Name (“Applicant”):	East Little Havana CDC (Non-Profit)
Development Name (“Development”):	Latin Quarters
Developer/Principal (“Developer”):	Alfredo Duran
Number of Units: 35 HAP Units / 45-Unit Condominium	Location: Miami-Dade County, Florida
Type: HAP Purchase Assistance Loan	Allocated Amount: \$1,000,000

1. Background

- a) The Applicant submitted an application during the 2003 Homeownership Loan Program Cycle, which scored within the funding range and was invited into credit underwriting on September 15, 2003.
- b) The final credit underwriting report, dated February 2, 2004, was approved at the February 27, 2004 Board Meeting.
- c) On March 2, 2004, a firm commitment letter was issued to the Developer with the construction period scheduled to end December 31, 2007.

2. Present Situation

Although initially committing to 35 HAP Units, the Developer has closed upon 37 HAP Units, utilizing \$922,677 out of the original \$1,000,000 that was awarded.

3. Recommendation

Staff recommends that \$77,324 in HAP funds be de-obligated and made available for future use in other homeownership programs.

HOME RENTAL

Consent

III. HOME RENTAL

A. Request Approval of an Updated Credit Underwriting Report for Nature Walk (2005-008H)

Development Name: Nature Walk (“Development”)	Location: Citrus County
Developer/Principal: Florida Low Income Housing Associates, Inc. (“Developer”)	Set-Aside: 20% @ 50% AMI /80% @ 60% AMI 49 HOME Units
Number of Units: 50	Allocated Amount: \$4,220,000
Type: Duplex /New Construction	Demographics: Family

1. Background/Present Situation

- a) On December 15, 2006, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- b) On December 19, 2006, staff issued a firm commitment letter for a HOME loan in an amount up to \$4,220,000. Pursuant to Rule Chapter 67-48, F.A.C., the loan must close within 60 days of issuance of the firm commitment letter.
- c) On February 23, 2007, staff received a letter from the Developer ([Exhibit A](#)) requesting a loan closing extension pending further underwriting activity in review of new information concerning future use of the development site. Due to the stipulations placed on Nature Walk by the City of Crystal River concerning an unrelated single-family development, staff did not request the Board to approve the loan closing extension.
- d) On July 24, 2008, staff received a revised final credit underwriting report with a positive recommendation for a HOME Rental loan in the amount of \$4,220,000 ([Exhibit B](#)), to be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of HOME Rule Chapter 67-48, F.A.C.

2. Recommendation

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

HOME RENTAL

Consent

B. Request Approval of Credit Underwriting Report for Marian Manor (2007-022H)

Development Name: Marian Manor (“Development”)	Location: Charlotte County
Developer/Principal: Sr. Cathy Buster, SP (“Developer”)	Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI 31 Units
Number of Units: 31	Allocated Amount: \$3,973,270
Type: Garden Style/New Construction	Demographics: Family

1. Background/Present Situation

- a) On September 21, 2007, the Board approved the final scores and ranking for the 2007 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On November 28, 2007, staff issued a preliminary commitment letter and invitation to credit underwriting for a HOME loan in an amount up to \$3,973,270 for this 31-unit family development in Charlotte County.
- c) On July 24, 2008, staff received a credit underwriting report with a positive recommendation for a HOME Rental loan in the amount of \$3,973,70 ([Exhibit C](#)), to be secured by a second mortgage. Staff has reviewed this report and finds that the Development meets all of the requirements of HOME Rule Chapter 67-48, F.A.C.

2. Recommendation

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

HOUSING CREDITS

Consent

IV. HOUSING CREDITS

A. Request Approval to Remove the Joint Funding Agreement Condition for Silver Sands (2007-097C/2008-003C)

Development Name: Silver Sands (“Development”)	Location: Brevard County
Ambling Development Partners, LLC and Melbourne Housing Authority (“Developer”)	Set-Aside: 20% @ 33% AMI and 80% @ 60% AMI
Number of Units: 72	Allocated Amount: \$595,000 (Supplemental)
Type: Mid-Rise with Elevator	Housing Credit Equity: \$10,450,460
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On May 2, 2008, the Board approved a credit underwriting report with a positive recommendation for a Supplemental loan in the amount of \$595,000 and directed staff to proceed with loan closing activities.
- b) On July 22, 2008, staff issued a firm commitment letter with a closing deadline of September 22, 2008.
- c) On July 24, 2008, staff received a credit underwriting review with a positive recommendation for the removal of the condition requiring execution of a Joint Funding Agreement prior to loan closing provided the Supplemental loan is not funded until after lien-free construction completion ([Exhibit A](#)). Staff has reviewed this recommendation and finds that the Development meets all requirement of Rule Chapter 67-48, F.A.C.

2. Recommendation

Approve the request to remove the Joint Funding Agreement condition from the final credit underwriting report and direct staff to proceed with loan closing activities.

HOUSING CREDITS

Consent

B. Request Approval to Remove the Joint Funding Agreement Condition for Janie Poe Revitalization – Phase I (2007-146C)

Development Name: Janie Poe Revitalization – Phase I (“Development”)	Location: Sarasota County
The Michaels Development Company I, L.P. and Sarasota Housing Authority (“Developer”)	Set-Aside: 20% @ 30% AMI and 56% @ 60% AMI
Number of Units: 86	Allocated Amount: \$765,000 (Supplemental)
Type: Garden Style	Housing Credit Equity: \$10,948,304
Demographics: Family	MMRB: N/A

1. Background/Present Situation

- a) On June 13, 2008, the Board approved a final credit underwriting report with a positive recommendation for a Supplemental Loan in the amount of \$765,000 directed staff to proceed with loan closing activities.
- b) On June 23, 2008, staff issued a firm commitment letter with a closing deadline of August 22, 2008.
- c) On July 23, 2008, staff received a letter from the Borrower requesting that the Joint Funding Agreement condition be removed from the final approved credit underwriting report ([Exhibit B](#)).
- d) On July 24, 2008, staff received a credit underwriting review with a positive recommendation for the removal of the condition requiring execution of a Joint Funding Agreement prior to loan closing ([Exhibit C](#)). Staff has reviewed this recommendation and finds that the Development meets all requirement of Rule Chapter 67-48, F.A.C.

2. Recommendation

Approve the request to remove the Joint Funding Agreement condition from the final credit underwriting report and direct staff to proceed with loan closing activities.

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V. LEGAL

A. In Re: Powers Avenue Apartments, Ltd. - FHFC Case No. 2008-049VW

Development Name: (“Development”):	Pine Grove Apartments Application No.: 2007-027BS
Developer/Principal: (“Developer”):	The Richman Group of Florida, Inc.
Number of Units: 168	Location: Duval
Type: Garden	Set Aside: 10% at or below 40% AMI 40% at or below 60% AMI
Demographics: Family	MMRB Bonds: \$11,000,000
Non-Competitive HC \$735,178	SAIL: \$5,000,000

1. Background/Present Situation

a) During the 2007 Universal Application Cycle, Powers Avenue Apartments, Ltd., (“Petitioner”) applied for a State Apartment Incentive Loan (“SAIL”) loan, Multifamily Mortgage Revenue Bonds (“MMRB”), non-competitive Housing Credits and a Supplemental Loan for Extremely Low Income units to finance, in part, the construction of Pine Grove Apartments (the “Development”) in Duval County, Florida.

b) On July 2, 2008, Florida Housing received a “Petition for Variance of Rule 67-21.008(1)(b), Florida Administrative Code (2007) and for Waiver of Rule 67-48.0075(7)(a)(1), Florida Administrative Code (2007)” (“Petition”). A copy of the Petition is attached as [Exhibit A](#).

c) Rule 67-21.008(1)(b), F.A.C., states in pertinent part:

(1) Each Mortgage Loan for a Development made by the Corporation shall:

(b) Provide for a fully amortized payment of the Mortgage Loan in full beginning on the earlier of 36 months after closing, or stabilized occupancy, or conversion to permanent financing under the loan documents and ending no later than the expiration of the useful life of the property, and in any event, no later than 45 days from the date of the Mortgage Loan.

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

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

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

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- d) Petitioner seeks a variance from the rule requiring a fully amortized payment of the mortgage loan, to delay the start of the fully amortized payment of the mortgage loan for a period of up to an additional 12 months beyond the 36 months after closing of the MMRB financing, regardless of whether stabilized occupancy or conversion to permanent financing has occurred. Petitioner negotiated loan terms with its lender, Bank of America, to allow sufficient time for rents to stabilize at the Development prior to servicing the debt, thereby increasing the economic viability by allowing Petitioner to generate sufficient revenue prior to servicing the debt.
- e) Petitioner also requests a waiver of the Rule requiring Florida Housing to forgive a supplemental loan's principal balance when the awarded amount funds ELI Household units for at least 15 years. Petitioner demonstrated that it will suffer negative federal income tax consequences pertaining to forgivable loan without the waiver, as the IRS may consider this loan as "phantom" taxable income. Petitioner requests that the ELI loan be repaid at the end of the initial 15-year period, and that at the end of the initial 15-year period, Petitioner be given an automatic extension on the maturity date of the ELI loan to a date coterminous with senior financing if the units for which the ELI loan was awarded were targeted to ELI Households during the initial 15-year period.
- f) On July 18, 2008, the Notice of Petition was published in the Florida Administrative Weekly in Volume 34, Number 7. To date, Florida Housing has not received any comments concerning the Petition.
- g) Section 120.542(2), Florida Statutes provides in pertinent part:
- Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- h) Under these circumstances, strict application of the above Rule to this Petitioner would create a substantial hardship and violate the principals of fairness. Petitioner demonstrated that granting this relief does not provide Petitioner with an unfair advantage over other applicants. Granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

2. Recommendation

Staff recommends the Board **GRANT** Petitioner's request for a variance of Rule 67-21.008(1)(b), F.A.C., to allow a delay of the start of payment of the fully amortized mortgage payments for a period of at least 36 months, and up to an additional 12 months beyond the 36 months, after closing of the MMRB financing, regardless of whether conversion to permanent financing or stabilized occupancy has occurred. Staff also recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0075(7)(a)1, F.A.C., to permit Petitioner to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 15 years; to have the ELI loan be repaid at the end of the initial 15-year period, and that at the end of the initial 15-year period, Petitioner be given an automatic extension on the maturity date of the ELI loan to a date coterminous with

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senior financing if the units for which the ELI loan was awarded were targeted to ELI Households during the initial 15-year period.

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B. In Re: Lamson Avenue Apartments, Ltd. - FHFC Case No. 2008-048VW

Development Name: (“Development”):	Mariner’s Cay Apartments Application No.: 2007-035BS
Developer/Principal: (“Developer”):	The Richman Group of Florida, Inc.
Number of Units: 160	Location: Hernando
Type: Garden	Set Aside: 10% at or below 40% AMI 40% at or below 60% AMI
Demographics: Family	MMRB Bonds: \$12,500,000
Non-Competitive HC \$990,216	SAIL: \$4,700,000

1. Background/Present Situation

- a) During the 2007 Universal Application Cycle, Lamson Avenue Apartments, Ltd., (“Petitioner”) applied for a State Apartment Incentive Loan (“SAIL”) loan, Multifamily Mortgage Revenue Bonds (“MMRB”), non-competitive Housing Credits and a Supplemental Loan for Extremely Low Income units to finance, in part, the construction of Mariner’s Cay Apartments (the “Development”) in Hernando County, Florida.
- b) On July 2, 2008, Florida Housing received a “Petition for Waiver of Rule 67-48.0075(7)(a)(1), Florida Administrative Code (2007)” (“Petition”). A copy of the Petition is attached as [Exhibit B](#).
- c) Rule 67-48.0075(7)(a)1, F.A.C, states in pertinent part:
 - (7) Supplemental loans will be subject to the credit underwriting provisions outlined in Rule 67-48.0072 and the loan provisions outlined below:
 - (a) The terms and conditions of the supplemental loan shall be as follows: (1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI-Set Aside threshold requirement in the Universal Application Instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.
- d) Petitioner requests a waiver of the Rule requiring Florida Housing to forgive a supplemental loan’s principal balance when the awarded amount funds ELI Household units for at least 15 years. Petitioner demonstrated that it will suffer negative federal income tax consequences pertaining to forgivable loan without the waiver, as the IRS may consider this loan as “phantom” taxable income. Petitioner requests that the ELI loan be repaid at the end of the initial 15-year period, and that at the end of the initial 15-year period, Petitioner be given an automatic extension on the maturity date of the ELI loan to a date coterminous with senior financing if the units for which the ELI loan was awarded were targeted to ELI Households during the initial 15-year period.
- e) On July 18, 2008, the Notice of Petition was published in the [Florida Administrative Weekly](#) in Volume 34, Number 7. To date, Florida Housing has not received any comments concerning the Petition.

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- 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.

- g) Under these circumstances, strict application of the above Rule to this Petitioner would create a substantial hardship and violate the principals of fairness. Petitioner demonstrated that granting this relief does not provide Petitioner with an unfair advantage over other applicants. Granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

2. **Recommendation**

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

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C. In Re: Hudson Ridge, Ltd. - FHFC Case No. 2008-050VW

Development Name: (“Development”):	Hudson Ridge Apartments Application No.: 2007-034BS
Developer/Principal: (“Developer”):	The Richman Group of Florida, Inc.
Number of Units: 168	Location: Pasco
Type: Garden	Set Aside: 10% at or below 40% AMI 40% at or below 60% AMI
Demographics: Family	MMRB Bonds: \$11,500,000
Non-Competitive HC \$955,091	SAIL: \$4,700,000

1. Background/Present Situation

- a) During the 2007 Universal Application Cycle, Hudson Ridge, Ltd., (“Petitioner”) applied for a State Apartment Incentive Loan (“SAIL”) loan, Multifamily Mortgage Revenue Bonds (“MMRB”), non-competitive Housing Credits and a Supplemental Loan for Extremely Low Income units to finance, in part, the construction of Hudson Ridge Apartments (the “Development”) in Pasco County, Florida.
- b) On July 2, 2008, Florida Housing received a “Petition for Waiver of Rule 67-48.0075(7)(a)(1), Florida Administrative Code (2007)” (“Petition”). A copy of the Petition is attached as [Exhibit C](#).
- c) Rule 67-48.0075(7)(a)1, F.A.C, states in pertinent part:

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

(a) The terms and conditions of the supplemental loan shall be as follows: (1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI-Set Aside threshold requirement in the Universal Application Instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.
- d) Petitioner requests a waiver of the Rule requiring Florida Housing to forgive a supplemental loan’s principal balance when the awarded amount funds ELI Household units for at least 15 years. Petitioner demonstrated that it will suffer negative federal income tax consequences pertaining to forgivable loan without the waiver, as the IRS may consider this loan as “phantom” taxable income. Petitioner requests that the ELI loan be repaid at the end of the initial 15-year period, and that at the end of the initial 15-year period, Petitioner be given an automatic extension on the maturity date of the ELI loan to a date coterminous with senior financing if the units for which the ELI loan was awarded were targeted to ELI Households during the initial 15-year period.
- e) On July 18, 2008, the Notice of Petition was published in the [Florida Administrative Weekly](#) in Volume 34, Number 7. To date, Florida Housing has not received any comments concerning the Petition.

LEGAL

Consent

- 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.

- g) Under these circumstances, strict application of the above Rule to this Petitioner would create a substantial hardship and violate the principals of fairness. Petitioner demonstrated that granting this relief does not provide Petitioner with an unfair advantage over other applicants. Granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

2. **Recommendation**

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

LEGAL

Consent

D. In Re: Foxtrail Acres, Ltd. - FHFC Case No. 2008-051VW

Development Name: (“Development”):	Autumn Place Apartments Application No.: 2007-165BS
Developer/Principal: (“Developer”):	The Richman Group of Florida, Inc.
Number of Units: 120	Location: Hillsborough
Type: Garden	Set Aside: 10% at or below 40% AMI 40% at or below 60% AMI
Demographics: Family	MMRB Bonds: \$8,000,000
Non-Competitive HC \$684,983	SAIL: \$5,000,000

1. Background/Present Situation

- a) During the 2007 Universal Application Cycle, Foxtrail Acres, Ltd., (“Petitioner”) applied for a State Apartment Incentive Loan (“SAIL”) loan, Multifamily Mortgage Revenue Bonds (“MMRB”), non-competitive Housing Credits and a Supplemental Loan for Extremely Low Income units to finance, in part, the construction of Autumn Place Apartments (the “Development”) in Hillsborough County, Florida.
- b) On July 2, 2008, Florida Housing received a “Petition for Waiver of Rule 67-48.0075(7)(a)(1), Florida Administrative Code (2007)” (“Petition”). A copy of the Petition is attached as [Exhibit D](#).
- c) Rule 67-48.0075(7)(a)1, F.A.C, states in pertinent part:

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

(a) The terms and conditions of the supplemental loan shall be as follows: (1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI-Set Aside threshold requirement in the Universal Application Instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.
- d) Petitioner requests a waiver of the Rule requiring Florida Housing to forgive a supplemental loan’s principal balance when the awarded amount funds ELI Household units for at least 15 years. Petitioner demonstrated that it will suffer negative federal income tax consequences pertaining to forgivable loan without the waiver, as the IRS may consider this loan as “phantom” taxable income. Petitioner requests that the ELI loan be repaid at the end of the initial 15-year period, and that at the end of the initial 15-year period, Petitioner be given an automatic extension on the maturity date of the ELI loan to a date coterminous with senior financing if the units for which the ELI loan was awarded were targeted to ELI Households during the initial 15-year period.
- e) On July 18, 2008, the Notice of Petition was published in the [Florida Administrative Weekly](#) in Volume 34, Number 7. To date, Florida Housing has not received any comments concerning the Petition.

LEGAL

Consent

- 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.

- g) Under these circumstances, strict application of the above Rule to this Petitioner would create a substantial hardship and violate the principals of fairness. Petitioner demonstrated that granting this relief does not provide Petitioner with an unfair advantage over other applicants. Granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

2. **Recommendation**

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

LEGAL

Consent

E. In Re: CEC WILLOW LAKES, LLC - FHFC Case No. 2008-045VW

Development Name: (“Development”):	Willow Lakes Application No. 2007-108BS
Developer/Principal: (“Developer”):	Created Equal Communities, LLC
Number of Units: 304	Location: Duval County
Type: Garden Apartments	Set Aside: 50% at 60% AMI 40% at 50% AMI 10% at 30% AMI
Demographics: Family	SAIL: \$5,000,000 Tax-Exempt Bonds: \$9,800,000 Non-Competitive HC: \$599,082

1. Background/Present Situation

- a) During the 2007 Universal Cycle, CEC Willow Lakes, LLC, (“Petitioner”) applied for and was awarded State Apartment Incentive Loan (“SAIL”), Housing Credits (“HC”), and tax-exempt bonds to finance a portion of the costs to develop Willow Lakes (the “Development”) located in Duval County, Florida.
- b) On May 13, 2008, Florida Housing received a Petition for Waivers of Rules 67-48.004(1)(a), 67-21.003(1)(a), and 67-48.0075(7)(a)(1)¹, Fla. Admin. Code. A copy of the Petition is attached as [Exhibit E](#).
- c) R. 67-48.004(1)(a), Fla. Admin. Code states in pertinent part:
- (1) When submitting an Application, Applicants must utilize the Universal Application in effect at the Application Deadline.
- ... (a) The Universal Application Package or UA1016 (Rev. 3-08) is adopted and incorporated herein by reference and consists of the forms and instructions...which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the SAIL, HOME, HC, or SAIL and HC Program(s).
- d) R. 67-21.003(1)(a), Fla. Admin. Code states in pertinent part:
- (1) When submitting an Application, Applicants must utilize the Universal Application in effect at the Application Deadline.
- ... (a) The Universal Application Package or UA1016 (Rev. 3-08) is adopted and incorporated herein by reference and consists of the forms and instructions...which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the MMRB Program.

¹ Petitioner omits the subsection of Rule 67-48.0075, Fla. Admin. Code, but context makes clear Petitioner seeks a waiver of (7)(a)(1).

LEGAL

Consent

- e) 2007 Universal Application Instructions, Part II.2.a.2 states:
- (2) 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 percent or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.
- f) R. 67-48.0075(7)(a)(1), Fla. Admin. Code states:
- (1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI Set-Aside threshold requirement in the Universal Application instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.
- g) Petitioner has requested a waiver of the above rules to allow Petitioner to change the identity of its sole member from CEC to CEC Willow Lakes. In addition, Petitioner has requested to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 15 years.² Petitioner has demonstrated that failure to grant this Petition will likely result in the Developer incurring substantial adverse taxes.
- h) Since approval will not affect Application scoring, Petitioner derives no unfair advantage over other applicants.
- i) Notice of the Petition was published in Volume 34, Number 29, of the Florida Administrative Weekly. To date, Florida Housing received no comments regarding the Petition.
- j) Section 120.542(2), Fla. Stat. 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.

² Petitioner incorrectly identifies the duration of the covenant as twenty (20) years.

LEGAL

Consent

- k) Petitioner has demonstrated that strict application of the above Rules under these circumstances will give rise to substantial hardship or otherwise violate the principles of fairness. Under the circumstances described in the Petition, granting these requests furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. The Rule waivers of Fla. Admin. Code 67-48.004(1)(a), 67-21.003(1)(a), and 67-48.0075(7)(a)(1) further this purpose.

2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for Rule waivers of 67-48.004(1)(a) and 67-21.003(1)(a), Fla. Admin. Code to permit Petitioner to change the identity of its sole member from CEC to CEC Willow Lakes. Also, Staff recommends the Board **GRANT** Petitioner's request for a Rule waiver of 67-48.0075(7)(a)(1), Fla. Admin. Code, to permit Petitioner to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 15 years.

LEGAL

Consent

F. In Re: CEC TIMBER TRACE, LLC - FHFC Case No. 2008-047VW

Development Name: (“Development”):	Timber Trace Application No. 2007-101BS
Developer/Principal: (“Developer”):	Created Equal Communities, LLC
Number of Units: 116	Location: Hillsborough County
Type: Garden Apartments	Set Aside: 90% at 60% AMI 10% at 33% AMI
Demographics: Family	SAIL: \$5,800,000 Tax-Exempt Bonds: \$4,050,000 Competitive HC: \$377,431

1. Background/Present Situation

- a) During the 2007 Universal Cycle, CEC Timber Trace, LLC, (“Petitioner”) applied for and was awarded State Apartment Incentive Loan (“SAIL”), Housing Credits (“HC”), and tax-exempt bonds to finance a portion of the costs to develop Timber Trace (the “Development”) located in Hillsborough County, Florida.
- b) On May 13, 2008, Florida Housing received a Petition for Waivers of Rules 67-48.004(1)(a), 67-21.003(1)(a), and 67-48.0075(7)(a)(1)³, Fla. Admin. Code. A copy of the Petition is attached as [Exhibit F](#).
- c) R. 67-48.004(1)(a), Fla. Admin. Code states in pertinent part:
- (1) When submitting an Application, Applicants must utilize the Universal Application in effect at the Application Deadline.
- ... (a) The Universal Application Package or UA1016 (Rev. 3-08) is adopted and incorporated herein by reference and consists of the forms and instructions...which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the SAIL, HOME, HC, or SAIL and HC Program(s).
- d) R. 67-21.003(1)(a), Fla. Admin. Code states in pertinent part:
- (1) When submitting an Application, Applicants must utilize the Universal Application in effect at the Application Deadline.
- ... (a) The Universal Application Package or UA1016 (Rev. 3-08) is adopted and incorporated herein by reference and consists of the forms and instructions...which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the MMRB Program.

³ Petitioner omits the subsection of Rule 67-48.0075, Fla. Admin. Code, but context makes clear Petitioner seeks a waiver of (7)(a)(1).

LEGAL

Consent

- e) 2007 Universal Application Instructions, Part II.2.a.2 states:
- (2) 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 percent or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.
- f) R. 67-48.0075(7)(a)(1), Fla. Admin. Code states:
- (1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI Set-Aside threshold requirement in the Universal Application instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.
- g) Petitioner has requested a waiver of the above rules to allow Petitioner to change the identity of its sole member from CEC to CEC Timber Trace. In addition, Petitioner has requested to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 15 years.⁴ Petitioner has demonstrated that failure to grant this Petition will likely result in the Developer incurring substantial adverse taxes.
- h) Since approval will not affect Application scoring, Petitioner derives no unfair advantage over other applicants.
- i) Notice of the Petition was published in Volume 34, Number 29, of the Florida Administrative Weekly. To date, Florida Housing received no comments regarding the Petition.
- j) Section 120.542(2), Fla. Stat. 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.

⁴ Petitioner incorrectly identifies the duration of the covenant as twenty (20) years.

LEGAL

Consent

- k) Petitioner has demonstrated that strict application of the above Rules under these circumstances will give rise to substantial hardship or otherwise violate the principles of fairness. Under the circumstances described in the Petition, granting these requests furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. The Rule waivers of Fla. Admin. Code 67-48.004(1)(a), 67-21.003(1)(a), and 67-48.0075(7)(a)(1) further this purpose.

2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for Rule waivers of 67-48.004(1)(a) and 67-21.003(1)(a), Fla. Admin. Code to permit Petitioner to change the identity of its sole member from CEC to CEC Timber Trace. Also, Staff recommends the Board **GRANT** Petitioner's request for a Rule waiver of 67-48.0075(7)(a)(1), Fla. Admin. Code, to permit Petitioner to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 15 years.

LEGAL

Consent

G. In Re: ECLIPSE WEST ASSOCIATES, LTD. - FHFC Case No. 2008-046VW

Development Name: (“Development”):	Eclipse West Associates, Ltd. Application No. 2006-362CHR (2006 RRLP)
Developer/Principal: (“Developer”):	Reliance Housing Services, LLC Ellis Diversified, Inc.
Number of Units: 117	Location: Broward County
Type: High-Rise	Set Aside: 15% at 30% AMI 53% at 60% AMI
Demographics: Family	RRLP: \$5,000,000 Competitive HC: \$2,435,000

1. Background/Present Situation

- a) During the 2006 Rental Recovery Loan Program (“RRLP”), Eclipse West Associated, Ltd. (“Petitioner”) applied for and was awarded an RRLP loan and low income competitive Housing Credits (“HC”) to finance, in part, Eclipse (the “Development”) located in Broward County, Florida.
- b) On May 13, 2008, Florida Housing received a Petition for Waivers of Rules 67ER06-27(14)(b) and 67ER06-34(4) Fla. Admin. Code. A copy of the Petition is attached as [Exhibit G](#).
- c) R. 67ER06-27(14)(b), Fla. Admin. Code states:
- (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:
- ... (b) Identity of each Developer, including all co-Developers;
- d) R. 67ER06-34(4), Fla. Admin. Code states:
- (4) The supplemental loan shall be non-amortizing and shall be based on each ELI unit at 0% simple interest per annum with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 20 years.
- e) Petitioner has requested a waiver of the above rules to allow Petitioner to change the identity of a co-developer, Ellis Diversified, Inc. (“EDI”), an accrual basis taxpayer, to EDI Eclipse, LLC (“EDI Eclipse”), a cash basis taxpayer. In addition, Petitioner has requested to forgo the automatic forgiveness a supplemental loan’s principal balance receives when the awarded amount funds ELI Household units for at least 20 years. Petitioner has demonstrated that failure to grant this Petition will likely result in the Developer incurring substantial adverse taxes.

LEGAL

Consent

- f) Since approval will not affect Application scoring, Petitioner derives no unfair advantage over other applicants.
- g) Notice of the Petition was published in Volume 34, Number 29, of the Florida Administrative Weekly. To date, Florida Housing received no comments regarding the Petition.
- h) Section 120.542(2), Fla. Stat. provides in pertinent part:
 - (2) 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) Petitioner has demonstrated that strict application of the above Rules under these circumstances will give rise to substantial hardship or otherwise violate the principles of fairness. Under the circumstances described in the Petition, granting these requests furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. The Rule waivers of Fla. Admin. Code 67ER06-27(14)(b) and 67ER06-34(4) further this purpose.

2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for Rule waiver of 67ER06-27(14)(b), Fla. Admin. Code to permit Petitioner to change the identity of its co-developer from EDI, an accrual basis taxpayer to EDI Eclipse, a cash basis taxpayer. Also, Staff recommends the Board **GRANT** Petitioner's request for a Rule waiver of 67ER06-34(4), Fla. Admin. Code, to permit Petitioner to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 20 years.

LEGAL

Consent

H. In Re: SILVER SANDS MELBOURNE, LP - FHFC Case No. 2008-054VW

Development Name: (“Development”):	Silver Sands Application No. 2007-097C
Developer/Principal: (“Developer”):	Ambling Development Partners, LLC Melbourne Housing Authority
Number of Units: 72	Location: Brevard County
Type: Mid-Rise with Elevator	Set Aside: 20% at 33% AMI 80% at 60% AMI
Demographics: Elderly	Competitive HC: \$1,185,650

1. Background/Present Situation

- a) During the 2007 Universal Cycle, Silver Sands Melbourne, LP, (“Petitioner”) applied for and was awarded Housing Credits (“HC”) to finance a portion of the costs to develop Silver Sands (the “Development”) located in Brevard County, Florida.
- b) On July 18, 2008, Florida Housing received a Petition for Waiver of Rule 67-48.0075(7)(a)(1), Fla. Admin. Code. A copy of the Petition is attached as [Exhibit H](#).
- c) R. 67-48.0075(7)(a)(1), Fla. Admin. Code states:
 - (1) The supplemental loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI Set-Aside threshold requirement in the Universal Application instructions; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.
- d) Petitioner has requested a waiver of the above rule to allow Petitioner to forgo the automatic forgiveness a supplemental loan’s principal balance receives when the awarded amount funds ELI Household units for at least 15 years. In addition, Petitioner has requested an extension on the maturity date at the end of the initial 15-year period, to a date coterminous with senior financing. Petitioner has demonstrated that failure to grant this Petition will likely result in the Developer incurring substantial adverse taxes. In addition, the designation of the ELI Loan as forgivable, will likely, whether forgiven or not, cause the full amount of the loan to be deducted from eligible basis, thereby reducing the Development’s net tax credit.
- e) Since approval will not affect Application scoring, Petitioner derives no unfair advantage over other applicants.
- f) Notice of the Petition was published in Volume 34, Number 29, of the [Florida Administrative Weekly](#). To date, Florida Housing received no comments regarding the Petition.

LEGAL

Consent

- g) Section 120.542(2), Fla. Stat. 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.

- h) Petitioner has demonstrated that strict application of the above Rules under these circumstances will give rise to substantial hardship or otherwise violate the principles of fairness. Under the circumstances described in the Petition, granting these requests furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. The Rule waiver of Fla. Admin. Code 67-48.0075(7)(a)(1) furthers this purpose.

2. **Recommendation**

Staff recommends the Board **GRANT** Petitioner's request for Rule waiver of 67-48.0075(7)(a)(1), Fla. Admin. Code, to permit Petitioner to forgo the automatic forgiveness a supplemental loan's principal balance receives when the awarded amount funds ELI Household units for at least 15 years and to extend the maturity date at the end of the initial 15-year period, to a date coterminous with senior financing.

MULTIFAMILY BONDS

Consent

VI. MULTIFAMILY BONDS

A. Request Approval Of The Final Credit Underwriting Report For Outrigger Village Apartments

DEVELOPMENT NAME (“Development”):	Outrigger Village Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Outrigger Village Redevelopment, Ltd./Royal American Development, Inc./Peoples First Properties, Inc.
NUMBER OF UNITS:	192
LOCATION (“County”):	Osceola
TYPE (Rental, Homeownership):	Rental/Family (MMRB, HOME and HC)
SET ASIDE:	85% @ 60% (MMRB) 20% @ 50% (HC) 80% @ 60% (HC)
ALLOCATED AMOUNT:	\$ 5,495,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS:	

1. Background

Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2007 Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$6,000,000 in order to acquire and rehabilitate 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) At the time of Application, the Applicant provided a commitment from MMA Financial, Inc. for credit enhancement of the bonds by Freddie Mac. However, the bonds will be credit enhanced by Fannie Mae through Red Mortgage Capital, Inc., its DUS Lender.
- c) At the time of Application, the Applicant anticipated assuming \$1,300,000 of the existing HOME loan; however it will now assume \$1,800,000 of the existing HOME loan and the term will be renegotiated to 35 years.
- d) The General Contractor, Royal American Construction, Inc. committed to defer \$224,189 during rehabilitation.
- e) Development costs increased from \$10,750,288 to \$10,643,786 primarily due to increases in the actual rehabilitation costs and increased contingencies.
- f) The syndication rate has decreased from \$0.94 to \$0.8300 per dollar of syndicated Housing Credits.

MULTIFAMILY BONDS

Consent

- g) The Applicant indicated in the Application that the Development contains 52 one-bedroom/one-bath units, 7 two-bedroom/one-bath units and 133 two-bedroom/two bath units. The Applicant advised that the Development actually contains 52 one-bedroom/one-bath units, 8 two-bedroom/one-bath units and 132 two-bedroom/two bath units.
- h) The credit underwriter indicated these changes have no material impact on its recommendation.
- i) A Final Credit Underwriting Report dated July 24, 2008, is attached as [Exhibit A](#).

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated July 24, 2008 recommending that \$5,495,000 in bonds to be issued for the purpose of acquiring and rehabilitating 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 Final Credit Underwriting Report For Royal Arms Apartments

DEVELOPMENT NAME (“Development”):	Royal Arms Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Royal Arms Redevelopment, Ltd./Peoples First Properties, Inc./Royal American Development, Inc.
NUMBER OF UNITS:	88
LOCATION (“County”):	Bay
TYPE (Rental, Homeownership):	Rental/Family (MMRB and HC)
SET ASIDE:	85% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$ 2,200,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS:	

1. Background

Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2007 Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$2,635,000 in order to acquire and rehabilitate 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) At the time of Application, the Applicant provided a commitment from MMA Financial, Inc. for credit enhancement of the bonds by Freddie Mac. However, the bonds will be credit enhanced by Fannie Mae through Red Mortgage Capital, Inc., its DUS Lender.
- c) The Seller, Royal Arms Garden Apartments, Ltd. provided a commitment for a Seller’s Note in the amount of \$202,305.
- d) The General Contractor, Royal American Construction, Inc. committed to defer \$124,895 during rehabilitation.
- e) The syndication rate has decreased from \$0.94 to \$0.8100 per dollar of syndicated Housing Credits.
- f) The Real Estate Sales Agreement dated December 1, 2007, included in the Application indicated a purchase price of \$2,131,600. The Applicant has subsequently submitted a First Amendment to Real Estate Agreement dated July 1, 2008, reflecting a revised purchase price of \$1,800,000.
- g) The credit underwriter indicated these changes have no material impact on its recommendation.
- h) A Final Credit Underwriting Report dated July 24, 2008, is attached as [Exhibit B](#).

MULTIFAMILY BONDS

Consent

3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated July 24, 2008 recommending that \$2,200,000 in bonds to be issued for the purpose of acquiring and rehabilitating the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval Of The Supplemental Letter to the Final Credit Underwriting Report For Timber Trace Apartments

DEVELOPMENT NAME (“Development”):	Timber Trace Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	CEC Timber Trace, LLC/Created Equal Communities, LLC/Jeffrey Damavandi/Nick Kanieff
NUMBER OF UNITS:	116
LOCATION (“County”):	Hillsborough
TYPE (Rental, Homeownership):	Rental/Family (MMRB, SAIL and HC)
SET ASIDE:	10% @ 33% (MMRB) 75% @ 60% (MMRB) 10% @ 33% (SAIL & HC) 90% @ 60% (SAIL & HC)
ALLOCATED AMOUNT:	\$5,800,000 of Tax-Exempt Bonds and \$5,070,000 SAIL
ADDITIONAL COMMENTS: Request Approval of the Supplemental Letter to the Final Credit Underwriting Report	

1. Background

- a) Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2007 Universal Cycle. Applicant applied for Tax-Exempt Bonds in the amount of \$5,800,000 and \$5,070,000 in SAIL loans (consisting of \$4,050,000 base loan and \$1,020,000 supplemental loan for a total loan amount of \$5,070,000) in order to acquire and rehabilitate the Development.
- b) At the June 13, 2008 Board Meeting, Florida Housing approved a Final Credit Underwriting Report for the financing of the Development’s tax exempt bonds and SAIL financing.
- c) The General Contractor listed in the credit underwriting report approved at the June 13, 2008 Board Meeting, Franklin Bay General Contractors, Inc. (“Franklin Bay”) has withdrawn from the Development. The Developer has proposed R. L. Haines, Inc. (“R. L. Haines”) as the new general contractor.

2. Present Situation

The Supplemental Letter to the Final Credit Underwriting Report recommending the approval of R. L. Haines as the new general contractor for the Development dated July 25, 2008 is attached as [Exhibit C](#). The credit underwriter has determined that this change is not material to the original Credit Underwriting Report, poses no adverse risk to Florida Housing funds or to the success of the Development.

MULTIFAMILY BONDS

Consent

3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Supplemental Letter to the Final Credit Underwriting Report dated July 25, 2008, recommending that \$5,800,000 in tax-exempt bonds and \$5,070,000 in SAIL loan funds be issued for the purpose of acquiring and rehabilitating 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 Revised Credit Underwriting Recommendation For Willow Lakes Apartments

DEVELOPMENT NAME (“Development”):	Willow Lakes Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	CEC Willow Lakes, LLC/Created Equal Communities, LLC/Jeffrey Damavandi/Nick Kanieff
NUMBER OF UNITS:	304
LOCATION (“County”):	Duval
TYPE (Rental, Homeownership):	Rental/Family (MMRB, SAIL and HC)
SET ASIDE:	10% @ 30% (MMRB) 40% @ 50% (MMRB) 35% @ 60% (MMRB) 10% @ 30% (SAIL & HC) 40% @ 50% (SAIL & HC) 50% @ 60% (SAIL & HC)
ALLOCATED AMOUNT:	\$10,500,000 of Tax-Exempt Bonds and \$7,635,000 SAIL
ADDITIONAL COMMENTS: Request Approval of the Revised Credit Underwriting Recommendation	

1. Background

- a) Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2007 Universal Cycle. Applicant applied for Tax-Exempt Bonds in the amount of \$9,800,000 and \$7,635,000 in SAIL loans (consisting of \$5,000,000 base loan and \$2,635,000 supplemental loan for a total loan amount of \$7,635,000) in order to acquire and rehabilitate the Development.
- b) At the January 25, 2008 Board Meeting, Florida Housing approved a Final Credit Underwriting Report for the financing of the Development’s tax exempt bonds in the amount of \$11,200,000 and SAIL financing in the total amount of \$7,635,000. The Bonds were scheduled to be paid down to \$5,500,000 for the permanent financing of the Development with proceeds from the SAIL and Jacksonville SHIP loans.
- c) Centerline Capital Group (“Centerline”) serving as both the housing credit syndicator and Freddie Mac designated lender in the Final Credit Underwriting Report withdrew from the financing structure approved at the January 2008 Board Meeting. Therefore, the Developer has proposed Alliant Capital, Ltd. (“Alliant”) as the new syndicator, Wachovia Bank, N.A. (“Wachovia”) to provide a Letter of Credit to credit enhance the Bonds during construction and Alliant Capital, LLC (“Alliant Capital”) serving as the Federal National Mortgage Association (“Fannie Mae”) DUS lender for permanent financing.
- d) The Initial Final Credit Underwriting Report recommended \$11,200,000 in tax-exempt bond financing, but with the substitution of the Freddie Mac lender and syndicator, the elimination of a bond redemption reserve, a decrease in the construction costs and a decrease in land and building acquisition costs, the Developer is now requesting \$10,500,000 with the Bonds being paid down to \$4,500,000 for the permanent financing of the Development.

MULTIFAMILY BONDS

Consent

2. **Present Situation**

Attached as [Exhibit D](#) is the Revised Credit Underwriting Recommendation, dated July 25, 2008. The credit underwriter concludes these changes are not material to the original Credit Underwriting Report, pose no adverse risk to Florida Housing funds or to the success of the Development.

3. **Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Revised Credit Underwriting Recommendation dated July 25, 2008, that \$10,500,000 in tax-exempt bonds and \$7,635,000 in SAIL loan funds be issued for the purpose of acquiring and rehabilitating 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 A Transfer Of General Partner Interests for Hampton Court Apartments

DEVELOPMENT NAME (“Development”):	Hampton Court Apartments
DEVELOPER/PRINCIPAL (“Developer” or “Owner”):	Hampton Court Partners, Ltd./Castle Two, Ltd./Castle Two Corporation/Elliot Stone
NUMBER OF UNITS:	288
LOCATION (“County”):	Palm Beach
TYPE (“Rental, Homeownership”):	Rental
SET ASIDE:	50% @ 60%
ALLOCATED AMOUNT:	\$15,300,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS:	Transfer of General Partner Interests

1. Background

In 1999, Florida Housing financed the construction of the Development with \$12,700,000 in tax-exempt bonds and \$2,150,000 in taxable bonds, designated as 1999 Series D-1 & 2. Florida Housing subsequently issued \$450,000 in tax-exempt bonds designated as 1999 D-3.

2. Present Situation

- a) The Purchaser, in a letter dated June 18, 2008 attached as [Exhibit E](#) requests approval to transfer the interests of Dolphin Properties and Investments, LLC #2 and Richard Stone, as well as 5% of Castle Two Corporation’s interest in the General Partner to Jack Pechter and /or the Jack Pechter Foundation. Jack Pechter has the financial strength and experience to operate the Development.
- b) The Credit Underwriter has reviewed the request and by letter, dated July 25, 2008, attached as [Exhibit F](#) recommends that Florida Housing approve the request.

3. Recommendation

That the Board approve the transfer of General Partner Interests 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 A Transfer Of General Partner Interests and LURA Amendment for Villas de Mallorca Apartments

DEVELOPMENT NAME (“Development”):	Villas de Mallorca Apartments
DEVELOPER/PRINCIPAL (“Developer” or “Owner”):	Mallorca Partners, Ltd./Mallorca Partners, LLC/Elliot Stone
NUMBER OF UNITS:	252
LOCATION (“County”):	Broward
TYPE (“Rental, Homeownership”):	Rental
SET ASIDE:	50% @ 60%
ALLOCATED AMOUNT:	\$14,550,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: Transfer of General Partner Interests and LURA Amendment	

1. Background

In 2000, Florida Housing financed the construction of the Development with \$12,200,000 in tax-exempt bonds and \$2,350,000 in taxable bonds, designated as 2000 Series H-1 & 2.

2. Present Situation

- a) The Purchaser, in a letter dated June 18, 2008 attached as [Exhibit G](#) requests approval to transfer the interests of Dolphin Properties and Investments, LLC #2 and Richard Stone as well as 5% of Elliot Stone’s interest in the General Partner to Jack Pechter and /or the Jack Pechter Foundation. Jack Pechter has the financial strength and experience to operate the Development.
- b) The Credit Underwriter has reviewed the request and by letter, dated July 25, 2008, attached as [Exhibit H](#) recommends that Florida Housing approve the request.
- c) Additionally, the Purchaser, in a letter dated July 22, 2008 attached as [Exhibit I](#) requests approval to remove all language pertaining to the type of roofing material referenced in the LURA.

3. Recommendation

That the Board approve the transfer of General Partner Interests 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 Second Supplemental Letter To The Final Credit Underwriting Report For Hudson Ridge Apartments

DEVELOPMENT NAME (“Development”):	Hudson Ridge Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Hudson Ridge, Ltd./Hudson Ridge GP, LLC/TRG Member, LLC/The Richman Group Development Corporation/Richard P. Richman, individually
NUMBER OF UNITS:	168
LOCATION (“County”):	Pasco
TYPE (Rental, Homeownership):	Rental/Family (MMRB, SAIL and HC)
SET ASIDE:	10% @ 33% (ELI, MMRB, SAIL, HC) 75% @ 60% (MMRB) 90% @ 60% (SAIL & HC)
ALLOCATED AMOUNT:	\$11,250,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: Request Approval of the Second Supplemental Letter to the Final Credit Underwriting Report (“CUR”) for both the MMRB and SAIL Programs	

1. Background

- a) Applicant submitted an application (“Application”) on behalf of the proposed Development during the 2007 MMRB Universal Cycle. Applicant applied for tax-exempt bonds in the amount of \$11,500,000 in order to construct the Development.
- b) At the March 2008 Board Meeting, Florida Housing approved a Final Credit Underwriting Report for the Development for \$11,250,000 in tax-exempt bonds for a term of 30 years. Florida Housing subsequently approved a Supplemental Letter to the Final Credit Underwriting Report in the amount of \$11,250,000 at the June 2008 Board meeting for a term of 20 years.

2. Present Situation

- a) The Bond and SAIL terms as originally approved were 30 years. Subsequently, Citigroup Municipal Mortgage, Inc., the original bond purchaser was replaced by Washington Mutual (“WaMu”). WaMu provided a LOC with a term of 20 years and the Bond and SAIL terms per the credit underwriting report were erroneously changed to match the LOC term. The permanent Bond and SAIL terms are intended to be 30 years.
- b) The Credit Underwriter, by letter dated July 25, 2008, attached as [Exhibit J](#) recommends that Florida Housing approve the change.

3. Recommendation

That the Board approve the Second Supplemental Letter to the Final Credit Underwriting Report dated February 28, 2008 recommending that \$11,250,000 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.

MULTIFAMILY BONDS

Consent

H. Request Approval To Amend The Multifamily Bond and RRLP LURA For Magnolia Crossing Apartments

DEVELOPMENT NAME (“Development”):	Magnolia Crossing Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	Magnolia Crossing, Ltd./TCG Magnolia Crossing, LLC/Magnolia Crossing Development, LLC/Carlisle Development Group, LLC/Lloyd J. Boggio
NUMBER OF UNITS:	56
LOCATION (“County”):	Santa Rosa
TYPE (Rental, Homeownership):	Rental/Family (MMRB, RRLP and HC)
SET ASIDE:	85% @ 60% (MMRB) 25% @ 35% (RRLP) 75% @ 60% (RRLP) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$5,750,000 of Tax-Exempt Bonds and \$5,700,000 RRLP
ADDITIONAL COMMENTS: Land Use Restriction Agreement (“LURA”) Amendment	

1. Background

On October 26, 2006, Florida Housing financed the construction of the Development with Tax-Exempt Bonds in the amount of \$5,750,000 and RRLP loan in the amount of \$5,700,000.

2. Present Situation

- a) The Applicant in a letter dated June 11, 2008 attached as [Exhibit K](#) requests the LURA be amended from ceramic tile bathroom floors in all units to microwave ovens and marble window sills in all units. The ceramic tile floors received two points in Application scoring and the microwave ovens and marble window sills would each receive one point (for a total of two points) making the change of equal value to the Development.
- b) A Final Credit Underwriting Recommendation Letter dated July 21, 2008, is attached as [Exhibit L](#).

3. Recommendation

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

MULTIFAMILY BONDS

Consent

I. Request Approval To Amend The Multifamily Bond LURA For St. Cloud Village Apartments

DEVELOPMENT NAME (“Development”):	St. Cloud Village Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	St. Cloud Village Associates, Ltd./ Alliant Asset Management Company, LLC
NUMBER OF UNITS:	208
LOCATION (“County”):	Osceola
TYPE (Rental, Homeownership):	Rental (MMRB and HC)
SET ASIDE:	40% @ 60% (MMRB) 100% @ 60% (HC)
ALLOCATED AMOUNT:	\$7,650,000 of Tax-Exempt Bonds and \$1,395,000 in Taxable Bonds
ADDITIONAL COMMENTS: Land Use Restriction Agreement (“LURA”) Amendment	

1. Background

On June 27, 1997, Florida Housing financed the construction of the Development with Tax-Exempt Bonds in the amount of \$7,650,000 and Taxable Bonds in the amount of \$1,395,000.

2. Present Situation

- a) The Developer in a letter dated July 23, 2008 attached as [Exhibit M](#) requests the LURA be amended from trash compactors in each unit and individual unit metering for water and sewer to peepholes on all exterior doors and garbage disposals in all units.
- b) A Final Credit Underwriting Recommendation Letter dated July 24, 2008, is attached as [Exhibit N](#).

3. Recommendation

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

MULTIFAMILY BONDS

Consent

J. Assignment Of Bond Underwriters And Structuring Agents

1. Background

- a) Pursuant to staff's request 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 approves the assignment of the recommended professionals as shown in the chart for the proposed Developments.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional
Outrigger Village Apartments	Osceola	192	Negotiated	RBC Dain Rauscher, Inc.
Royal Arms Garden Apartments	Bay	88	Negotiated	RBC Dain Rauscher

MULTIFAMILY BONDS

Consent

K. Request Approval Of The Method Of Bond Sale Recommendations From Florida Housing's Senior Financial Advisor

1. Background/Present Situation

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

Development Name	Location of Development	Number of Units	Method of Bond Sale
Outrigger Village Apartments	Osceola	192	Negotiated
Royal Arms Garden Apartments	Bay	88	Negotiated

2. Recommendation

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

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VII. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan Extension for Supportive Housing (PLP 03-061)

DEVELOPMENT NAME (“Development”):	Supportive Housing
APPLICANT/DEVELOPER (“Developer”):	Lutheran Social Services of North Florida, Inc., a not-for-profit entity
NUMBER OF UNITS:	12
LOCATION (“County”):	Leon County
TYPE:	Rental, Homeless
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$46,000
ADDITIONAL COMMENTS: The loan was originally approved for \$146,000. Per the Developer’s request, the site acquisition portion of \$100,000 was de-obligated on November 16, 2005, due to receiving donated land from Leon County (County).	

1. Background

- a) On September 6, 2005, the Developer closed on a PLP Loan in the amount of \$46,000.
- b) To date, the Developer has drawn \$45,967.63 for eligible predevelopment expenses.

2. Present Situation

- a) On June 2, 2008, Florida Housing’s Special Assets Department sent the Developer a letter informing of the approaching maturity date of September 6, 2008, on the PLP Loan.
- b) On June 28, 2008, the Developer forwarded correspondence requesting a two year extension to the term of the PLP Loan extending the maturity date to September 6, 2010. This extension is being requested because the Developer lost its initial HUD 811 grant and must seek new permanent financing. The Technical Assistance Provider has recommended the extension ([Exhibit B](#)).
- c) Staff has reviewed the request and believes that a one year extension will allow the Developer to pursue alternative funding sources to replace the loss of the HUD 811 Grant. If the Developer is not successful in obtaining alternate funding sources within the extended loan maturity period, they may again request an additional year extension or repay the loan. If a request is made for additional time, the request will be presented to the Board for consideration.
- d) In addition, the Developer requested a reduction in the interest rate from three percent (3%) to one percent (1%) ([Exhibit A](#)). The version of the PLP rule in effect at the time this loan was closed provided for a three percent interest rate. The current rule allows for a one percent interest rate for developments owned by not for profit organizations.
- e) A reduction in the interest rate can only be done through a rule waiver request initiated by the Developer. If a rule waiver is submitted by the Developer, the interest rate reduction will be considered at that time.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

3. **Recommendation**

Approve a one year extension for the PLP Loan from September 6, 2008, to September 6, 2009, for Supportive Housing and allow staff to proceed with the loan amendment activities.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Reduction in Number of Units for Broadway Place (PLP 05-077)

DEVELOPMENT NAME (“Development”):	Broadway Place
APPLICANT/DEVELOPER (“Developer”):	Renaissance Manor, Inc., a not-for-profit entity
NUMBER OF UNITS:	14
LOCATION (“County”):	Lee County
TYPE:	Rental, Homeless
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 233,395
ADDITIONAL COMMENTS: Requesting a second reduction from 14 units (7 duplexes) to 12 units (6 duplexes).	

1. Background

- a) On October 26, 2007, the Board approved reductions in the number of units for Broadway Place from 20 to 14 and in the PLP Loan amount from \$461,300 to \$233,395 due to a change in operations of the facility, site constraints, and enlargement of the units.
- b) During the process of amending the legal documents, the Developer informed Florida Housing that only twelve units could be built due to issues related to land development regulations as outlined in the letter from Architecture, Inc. ([Exhibit C](#)).
- c) On April 26, 2008, the Developer repaid the PLP Loan; however, with the reduction in the number of units, Florida Housing’s Land Use Restriction Agreement must concur with the current unit requirements.

2. Present Situation

- a) On May 23, 2008, the Developer submitted correspondence ([Exhibit D](#)) requesting a second reduction in the number of units from fourteen to twelve due to the recent discovery of several unrecorded easements occupied by the City of Fort Myers (the City) and Florida Power and Light, reclassification of the duplexes under the Florida Residential Building code, and a requirement by the City to add garages to each unit, which required the removal of the additional two (2) units (1 duplex) to accommodate this requirement.
- b) Staff believes that the reduction in the number of units is beyond the Developer’s control. In addition, the principal amount drawn on the loan was only \$86,845.75 of the available \$233,395, which has been fully repaid. Therefore staff recommends the reduction of units as requested.

3. Recommendation

Approve the reduction in the number of units from fourteen to twelve for Renaissance Manor, Inc., and allow staff to proceed with amendment of the Land Use Restriction Agreement.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Reduction in Number of Units and Loan Amount for Andy’s Place (PLP 05-092)

DEVELOPMENT NAME (“Development”):	Andy’s Place
APPLICANT/DEVELOPER (“Developer”):	River Region Foundation, Inc., a not-for-profit entity
NUMBER OF UNITS:	65
LOCATION (“County”):	Duval County
TYPE:	Rental
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 500,000
ADDITIONAL COMMENTS: Requesting a reduction from 65 units to 32 units and a reduction from the original loan amount of \$500,000 to \$262,788.	

1. Background

On June 22, 2007, the Board approved a Predevelopment Loan to River Region Foundation, Inc. in the amount of \$500,000 for Andy’s Place. The Developer has not closed on the loan.

2. Present Situation

The Developer is requesting a reduction in the number of units from 65 to 32 due to a change in the availability of financing sources ([Exhibit E](#)). The Developer initially applied for low income housing tax credits for the 65 unit development, but was unsuccessful in obtaining funding. The Developer has obtained an alternate financing source for the development. However, the new funding source is only sufficient to develop 32 units in the development. As a result of this, the amount of the PLP Loan will be reduced from \$500,000 to \$262,788. The Technical Assistance Provider recommends the reduction in the number of units and loan amount ([Exhibit F](#)) and has provided an amended budget ([Exhibit G](#)).

3. Recommendation

Approve the reduction in the number of units from 65 to 32 and a reduction in the loan amount from \$500,000 to \$262,788 for Andy’s Place and allow staff to proceed with the loan closing activities.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of PLP Loan for Grace and Truth Community Development Corporation, a Not-For-Profit Entity, for Grace Manor Apartments (07-142)

DEVELOPMENT NAME (“Development”):	Grace Manor Apartments
APPLICANT/DEVELOPER (“Developer”):	Truth Community Development Corporation., a not-for-profit entity
NUMBER OF UNITS:	80
LOCATION (“County”):	Duval County
TYPE:	Rental, Elderly
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$750,000

1. Background

- a) On March 13, 2008, Florida Housing received a PLP Application from the Applicant for Grace Manor Apartments.
- b) On May 6, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization. The Development will be located in Duval County.

2. Present Situation

- a) The Technical Assistance Provider (TAP) has approved the Development Plan and recommended a loan amount of \$750,000 for PLP eligible activities ([Exhibit H](#)), as well as assisted the Applicant in preparing the Development Plan and budget ([Exhibit I](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.
- b) Additionally, \$300,000 of the recommended \$750,000 PLP Loan is being requested for site acquisition. The site acquisition portion of the loan requires credit underwriting. Upon receipt of a positive recommendation, the Credit Underwriting Report will be presented to the Board for approval. Staff recommends that the non-site acquisition portion loan amount of \$450,000 be approved to provide the Applicant with available funds for eligible non-site predevelopment expenses, pending the Developer receiving a contract or lease agreement on the property from the School Board or providing other security for the loan.

3. Recommendation

Approve the PLP Loan in the amount of \$750,000 to Grace and Truth Community Development Corporation, a not-for-profit organization, for predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence loan closing proceedings on the non-site acquisition portion of the PLP Loan in the amount of \$450,000 once the site is under contract or lease agreement with the School Board.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

E. Request Approval of PLP Loan for Ridge Winter Haven, Ltd., a not-for-profit entity, for Ridgewood Apartments (07-149)

DEVELOPMENT NAME (“Development”):	Ridgewood Apartments
APPLICANT/DEVELOPER (“Developer”):	Ridge Winter Haven, Ltd., a not-for-profit entity
NUMBER OF UNITS:	33
LOCATION (“County”):	Polk County
TYPE:	Rental, Family
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$615,452

1. Background

- a) On May 13, 2008, Florida Housing received a PLP Application from the Applicant for Ridgewood Apartments.
- b) On May 30, 2008, Florida Housing issued an Invitation to Participate in the PLP to the Developer, a not-for profit organization. The Development will be located in Polk County.

2. Present Situation

- a) The Technical Assistance Provider (TAP) has approved the Development Plan and recommended a loan amount of \$615,452 for PLP eligible activities ([Exhibit J](#)), as well as assisted the Applicant in preparing the Development Plan and budget ([Exhibit K](#)). Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.
- b) Additionally, \$400,000 of the recommended \$615,452 PLP Loan is being requested for site acquisition. The site acquisition portion of the loan approved prior to funding requires credit underwriting. Upon receipt of a positive recommendation, the Credit Underwriting Report will be presented to the Board for approval. Staff recommends that the non-site acquisition portion loan amount of \$215,542 be approved to provide the Applicant with available funds for non-site eligible predevelopment expenses.

3. Recommendation

Approve the PLP Loan in the amount of \$615,542 to Ridge Winter Haven, Ltd., a not-for-profit organization, for predevelopment expenses as recommended by the TAP and allow staff to issue the Commitment Letter and commence loan closing proceedings on the non-site acquisition portion of the PLP Loan in the amount of \$215,542.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VIII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Cash Flow Verification Agent Services

1. Background

- a) At its June 10, 2005 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Causey Demgen & Moore, Inc. to provide cash flow verification agent services.
- b) The initial term of the contract began October 10, 2005 and expires October 10, 2008. The contract may be renewed once for an additional one-year period.

2. Present Situation

- a) Florida Housing utilizes the services of Causey Demgen & Moore, Inc. to provide cash flow verifications for low income, single-family and multi-family mortgage revenue bonds.
- b) Florida Housing staff supports a renewal to extend the term of the contract for the additional one-year period.

3. Recommendation

Staff believes that it is in the best interests of Florida Housing to continue to retain its cash flow verification agent and recommends that the Board direct staff to proceed with the contract renewal.

RENTAL RECOVERY LOAN PROGRAM (RRLP)

Consent

IX. RENTAL RECOVERY LOAN PROGRAM (RRLP)

A. Request Approval of Supplemental Letter to the Final Credit Underwriting Report for Eclipse (2006-362CHR/2007-015C)

Development Name: Eclipse (“Development”)	Location: Broward County
Developer/Principal: Reliance Housing Services, LLC and EDI Eclipse, LLC (“Developer”)	Set-Aside: 24% @ 30% AMI and 71% @ 60% AMI
Number of Units: 101	Allocated Amount: \$6,031,235 (RRLP)
Type: High-Rise	Total Housing Credit Equity: \$20,113,661
Demographics: Family	MMRB: N/A

1. Background/Present Situation

- a) On May 2, 2008, the Board approved the final credit underwriting report with a positive recommendation for an RRLP loan in the amount of \$6,031,235 and directed staff to proceed with loan closing activities.
- b) On July 22, 2008, staff issued a firm commitment letter with a closing deadline of September 22, 2008.
- c) On July 24, 2008, staff received a supplemental letter to the final credit underwriting report with a positive recommendation for a change in co-Developer in addition to an increase in total development costs, an increase in the credit equity price and changes to the terms of the construction and permanent financing ([Exhibit A](#)). Staff has reviewed this recommendation and finds that the Development meets all of the requirements of Rule Chapter 67ER06, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

X. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

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

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

1. Background/Present Situation

- a) On September 21, 2007, the Board approved the final scores and ranking for the 2007 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On September 28, 2007, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$2,640,000 and a Supplemental loan in the amount of \$425,000 for this 52-unit family development located in Highlands County.
- c) On July 24, 2008, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$2,640,000 and a Supplemental loan in the amount of \$425,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Credit Underwriting Report for Hunt Club Apartments, Cycle XIX (2007-026S)

Development Name: Hunt Club Apartments (“Development”)	Location: Hillsborough County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 5% @ 33% AMI and 95% @ 60% AMI
Number of Units: 96	Allocated Amount: \$5,000,000
Type: Garden Style	Housing Credit Equity: \$5,442,446
Demographics: Family	MMRB: \$8,000,000 (local)

1. Background/Present Situation

- a) On September 21, 2007, the Board approved the final scores and ranking for the 2007 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On December 13, 2007, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$5,000,000 for this 96-unit family development located in Hillsborough County.
- c) On July 25, 2008, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$5,000,000 ([Exhibit B](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Additional Source of Funding for Villa Aurora, Cycle XVII (2005-020CS)

Development Name: Villa Aurora (“Development”)	Location: Miami-Dade County
Developer/Principal: Carrfour Supportive Housing, Inc. (“Developer”)	Set-Aside: 21% @ 30% AMI and 79% @ 60% AMI
Number of Units: 76	Allocated Amount: \$3,000,000
Type: High-Rise	Housing Credit Equity: \$20,701,206
Demographics: Homeless	MMRB: N/A

1. **Background/Present Situation**

- a) On December 4, 2007, a SAIL loan in the amount of \$3,000,000 for this 76-unit homeless Development in Miami-Dade County closed.
- b) On June 18, 2008, staff received a letter from the Borrower requesting approval of additional funding from the City of Miami ([Exhibit C](#)).
- c) On July 17, 2008, staff received a credit underwriting review with a positive recommendation for additional subordinate financing in the amount of \$646,000 ([Exhibit D](#)). Staff has reviewed this recommendation and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

2. **Recommendation**

Approve the request for additional funding and direct staff to proceed with the modification of closing documents.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Additional Source of Funding for Quiet Waters, Cycle XVII (2005-106CS)

Development Name: Quiet Waters f/k/a McCurdy Center (“Development”)	Location: Palm Beach County
Developer/Principal: McCurdy Senior Housing Corporation & Landmark Development Corporation (“Developer”)	Set-Aside: 24% @ 30% AMI and 76% @ 60% AMI
Number of Units: 93	Allocated Amount: \$1,750,000
Type: Garden Style	Housing Credit Equity: \$12,375,000
Demographics: Homeless	MMRB: N/A

1. **Background/Present Situation**

- a) On June 11, 2008, a SAIL loan in the amount of \$1,750,000 for this 93-unit homeless Development in Palm Beach County closed.
- b) On July 14, 2008, staff received a letter from the Borrower requesting approval of additional funding from Palm Beach County ([Exhibit E](#)).
- c) On July 21, 2008, staff received a credit underwriting review with a positive recommendation for additional subordinate financing in the amount of \$600,000 ([Exhibit F](#)). Staff has reviewed this recommendation and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

2. **Recommendation**

Approve the request for additional funding and direct staff to proceed with the modification of closing documents.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval of Credit Underwriting Report for Willow Lakes, Cycle XIX (2007-108BS)

Development Name: Willow Lakes (“Development”)	Location: Duval County
Developer/Principal: Created Equal Communities, LLC (“Developer”)	Set-Aside: 10% @ 30% AMI, 40% @ 50% and 50% @ 60% AMI
Number of Units: 304	Allocated Amount: \$5,000,000 SAIL and \$2,635,000 Supplemental
Type: Garden Style	Housing Credit Equity: \$5,625,396
Demographics: Family	MMRB: \$11,100,000

1. **Background**

- a) On September 21, 2007, the Board approved the final scores and ranking for the 2007 Universal Application Cycle and directed staff to proceed with all necessary credit underwriting activities.
- b) On October 1, 2007, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for a SAIL loan in an amount up to \$5,000,000 and a Supplemental loan in the amount of \$2,635,000 for this 304-unit family development located in Duval County. The Development was also awarded an 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 Chapter 67-48, F.A.C.

2. **Recommendation**

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

F. Request Approval of SAIL Loan Closing Extension and Credit Underwriting Update Letter for Labre Place, Cycle XVIII (2006-074CS)

Development Name: Labre Place f/k/a St. David (“Development”)	Location: Miami-Dade County
Developer/Principal: St. David Development, L.L.C. (“Developer”)	Set-Aside: 50% @ 33% AMI and 50% @ 60% AMI
Number of Units: 90	Allocated Amount: \$4,000,000
Type: High-Rise	Housing Credit Equity: \$15,592,197
Demographics: Homeless	MMRB: N/A

1. Background/Present Situation

- a) On March 14, 2008, the Board approved a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$4,000,000 and directed staff to proceed with loan closing activities.
- b) On April 18, 2008, staff issued a firm commitment letter with a closing deadline of June 17, 2008.
- c) On June 13, 2008, the Board approved an extension of the loan closing deadline until August 15, 2008.
- d) On July 8, 2008, staff received a letter from the Developer requesting an extension of the closing deadline until October 15, 2008 due to additional underwriting and approval requirements needed by the syndicator, Wachovia Bank ([Exhibit G](#)).
- e) Additionally, on July 11, 2008, staff received a credit underwriting update letter addressing a change to an interest only construction loan from Wachovia. ([Exhibit H](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

2. Recommendation

Approve the credit underwriting update letter and request to extend the SAIL closing deadline until October 15, 2008, subject to the payment of the loan closing extension fee pursuant to Rule Chapter 67-48, F.A.C.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

G. Request Approval of Advance on Existing First Mortgage for The Landings of Saint Andrew a/k/a Presbyterian Homes of Pasco, Cycle VI (94S-034)

Development Name: The Landings of Saint Andrew a/k/a Presbyterian Homes of Pasco (“Development”)	Location: Pasco County
Developer/Principal: Gulf Landings Development Corp. (“Developer”)	Set-Aside: 90% @ 60% AMI and 5% @ 50% AMI
Number of Units: 196	Allocated Amount: \$1,990,000
Type: Garden Style	Housing Credit Equity: \$5,109,206
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On December 21, 1994, a SAIL loan in the amount of \$1,990,000 for this 196-unit elderly Development in Pasco County closed.
- b) On June 11, 2008, staff received a letter from the Borrower requesting approval of a \$500,000 advance on the existing \$5,200,000 first mortgage in favor of Neighborhood Lending Partners of West Florida, Inc. to finance the replacement of the roof of the development and to increase the replacement reserves on hand for future needs ([Exhibit I](#)).
- c) On July 21, 2008, staff received a credit underwriting review with a positive recommendation for a \$500,000 advance on the existing first mortgage per the Borrower’s June 11, 2008 request ([Exhibit J](#)). Staff has reviewed this recommendation and finds that the Development meets all of the requirements of Rule Chapter 9I-35, F.A.C.

2. Recommendation

Approve the request for an advance on the existing first mortgage and increase in replacement reserves and direct staff to proceed with the modification of closing documents.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

H. Request Approval of Second Supplemental Letter to the Final Credit Underwriting Report for Hudson Ridge Apartments, Cycle XIX (2007-034BS)

Development Name: Hudson Ridge Apartments (“Development”)	Location: Pasco County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 10% @ 33% AMI and 90% @ 60% AMI
Number of Units: 168	Allocated Amount: \$4,700,000 (SAIL) and \$1,445,000 (Supplemental)
Type: Three-Story Garden Style	Housing Credit Equity: \$8,066,377
Demographics: Family	MMRB: \$11,250,000

1. Background/Present Situation

- a) On March 14, 2008, the Board approved the final credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$4,700,000 and a Supplemental loan in the amount of \$1,445,000.
- b) On June 13, 2008 the Board approved a supplemental letter to the final credit underwriting report with a positive recommendation for a change in credit enhancer.
- c) On July 25, 2008, staff received a second supplemental letter to the final credit underwriting report. The second supplemental letter 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 Chapter 67-48, F.A.C.

2. Recommendation

Approve the second supplemental letter to 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

I. Request Approval of Credit Underwriting Report for Savannah Springs Apartments, Cycle XIX (2007-02-SEL)

Development Name: Savannah Springs Apartments (“Development”)	Location: Duval County
Developer/Principal: The Richman Group of Florida, Inc. (“Developer”)	Set-Aside: 50% @ 50% AMI and 50% @ 60% AMI
Number of Units: 234	Allocated Amount: \$4,000,000 (2006) & \$1,000,000 (2007)
Type: Garden Style	Housing Credit Equity: \$7,893,483
Demographics: Family	MMRB: \$14,450,000

1. Background/Present Situation

- a) On December 13, 2006, a SAIL loan in the amount of \$4,000,000 for this 234-unit family Development in Duval County closed.
- b) In the 2007 Universal Application Cycle, Applicants that were successful in receiving an award of 2006 SAIL funds could request additional funding for the difference in the 2006 and 2007 request limits.
- c) During the 2007 Universal Application Cycle, the Applicant applied for an additional SAIL loan in the amount of \$1,000,000.
- d) On March 3, 2008, staff issued a preliminary commitment letter and an invitation to enter credit underwriting for an additional SAIL loan in an amount up to \$1,000,000.
- e) On July 25, 2008, staff received a credit underwriting report with a positive recommendation for a SAIL loan in the amount of \$1,000,000 ([Exhibit K](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of SAIL Rule Chapter 67-48, F.A.C.

2. Recommendation

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

SPECIAL ASSETS

Consent

XI. SPECIAL ASSETS

A. Request Approval of the Extension of the SAIL Loans for Florida Low Income Housing Association, Inc., a Non-Profit Organization, for Atlantic Pines Apartments (90-002S/SL93-01)

Development Name: Atlantic Pines Apartments (“Development”)	Location: Monroe
Developer/Principal: Florida Low Income Housing Association, Inc. (“Developer”)	Set-Aside: SAIL 40% @ 60% AMI Farm worker; 60% @ 60% AMI Family, 50 years; HC 100% @ 60% AMI, 50 years
Number of Units: 14	Allocated Amount: SAIL \$425,242; \$187,640 Housing Credit \$60,015
Demographics: Farm worker, Family	

1. Background

- a) During SAIL Cycles II and V, Florida Housing awarded two State Apartment Incentive loan (SAIL) loans (90-002S/SL93-01) of \$425,242 and \$187,640 respectively to Florida Low Income Housing Associates, Inc., a non-profit organization (Borrower) for the development of a 14-unit apartment complex in Big Pine Key, Monroe County, Florida. The SAIL loans closed on June 26, 1992 and January 29, 1993 respectively, and matured on June 26, 2008 and January 29, 2008 respectively. The Development also received a Housing Credit allocation of \$60,015.
- b) The Board approved a one year extension for SAIL loan 90-002S at its April 2007 Board meeting. The Board also approved renegotiated loan terms and a Rule Waiver for SAIL loan SL93-01 at the June 13, 2008 Board meeting.

2. Present Situation

In a letter dated July 7, 2008 the Limited Partner requested approval to extend the SAIL loans, at their current terms, to January 31, 2009. These extensions are needed to allow the sale of the limited partnership interest in the development to the Borrower (Operating General Partner) after the LIHTC compliance period ends on December 31, 2008 thereby eliminating the requirement for a recapture bond and the approval of the transaction by the Limited Partner’s investors. Staff anticipates submitting a request for renegotiated loan terms and a Rule Waiver for Board approval at a later Board meeting for SAIL loan 90-002S which will facilitate combining the two loans.

3. Recommendation

Approve the extension of the SAIL loans, at their current terms, to January 31, 2009, and extend the LURAs for an equal amount of time, and direct staff to proceed with loan modification activities.

SPECIAL ASSETS

Consent

B. Request Approval of the Extension of the SAIL Loan for Homestead Apartments Associates II, Ltd., a Florida limited partnership for Riverwalk II Apartments (92S-019/92L-052)

Development Name: Riverwalk II (“Development”)	Location: Miami-Dade County
Developer/Principal: Homestead Apartments Associates II, Ltd./Related Companies (“Developer”)	Set-Aside: SAIL 20% @ 50% AMI Farmworker, 80% @ 60% AMI Family; HC 100% @ 60% AMI LURA: 50 years; EUA: 50 years
Number of Units: 112	Allocated Amount: SAIL - \$770,000
Demographics: Farmworker/Family	Housing Credits: \$451,372

1. Background

During the 1991-1992 SAIL Cycle IV, Florida Housing awarded a \$770,000 construction/permanent loan to Homestead Apartments Associates II, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 112-unit development in Miami-Dade County. The SAIL loan closed on October 8, 1992 and will mature on October 8, 2008. The Development also received a 1992 allocation of low-income housing tax credits of \$451,372. The Development was placed in service in September of 1993. The Board extended the loan for one year at its January 2007 meeting.

2. Present Situation

In a letter dated June 10, 2008 the Borrower requested approval to extend the SAIL loan, at its current terms, to June 30, 2009. This additional time is needed to allow them to refinance the development. The Related Group has an application for tax-exempt bond and 4% tax credits in the 2008 Universal Cycle in hopes of using this financing for the acquisition and rehabilitation of the development. Should this funding not become available, the Borrower will apply to other funding sources. The Borrower anticipates closing on this funding in the first half of 2009.

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to June 30, 2009, and extend the LURA for an equal amount of time, and direct staff to proceed with loan modification activities.

SPECIAL ASSETS

Consent

- C. **Request Approval of the Transfer of the Property and the Assumption and Extension of the HOME Loan for Outrigger Village Apartments of Kissimmee, Ltd., a Florida Limited Partnership for Outrigger Village Apartments (92HR-007/HC 92-093)**

Development Name: Outrigger Village (“Development”)	Location: Osceola County
Developer/Principal: Outrigger Village Apartments of Kissimmee/Royal American Development (“Developer”)	Set-Aside: Home 70% @ 60%, 20% @ 50% and 10% @ 80% AMI, HC 100% @ 60% AMI; LURA: 15 years; EUA: 30 years
Number of Units: 192	Allocated Amount: Home - \$2,017,130
Demographics: Family	Housing Credits: \$153,586

1. Background

- a) During the 1992 Home Cycle, Florida Housing awarded a \$2,017,130 Home Loan to Outrigger Village Apartments of Kissimmee, a Florida Limited Partnership (“Borrower”), for the acquisition of a 192-unit development in Osceola County. The Home loan closed on December 28, 1992 and will mature on December 28, 2007. The Development also received a 1992 allocation of low-income housing tax credits of \$153,586. The Development was placed in service in March of 1993.
- b) The Borrower requested and the Board approved at its December 7, 2007 Board meeting a HOME loan and Land Use Restriction Agreement (LURA) extension to September 28, 2008, to allow the Purchaser sufficient time to arrange financing in order to acquire and rehabilitate the Development.
- c) The Purchaser has applied for MMRB financing from Florida Housing and the request is being presented for approval simultaneously with this request.

2. Present Situation

- a) The Purchaser requested approval to assume the HOME loan. Additionally, it requested that the HOME loan term and the affordability period in the LURA be extended to be co-terminus with the new MMRB financing. The outstanding HOME loan amount will be reduced to \$1,800,000. The loan will require full amortization with monthly payments of both principal and interest, a fixed base rate of 1.5% and a Debt Service Coverage (“DSC”) ratio of not less than 1.00 to 1.00. Seller will be required to pay the principal reduction amount and all accrued interest owing at loan closing. Staff has received a credit underwriting report with a positive recommendation.
- b) The credit underwriting report is further addressed in the MMRB section of the Board package.

3. Recommendation

Approve the transfer of the property, assumption and extension of the HOME loan with the new terms, extension of the affordability period all with the conditions provided in the credit underwriting report and direct staff to proceed with loan closing activities.

SPECIAL ASSETS

Consent

D. Request Approval of Workout Proposal for Rio Towers (SAIL 91S-029)

Development Name: Rio Towers ("Development")	Location: Miami-Dade
Developer/Principal: East Little Havana CDC ("Developer")	Set-Aside: SAIL 100% @ 60% AMI, 51 Years; HC 100% @ 60% AMI, 30 Years
Number of Units: 82	Allocated Amount: SAIL \$800,000 Housing Credit \$413,746
Demographics: Elderly & Family	

1. Background

During the 1990 Cycle, Florida Housing awarded an \$800,000 SAIL loan to Rio Towers, Ltd., a Florida limited partnership, (Borrower) for the development of a 82-unit apartment complex in Miami-Dade County, Florida. The SAIL loan closed on November 20, 1991. The Development also received a Housing Credit allocation of \$413,746. At the June 2006 FHFC Board meeting the SAIL loan was approved for a one year extension and the loan was extended to July 23, 2007. The Borrower has been unable to refinance the Development and the SAIL loan matured on the extended date.

2. Present Situation

- a) In a letter dated April 17, 2008 the Borrower requested that the terms of the loan be renegotiated and extended and Staff subsequently entered into negotiations. The Borrower submitted their workout proposal requesting Florida Housing renew the principal at 1% interest for thirty years, with monthly amortization of principal and interest. The Borrower has agreed to pay all outstanding deferred interest not forgiven by Rule at the time of closing of the renegotiated loan and to extend the LURAs affordability period for 15 additional years beyond the current 51 years.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit A](#)).

3. Recommendation

Staff recommends that the Board approve the workout proposal to renew the principal at 1% interest for thirty years, with monthly amortization of principal and interest and extension of the LURA for an additional 15 years and direct staff to proceed with loan closing activities with conditions of the credit underwriting report.

SPECIAL ASSETS

Consent

E. Request Approval to Refinance the First Mortgage and Approval Of Workout Proposal for Magnolia Pointe Apartments HOME Loan (96HR-021)

Development Name: Magnolia Pointe (“Development”)	Location: Bay County
Developer/Principal: Royal American Development/Bay Equity Investments (“Developer”)	Set-Aside: 20@45, 20@50, and 60@60 LURA 51 years, EUA 50 years
Number of Units: 100	Amounts: HOME: \$900,000
Demographics: Family	Housing Credits: \$477,974 annually

1. Background

- a) During the 1996 HOME Cycle, Florida Housing awarded a \$900,000 loan to Magnolia Pointe of Bay, Ltd., a Florida Limited Partnership (“Borrower”) for the development of a 100-unit apartment complex in Bay County, Florida. The Development also received a 1996 allocation of low-income housing tax credits in the amount of \$477,974.
- b) By letter dated May 30, 2008, the borrower requested Florida Housing’s approval of the refinancing of the first mortgage and approval of the HOME loan to be renegotiated and extended. The Board approved renegotiated loan terms at the June 13, 2008 meeting.

2. Present Situation

- a) The borrower has requested new terms for the refinancing of the first mortgage. The refinancing involves a lower interest rate and as part of the transaction the borrower will pay down a portion of the principal on the HOME loan. The borrower has also requested that the HOME loan that matured 6/4/08 be extended 10 years to match the new maturity date of the refinanced first mortgage and to renew the principal at 0% interest for ten years, with monthly amortization of principal beginning in September 2008.
- b) Staff has received a credit underwriting report from First Housing Development Corporation ([Exhibit B](#)) recommending approval of the refinancing and extension of the HOME loan term. The Borrower has agreed to extend the affordability period by the length of time equal to the extension of the HOME loan.

3. Recommendation

Approve the recommendation of the Credit Underwriter recommending refinancing the first mortgage and approve the workout proposal extending the HOME loan term and Land Use Restriction Agreement, subject to further approvals and verifications by the Credit Underwriter, Counsel and appropriate Florida Housing Staff and direct Staff to proceed with loan modification activities.

SPECIAL ASSETS

Consent

F. Request Approval to Refinance the First Mortgage and Approval of Workout Proposal for San Jose Apartments HOME Loan (92HR-022)

Development Name: San Jose of Seminole (“Development”)	Location: Seminole County
Developer/Principal: Royal American Development/Bay Equity Investments (“Developer”)	Set-Aside: SAIL 20% @50% and 80% @ 60% AMI, LURA 15 years; HC 100% @ 60% AMI, EUA 30 years
Number of Units: 121	Amounts: HOME: \$1,990,000
Demographics: Family	Housing Credits: \$94,932 annually

1. Background

- a) During the 1992 HOME Cycle, Florida Housing awarded a \$1,990,000 loan to San Jose Apartments of Seminole, Ltd., a Florida Limited Partnership (“Borrower”) for the development of a 121-unit apartment complex in Seminole County, Florida. The Development also received a 1992 allocation of low-income housing tax credits in the amount of \$94,932.
- b) By letter dated May 30, 2008, the borrower requested Florida Housing’s approval of the refinancing of the first mortgage and approval of the HOME loan to be renegotiated and extended. The Board approved renegotiated loan terms at the June 13, 2008 meeting.

2. Present Situation

- a) The borrower has requested new terms for the refinancing of the first mortgage. The refinancing involves a lower interest rate and as part of the transaction the borrower will pay down a portion of the principal on the HOME loan. The borrower has also requested that the HOME loan that matured 6/28/08 be extended 25 years to match the new maturity date of the refinanced first mortgage and to renew the principal at 1.5% interest for 25 years, with monthly amortization of principal and interest.
- b) Staff has received a credit underwriting report from First Housing Development Corporation ([Exhibit C](#)) recommending approval of the refinancing and extension of the HOME loan term. The Borrower has agreed to extend the affordability period by the length of time equal to the extension of the HOME loan.

3. Recommendation

Approve the recommendation of the Credit Underwriter recommending refinancing the first mortgage and approve the workout proposal extending the HOME loan term and Land Use Restriction Agreement, subject to further approvals and verifications by the Credit Underwriter, Counsel and appropriate Florida Housing Staff and direct Staff to proceed with loan modification activities.

SPECIAL ASSETS

Consent

G. Request Approval of Transfers of General Partnership Interests in Five Trammell Crow Residential Developments to Banyan Realty Advisors, LLC

Development Name: Buena Vista Place I ("Development")	Location: Orange
Developer/Principal: Reams Road, L.P. ("Developer")	Set-Aside: HC 15% @ 35% AMI; 85% @ 60% AMI; 50 Years
Funding Sources: HC 1998-003C	Amounts: HC \$1,940,350
Number of Units: 256	Type: Family
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Development Name: Buena Vista Place II ("Development")	Location: Orange
Developer/Principal: Reams Road II, L.P. ("Developer")	Set-Aside: HC 100% @ 60% AMI, 30 Years
Funding Sources: HC 1999-525C	Amounts: HC \$262,214
Number of Units: 84	Type: Family
<hr/>	
Development Name: Buena Vista Pointe ("Development")	Location: Orange
Developer/Principal: Buena Vista at Cypress Pointe, L.P. ("Developer")	Set-Aside: HC 100% @ 60% AMI, 30 Years
Funding Sources: HC 92L-017	Amounts: HC \$1,351,723
Number of Units: 324	Type: Family
<hr/>	
Development Name: Congress Park ("Development")	Location: Palm Beach
Developer/Principal: Congress Park, L.P. ("Developer")	Set-Aside: HC 20% @ 40%, 80% @ 60% AMI, 30 Years
Funding Sources: HC 93L-059	Amounts: HC \$1,540,950
Number of Units: 288	Type: Family
<hr/>	
Development Name: Homestead Colony ("Development")	Location: Miami Dade
Developer/Principal: Homestead Colony, L.P. ("Developer")	Set-Aside: HOME & HC 40% @ 50%, 60% @ 60% AMI, 30 Years (HOME); 30 Years (HC)
Funding Sources: HOME 93HD-002 HC 94L-003	Amounts: HOME \$1,500,000 HC \$1,634,208
Number of Units: 312	Type: Family
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SPECIAL ASSETS

Consent

1. **Background**

- a) Trammell Crow Residential received funding from Florida Housing Finance Corporation (FHFC) for development of five affordable housing properties from 1992 to 1999. Funding sources from FHFC have included HOME and Housing Credits. The developments are as follows:
- (1) One property in which Florida Housing Finance Corporation ("Lender") has a loan and is the Housing Credit authority is:

Homestead Colony, L.P., a Florida limited partnership ("Borrower") (Homestead Colony);
 - (2) The four properties in which there are General Partner Interests in which FHFC is the Housing Credit authority, but not the lender are:
 - (a) Reams Road, L.P., a Florida limited partnership (Buena Vista Place I);
 - (b) Reams Road II, L.P., a Florida limited partnership (Buena Vista Place II);
 - (c) Buena Vista at Cypress Pointe, L.P., a Florida limited partnership (Buena Vista Pointe);
 - (d) Congress Park, L.P., a Florida limited partnership (Congress Park).

2. **Present Situation**

- a) By letter dated June 9, 2008, Banyan Realty Advisor, LLC. is requesting Florida Housing's approval of the transfer of the general partnership and related developer interests regarding the right to receive any remaining unpaid developer fee in these five developments from affiliates of Trammell Crow Residential and in addition, approve the transfer of the limited partnership interest of Buena Vista Point.
- b) Staff received a credit underwriting report from Seltzer Management Group ([Exhibit D](#)) providing a positive recommendation for the transfers.

3. **Recommendation**

Approve the transfer of general partnership and related developer interests in these five developments, and the transfer of the limited partnership interest of Buena Vista Point, and direct staff to proceed with loan modification activities as required subject to the conditions in the credit underwriting report dated July 23, 2008.

SPECIAL ASSETS

Consent

H. Request Approval of Loan Workout for Six HOME Loans for Volunteers of America (92HR-018-1, 92HR-018-2, 92HR-018-3, 92HR-017, 92HR-019-1, 92HR-019-2)

Development Name: VOA Hillsborough I (“Development”)	Location: Hillsborough County
Developer/Principal: Volunteers of America Community and Development Corporation of the Tampa Bay Area, Inc. (“Developer”)	Set-Aside: HOME 20% @ 50% & 80% @ 80% AMI, LURA: 15 years
Number of Units: 4	Allocated Amount: HOME - \$90,188
Demographics: Family	
Development Name: VOA Hillsborough II (“Development”)	Location: Hillsborough County
Developer/Principal: Volunteers of America Community and Development Corporation of the Tampa Bay Area, Inc. (“Developer”)	Set-Aside: HOME 20% @ 50% & 80% @ 80% AMI, LURA: 15 years
Number of Units: 4	Allocated Amount: HOME - \$103,432
Demographics: Family	
Development Name: VOA Hillsborough III (“Development”)	Location: Hillsborough County
Developer/Principal: Volunteers of America Community and Development Corporation of the Tampa Bay Area, Inc. (“Developer”)	Set-Aside: HOME 20% @ 50% & 80% @ 80% AMI, LURA: 15 years
Number of Units: 4	Allocated Amount: HOME - \$99,980
Demographics: Family	
Development Name: VOA Manatee (“Development”)	Location: Manatee County
Developer/Principal: Volunteers of America Community and Development Corporation of the Tampa Bay Area, Inc. (“Developer”)	Set-Aside: HOME 20% @ 50% & 80% @ 80% AMI, LURA: 15 years
Number of Units: 4	Allocated Amount: HOME - \$152,352
Demographics: Family	
Development Name: VOA Broward I (“Development”)	Location: Broward County
Developer/Principal: Volunteers of America Community and Development Corporation of Broward, Inc. (“Developer”)	Set-Aside: HOME 20% @ 50% & 80% @ 80% AMI, LURA: 15 years
Number of Units: 15	Allocated Amount: HOME - \$266,266
Demographics: Family	
Development Name: VOA Broward II (“Development”)	Location: Broward County
Developer/Principal: Volunteers of America Community and Development Corporation of Broward, Inc. (“Developer”)	Set-Aside: HOME 20% @ 50% & 80% @ 80% AMI, LURA: 15 years
Number of Units: 4	Allocated Amount: HOME - \$79,874
Demographics: Family	

SPECIAL ASSETS

Consent

1. Background

During the 1992 HOME Cycle, Florida Housing awarded five loans to Volunteers of America for the acquisition and rehabilitation of five, 4-unit developments and one 15-unit development in Broward, Hillsborough, and Manatee County. The HOME loans closed in 1993 and mature on various dates in 2008. Five of the loans were approved for a one year extension at the June 13, 2008 Board meeting.

2. Present Situation

- a) In a letter dated May 21, 2008 the Borrower requested that the terms of the loan be renegotiated and extended and Staff subsequently entered into negotiations. The Borrower submitted their workout proposal requesting Florida Housing renew the principal at 0% interest for 30 years, with monthly amortization of principal. The Borrower has agreed to extend the LURAs affordability period for 30 additional years beyond the current 15 years.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit E](#)).

3. Recommendation

Staff recommends that the Board approve the workout proposal to renew the principal at 0% interest for thirty years, with monthly amortization of principal and extension of the LURA for an additional 30 years and direct staff to proceed with loan closing activities with conditions of the credit underwriting report.

SPECIAL ASSETS

Consent

I. Request Approval of Transfer of General Partnership Interest for Mariner's Cove (HC 94L-030/96L-002) (SAIL 94S-018/95S-031)

Development Name: Mariner's Cove ("Development")	Location: Monroe
Developer/Principal: Mariner's Cove Apartments Associates, Ltd. ("Developer")	Set-Aside: SAIL 40% @ 60% AMI (Fishing Worker) & 60% @ 60% AMI, 15 Years; HC 100% @ 60%, 30 Years
Number of Units: 78	Allocated Amount: SAIL \$1,554,000 Housing Credit \$791,156
Demographics: Fishing Worker	

1. Background

- a) During the 1994 Cycle, Florida Housing awarded a \$499,000 SAIL second mortgage loan to Mariner's Cove Apartments Associates, Ltd., a Florida limited partnership, (Borrower) for the development of a 78-unit Family apartment complex in Key West, Monroe County, Florida. The Development also received a Housing Credit allocation of \$791,156. Subsequently in 1995, the Development received an additional allocation of SAIL funds of \$1,055,000 which increased the SAIL loan to a total of \$1,554,000.
- b) In its original application, the Borrower committed to a Family demographic with 100% of the units at 60% AMI or less. In 1996, the revision of the LURA created an additional requirement that 40% of the units be leased to Fishing Workers under Rule 9I 35.002(8) of the Florida Administrative Code. In 1997, the LURA was revised once again extending the LURA's Maturity Date to be co-terminus with Loan Documents which mature June 30, 2012.

2. Present Situation

- a) In a letter dated July 16, 2008, the Borrower requests approval to transfer their general partnership interest from the current CED entity, CED API-I Holdings, LLC, to a "to be formed" Banyan (BRM) special purpose entity known as BRM Southeast Mariner's Cove GP, LLC. In addition, the 98.99% Investor Limited Partnership interest held by AM Affordable Housing Partners IV, LP and the .01% Special Limited Partners interest held by ACM Investors, LLC will transfer to BRM Southeast Holdings, LLC, a single purpose entity of Southeast Mariner's Cove GP, LLC. BRM Southeast Mariner's Cove, LLC will assume all and continuing guarantees associated with the current general partnership related entities.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit F](#)).

3. Recommendation

Staff recommends that the Board approve the transfer of general partnership interest along with the assignment and assumption of the SAIL loan and restrictions, as subject to the conditions provided in the credit underwriting report.

SPECIAL ASSETS

Consent

J. Request for release of the Extended Use Agreement (EUA) for Wood Park Pointe (HC 92L-079)

Development Name: Wood Park Pointe Apartments I (“Development”)	Location: DeSoto
Developer/Principal: Wood Park Pointe RRH, Ltd (“Developer/Owner”)	Set-Aside: HC 20% @ 40%, 80% @ 60% AML, 50 Years
Number of Units: 37	Allocated Amount: Housing Credit \$48,944.49
Demographics: Family	

1. Background

- a) During the 1992 Cycle, Florida Housing issued to Wood Park Pointe RRH, Ltd., a Florida limited partnership, (Developer) received a \$48,944.49 annual allocation of low-income housing tax credits for the development of a 37-unit Family apartment complex in Arcadia, Desoto County, Florida.
- b) In August 2004, the Development was damaged by Hurricane Charley. Conversations regarding the intent to rebuild between the Owner and FHFC Staff had occurred and a Letter of Consent was sent to Thomas Mannausa in regards to relief sought under the IRS Revenue Procedure 95-28 (Relief for Projects in Disaster Areas), specifically noting Sections 7 & 8. Accordingly, the Development was required to be fully reconstructed and restored no later than December 31, 2006. Per Petitioner assertion through its counsel in a May 5, 2008 letter to FHFC, the financing for rebuilding the Development was secured and provided by Rural Development. Per recent onsite Property Management reporting to FHFC Staff, on March 1, 2008, the first tenant re-occupied the premise since reconstruction completion.

2. Present Situation

- a) In a letter dated May 5, 2008 ([Exhibit G](#)), the Owner requested termination of the EUA (Exhibit H), along with executed and recorded documentation evidencing the termination. The Owner’s counsel contends that such termination should be granted under Section 6(b) of the EUA:

“...the affordability restrictions automatically terminate in the event of an involuntary noncompliance caused by fire, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure to an entity other than owner, a change in federal law which prevents compliance, or condemnation or similar event (as determined by Florida Housing upon advice of counsel)”. In such an event, upon the request and expense of the Developer, the parties shall execute an appropriate document in recordable form prepared by FHFC or its counsel to evidence such automatic termination.”
- b) As the Owner requested, and was granted protection under the IRS Revenue Procedure 95-28, specifically Sections 7 & 8 (Exhibit I) for Phase I of Wood Park Pointe, FHFC did not find the Development in noncompliance and did not file IRS Form 8823 Low-Income Housing Agencies Report of Noncompliance or Building Disposition. The purpose of the IRS Revenue Procedure 95-28 is to establish, upon the President’s declaration of a major disaster area, temporary

SPECIAL ASSETS

Consent

relief from certain provisions of Section 42 of the Internal Revenue Code to owners of low-income housing credit developments in major disaster areas. If, because of the disaster, the Owner is subject to recapture or loss of credit, it will not be subject to recapture or loss of credit if the building's qualified basis is restored within a reasonable period, no later than 24 months after the end of the calendar year in which the President issued a major disaster declaration.

- c) Of note, both Phase I & Phase II were granted protection under the IRS Revenue Procedures 95-28. The Owner is currently seeking only the Termination of the EUA for Wood Park Pointe Phase I. However, the same circumstances exist for Phase II as in Phase I, created by Hurricane Charley in 2004, yet termination of the EUA for Phase II is not being sought. Also note, Phase II is still within the Federal 15 Year Compliance Period, ending in December 2009.
- d) In addition, the property taxes assessed on the Development were significantly decreased for the Years 2005 – 2007 because of the damage sustained. To date, the Owner has not been in default on its property taxes for Phase I. Subsection 6(b) of the EUA cannot be applied to this Development as the Owner sought and received protection from IRS Revenue Procedure 95-28 and took measure to rebuild and are now leasing the development.

3. **Recommendation**

Staff recommends that the Board deny the request for termination of the EUA for Wood Park Pointe Apartments I.