

FLORIDA HOUSING FINANCE CORPORATION
Telephonic Board Meeting
November 15, 2010
Action Items



LOW INCOME HOUSING TAX CREDITS

Action

I. LOW INCOME HOUSING TAX CREDITS

A. Request Approval to Swap Features and Amenities for Howell Branch Cove (2009-247C/2010-014CX)

Development Name: Howell Branch Cove (“Development”)	Location: Seminole County
Developer/Principal: Atlantic Housing Partners, L.L.L.P. and Housing and Neighborhood Development Services of Central Florida (“Developer”)	Set-Aside: 10% @ 33% AMI & 90% @ 60% AMI
Number of Units: 58	Housing Credit Amount: \$1,068,000
Type: Townhouses	Tax Credit Assistance Program: n/a
Demographics: Family	Tax Credit Exchange Amount: \$2,800,000

1. Background/Present Situation

- a) On September 16, 2010, the Board approved a credit underwriting report with a positive recommendation for a Tax Credit Exchange loan in the amount of \$2,800,000 and an annual Housing Credit Allocation of \$1,068,000.
- b) On October 29, 2010, staff received a letter from the Developer requesting the exchange of gas water heater with energy factor of 0.61 or better for electric water heater with energy factor of 0.93 or better ([Exhibit A](#)). The proposed change is of equal point value to the amenity originally chosen.
- c) On November 8, 2010, staff received a review from the credit underwriter with a positive recommendation for the exchange of amenities ([Exhibit B](#)).

2. Recommendation

Approve the requested changes reflected above and direct staff to proceed with loan closing activities.

LOW INCOME HOUSING TAX CREDITS

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B. Request Approval for Extension of RFP 2010-04 Deadline for The Fountains at Pershing Park (2009-240C/2010-013CX/2011-024CX)

1. Background/Present Situation

- a) SAS Fountains at Pershing Park, Ltd submitted an application in the 2009 Universal Cycle seeking an award of Low Income Housing Tax Credits (LIHTC) and Tax Credit Exchange Program (Exchange) Financing to construct a 92 unit affordable rental housing development in Orlando, Orange County, Florida. Pershing Park was allocated \$1,502,550 in annual LIHTC.
- b) On February 26, 2010, Florida Housing issued RFP 2010-04 (the "RFP") setting forth criteria and qualifications for Applicants to seek financing for affordable housing projects from funds that Florida has received through the American Recovery and Reinvestment Act of 2009, PL 111-5 ("ARRA"). To be eligible for this funding, Applicants were required to have an active award of LIHTC from the 2009 Universal Application Cycle.
- c) The credit underwriting process resulted in a negative recommendation, based primarily on the "Developer Experience," contained in Exhibit 11 of Pershing Park's Application No. 2009-240C. On July 30, 2010, the Florida Housing Board of Directors rescinded funding to Pershing Park based on the credit underwriting recommendation. However, a Recommended Order was entered on September 30, 2010. The Hearing Officer recommended that "Florida Housing Finance Corporation enter a Final Order directing SAS Fountains at Pershing Park, Ltd; proceed to closing on its requested LIHTC and Exchange financing." The Board approved the Recommended Order on October 22, 2010 issuing a Final Order granting an allocation of LIHTC and Exchange funds.
- d) RFP 2010-04 states a deadline of November 1, 2010 to meet site control, 10% test, construction commencement, closing of LIHTC partnership and closing of Exchange funds. Florida Housing is requesting this development be granted an extension of their November 1, 2010 deadline giving them through December 10, 2010 to meet their Carryover Allocation requirements.

2. Recommendation

Approve the request reflected above and direct staff to grant extensions accordingly.

MULTIFAMILY BONDS

Action

II. MULTIFAMILY BONDS

A. Request Approval of the Recommendation of the Final Credit Underwriting Report for BCC Apartments

DEVELOPMENT NAME (“Development”):	BCC Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	SP BCC LP,/SP BCC GP, Inc./ Southport Financial Services, Inc./J. David Page, individually
NUMBER OF UNITS:	103
LOCATION (“County”):	Miami-Dade
TYPE (Rental, Homeownership):	Rental/Family (MMRB,HOME and HC)
SET ASIDE:	20% @ 50% (MMRB) 65% @ 60% (MMRB) 21% @ 60% (HOME) 79% @ 65% (HOME) 20% @ 50% (HC) 80% @ 60% (HC)
ALLOCATED AMOUNT:	\$6,100,000 of Tax Exempt Bonds and \$1,136,319 HOME Loan
ADDITIONAL COMMENTS: Acquisition/Rehabilitation	

1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development during the 2009 MMRB Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$6,100,000 in order to acquire and rehabilitate the Development. The Applicant also submitted a response to RFP 2009-06 for a HOME loan in the \$2,500,000.

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 notify it of any such changes.
- b) Applicant requested funding in the amount of \$6,100,000 in Tax Exempt Multifamily Bonds, however the commitment from the Credit Enhancer, Oak Grove Capital (OGC) is for \$6,000,000 in private activity tax exempt bonds.
- c) Applicant requested a HOME loan of \$2,500,000 in RFP 2009-06. Applicant was not initially awarded funding under this RFP and was placed on a waiting list. As a result of awardees returning their award of HOME funds \$1,136,319 in HOME funds became available to be awarded to the development.
- d) Applicant requested the following changes to the features and amenities committed to in the Application:

MULTIFAMILY BONDS

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- From (a) marble window sills in all units (1 point), (b) double compartment kitchen sinks in all units (1 point), and (c) new plumbing fixtures in kitchen and bathrooms in all units (1 point) to new kitchen counter tops in all units (3 points).
 - From community center or clubhouse (3 points) to emergency call service in all units (3 points).
 - From picnic area with hard cover permanent roof of a design compatible with the Development, open on all sides, containing at least three permanent picnic tables with benches and an adjoining permanent outdoor grill (1 point) to each unit wired for high speed internet (1 point).
 - From outside recreation facility; shuffleboard court (2 points) to outside recreation facility; full basketball court (2 points).
- e) In the Application, the three bedroom units are shown as having two bathrooms. The plans reflect that there are only one and one-half bathroom(s) in the three bedroom units. This was a scrivener's error in the Application.
- f) In the Application and RFP Response, the number of one-bedroom units listed is two and the total number of units is 104. However, as a result of the reduced amount of HOME funds available one of the one-bedroom units was converted to a leasing office, library and computer lab, reducing the total number of units to 103.
- g) The Application reflected that the Development consisted of six (6) residential buildings. Applicant has advised this is a scrivener's error and the correct number of residential buildings is four (4).
- h) The credit underwriter has stated that the above changes do not negatively impact their recommendations.
- i) A Final Credit Underwriting Report dated November 8, 2010 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 November 8, 2010, recommending that \$6,000,000 in tax exempt bonds and a \$1,136,319 HOME Loan for the acquiring and rehabilitating of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

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B. Assignment of Bond Underwriters and Structuring Agents

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition, construction and/or rehabilitation 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 recommendations 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 Underwriter, 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
BCC Apartments	Miami-Dade	103	Negotiated	RBC Capital Markets, Inc.

MULTIFAMILY BONDS

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C. **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 an analysis and recommendation for the methods of bond sale for the Developments. The recommendation letters are attached as [Exhibit B](#).

Development Name	Location of Development	Number of Units	Method of Bond Sale
BCC Apartments	Miami-Dade	103	Negotiated

2. **Recommendation**

That the Board approves the recommendations of the Senior Financial Advisor for the method of bond sale for the above Development.

MULTIFAMILY BONDS

Action

D. Request Approval of the Recommendation of the Final Credit Underwriting Report for The Landings at Timberleaf

Development Name: The Landings at Timberleaf (“Development”)	Location: Orange
Developer/Principal: Timberleaf Apartments, Ltd./The GP of Timberleaf, LLC/Richman Timberleaf GP Member, LLC/Richelson Timberleaf GP member, LLC/The Richman Group Development Corporation/Richelson Enterprises, LLC/Eric Richelson, individually/Richard P. Richman, individually (“Developer”, “Principal”, or “Owner”)	Set-Aside: 85% @ 60% AMI (MMRB) 20% @ 50% AMI 80% @ 60% AMI (HOME) 100% @ 60% AMI (HC)
Funding Sources: MMRB/HOME/HC	Amounts: \$11,183,000 Tax-Exempt Bonds \$2,951,000 HOME Funds
Number of Units: 240	Type: Rental
ADDITIONAL COMMENTS: Acquisition and Rehabilitation	

1. Background

Applicant submitted an Application (“Application”) on behalf of the proposed Development during the 2009 MMRB Supplemental Cycle. Applicant applied for tax-exempt bonds in the amount of \$11,500,000 in order to acquire and rehabilitate the Development. The Applicant also submitted a response to RFP 2009-06, and was awarded funding, for a HOME loan in the amount of \$2,951,000.

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 notify it of any such changes.
- b) Since the time of Application, the Applicant has received a commitment from the City of Orlando for a loan in the amount of \$500,000. Additionally, in response to RFP 2009-06, the Applicant applied for a HOME loan in the amount of \$5,000,000, but only received an allocation award of \$2,951,000.
- c) A Final Credit Underwriting Report dated October 8, 2010 is attached as [Exhibit C](#).

3. Recommendation

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Report dated October 8, 2010, recommending that \$11,183,000 in tax exempt bonds and \$2,951,000 in HOME funds be issued for the acquisition and rehabilitation of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

SUPPLEMENTAL LOAN PROGRAM

Action

III. SUPPLEMENTAL LOAN PROGRAM

A. Request Approval of Supplemental Loan Closing Extension for Village Carver II, Cycle XIX (2007-124C)

Development Name: Village Carver II (“Development”)	Location: Miami-Dade County
Developer/Principal: BHG Carver Development, LLC (“Developer”)	Set-Aside: 20% @ 33% AMI & 80% @ 60% AMI
Number of Units: 100	Supplemental Loan: \$765,000
Type: High Rise	Tax Credit Exchange Amount: \$21,768,500
Demographics: Elderly	MMRB: N/A

1. Background/Present Situation

- a) On April 30, 2010, 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 May 17, 2010, staff issued a firm commitment letter with a closing deadline of July 16, 2010.
- c) On September 16, 2010, the Board approved an extension of the Supplemental loan closing deadline until October 18, 2010.
- d) On October 15, 2010, staff received a letter from the Developer requesting an additional extension of the loan closing deadline ([Exhibit A](#)).

2. Recommendation

Approve the extension request and extend the Supplemental loan closing deadline until December 10, 2010, pursuant to Rule Chapter 67-48, F.A.C.