

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**February 1, 2013**  
**Consent Items**



## HOUSING CREDITS

### *Consent*

#### I. HOUSING CREDITS

##### A. Request Approval to Minimally Exceed Subcontractor Cost Limit for West Brickell Tower Apartments / #2011-197C/2012-028C

<b>Development Name:</b>	<b>West Brickell Tower Apartments</b>
<b>Developer/Principal:</b>	<b>The Richman Group of Florida, Inc.</b>
<b>Number of Units:</b>	<b>32</b>
<b>Location :</b>	<b>Miami-Dade County</b>
<b>Type/Demographic:</b>	<b>Elderly</b>
<b>Set-Aside:</b>	<b>10% @ 28% AMI and 90% @ 60% AMI</b>
<b>Allocated Amount:</b>	<b>\$960,000.00</b>

#### 1. Background/Present Situation

- a) West Brickell Tower Apartments (#2011-197C/2012-028C) is a Competitive Housing Credit, New Construction Development providing 32 set-aside units in Miami-Dade County, Florida. West Brickell Tower Apartments was invited to enter credit underwriting on June 8, 2012. Florida Housing issued an allocation of \$960,000 in Housing Credits in September of 2012.
- b) The Development has requested Board approval, required by Rule 67-48.0072(17)(f), to allow one entity to receive more than 20% of construction cost.
- c) First Housing Development Corporation engaged On Solid Ground, LLC (“OSG” or “Construction Consultant”) to perform a Plan & Cost Analysis (“PCA”) of the Development. OSG issued a PCA dated January 7, 2013 that indicates the building shell subcontractor is to receive 23.4% of the total contract price. OSG opines that this is not uncommon for a high-rise project.
- d) Given the above opinion and the General Contractor fee being 13% versus the Rule limitation of 14%, First Housing has provided a positive recommendation to this request as long as satisfactory insurance and bonding protection is provided from the general contractor, attached as [Exhibit A](#).

#### 2. Recommendation

Approve the request to allow the 20% subcontractor limit to be exceeded as referenced above.

## HOUSING CREDITS

### *Consent*

**B. Request Approval to Minimally Exceed Subcontractor Cost Limit for West Brickell View Apartments/ #2011-181C/2012-006C**

<b>Development Name:</b>	<b>West Brickell View Apartments</b>
<b>Developer/Principal:</b>	<b>The Richman Group of Florida, Inc.</b>
<b>Number of Units:</b>	<b>64</b>
<b>Location :</b>	<b>Miami-Dade County</b>
<b>Type/Demographic:</b>	<b>Elderly</b>
<b>Set-Aside:</b>	<b>10% @ 28% AMI and 90% @ 60% AMI</b>
<b>Allocated Amount:</b>	<b>\$1,920,000.00</b>

**1. Background/Present Situation**

- a) West Brickell View Apartments (#2011-181C/2012-006C) is a Competitive Housing Credit, New Construction Development providing 64 set-aside units in Miami-Dade County, Florida. West Brickell View Apartments was invited to enter credit underwriting on June 8, 2012. Florida Housing issued an allocation of \$1,920,000 in Housing Credits in September of 2012.
- b) The Development has requested Board approval, required by Rule 67-48.0072(17)(f), to allow one entity to receive more than 20% of construction cost.
- c) First Housing Development Corporation engaged On Solid Ground, LLC (“OSG” or “Construction Consultant”) to perform a Plan & Cost Analysis (“PCA”) of the Development. OSG issued a PCA dated January 8, 2013 that indicates the building shell subcontractor is to receive 29% of the total contract price. OSG opines that this is not uncommon for a high-rise project.
- d) Given the above opinion and the General Contractor fee being 13.2% versus the Rule limitation of 14%, First Housing has provided a positive recommendation to this request as long as satisfactory insurance and bonding protection is provided from the general contractor, attached as [Exhibit B](#).

**2. Recommendation**

Approve the request to allow the 20% subcontractor limit to be exceeded as referenced above.

## HOUSING CREDITS

### *Consent*

#### C. Request Approval to Minimally Exceed Subcontractor Cost Limit for Vista Grande Apartments/ #2011-196C/2012-030C

<b>Development Name:</b>	<b>Vista Grande Apartments</b>
<b>Developer/Principal:</b>	<b>The Richman Group of Florida, Inc.</b>
<b>Number of Units:</b>	<b>89</b>
<b>Location :</b>	<b>Miami-Dade County</b>
<b>Type/Demographic:</b>	<b>Elderly</b>
<b>Set-Aside:</b>	<b>10% @ 28% AMI and 90% @ 60% AMI</b>
<b>Allocated Amount:</b>	<b>\$2,420,000.00</b>

#### 1. Background/Present Situation

- a) Vista Grande Apartments (#2011-196C/2012-030C) is a Competitive Housing Credit, New Construction Development providing 89 set-aside units in Miami-Dade County, Florida. Vista Grande Apartments was invited to enter credit underwriting on June 8, 2012. Florida Housing issued an allocation of \$2,420,000 in Housing Credits in August of 2012.
- b) The Development has requested Board approval, required by Rule 67-48.0072(17)(f), to allow one entity to receive more than 20% of construction cost.
- c) AmeriNational Community Services, Inc. engaged Merritt & Harris, Inc. (“M&H” or “Construction Consultant”) to perform a Plan & Cost Review (“PCR”) of the Development. M&H issued a PCR dated November 13, 2012 that indicates no subcontractor entity was scheduled to receive in excess of 20% of the total construction contract costs. AmeriNational was subsequently advised by the Applicant that the building shell subcontractor was to receive in excess of 28.75% of the construction cost.
- d) M&H opines that a percentage of 28.75% should pose no significant risk to the completion of the Development as long as the General Contractor provides payment and performance bond in the amount of the general contract, the applications for payment are to only be for work that is completed and accompanied by a partial lien release, and the General Contractor requires the subcontractor to provide commercial liability and worker’s compensation insurance.
- e) Given the above opinion and the General Contractor fee being 13.95% versus the Rule limitation of 14%, AmeriNational recommends that Florida Housing approve the general contractor’s use of a building shell subcontractor who will provide work at a cost that is more than 20% of the construction cost and has provided a positive recommendation to this request, attached as [Exhibit C](#).

#### 2. Recommendation

Approve the request to allow the 20% subcontractor limit to be exceeded as referenced above.

## HOUSING CREDITS

### *Consent*

**D. Request Approval to Minimally Exceed Subcontractor Cost Limit for Amistad / #2011-064CH/2012-026CH**

<b>Development Name:</b>	<b>Amistad</b>
<b>Developer/Principal:</b>	<b>Pinnacle Housing Group, LLC and Carrfour Supportive Housing, Inc.</b>
<b>Number of Units:</b>	<b>89</b>
<b>Location :</b>	<b>Miami-Dade County</b>
<b>Type/Demographic:</b>	<b>Homeless</b>
<b>Set-Aside:</b>	<b>10% @ 28% AMI and 90% @ 60% AMI</b>
<b>Allocated Amount:</b>	<b>\$1,875,000.00</b>

**1. Background/Present Situation**

- a) Amistad (#2011-064CH/2012-026CH) is a Competitive Housing Credit, New Construction Development providing 89 set-aside units in Miami-Dade County, Florida. Amistad was invited to enter credit underwriting on June 8, 2012. Florida Housing issued an allocation of \$1,875,000 in Housing Credits in October of 2012.
- b) The Development has requested Board approval, required by Rule 67-48.0072(17)(f), to allow one entity to receive more than 20% of construction cost.
- c) First Housing Development Corporation engaged GLE Facilities and Environmental Consultants (“GLE” or “Construction Consultant”) to perform a Plan & Cost Analysis (“PCA”) of the Development. GLE issued a PCA dated January 9, 2013 that indicates the building shell subcontractor is to receive 23% of the total contract price. GLE opines that this is not uncommon for a high-rise project.
- d) Given the above opinion, First Housing has provided a positive recommendation to this request as long as satisfactory insurance and bonding protection is provided from the general contractor, attached as [Exhibit D](#).

**2. Recommendation**

Approve the request to allow the 20% subcontractor limit to be exceeded as referenced above.

## MULTIFAMILY BONDS

### *Consent*

## II. MULTIFAMILY BONDS

### A. Request Approval to Amend and Subordinate the LURA and EUA for Mission Pointe Apartments

<b>Development Name: Mission Pointe (FKA Mallard's Landing)</b>	<b>Location: Duval</b>
<b>Developer/Owner: Mallard's Landing Associates, Ltd./Cornerstone Group Development, LLC</b>	<b>Set-Asides: 40% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)</b>
<b>Funding Source: Multifamily Housing Revenue Bonds (MMRB)/Guaranty Program-HUD Risk Share (GP)/Low Income Housing Credits (HC)</b>	<b>Amount: \$12,550,000 Tax-Exempt Bonds; \$4,180,000 Taxable Bonds; \$834,236 HC</b>
<b>Number of Units: 388</b>	<b>Type: Rental</b>

#### 1. Background

Florida Housing financed the construction of the above referenced Development in 2002 with \$12,550,000 in tax exempt bonds designated as 2002 Series C-1 and \$4,180,000 in taxable bonds designated as 2002 Series C-2, and issued tax credits in the amount of \$834,236.

#### 2. Present Situation

In a letter dated January 14, 2013, attached as [Exhibit A](#), the owner advised Florida Housing of its intension to refinance the Bond loan with a loan from Oak Grove Capital which will be insured by the Housing and Urban Development (HUD) 223(f) program. As required by HUD, the existing Land Use Restriction Agreement (LURA) and Extended Low-Income Housing Agreement (EUA) will have to be subordinated to the new loan and consent for the subordination and modification of these documents is being requested.

#### 3. Recommendation

That the Board approve the amendment and subordination of the LURA and EUA for the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing Staff.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

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

**A. Request Approval of the Credit Underwriting Report for The Housing League, Inc., a Not-for-Profit Entity, for Miami-Dade Rehabilitated Homes I, 2009-002P-07**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Miami-Dade Rehabilitated Homes I</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>The Housing League, Inc., a not-for-profit entity</b>
<b>CO-DEVELOPER (“Co-Developer”)</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>10</b>
<b>LOCATION (“County”):</b>	<b>Miami-Dade County</b>
<b>TYPE:</b>	<b>Homeownership, Rehabilitation</b>
<b>SET ASIDE:</b>	<b>50% @ or below 80% AMI 50% up to 120% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$666,710</b>
<b>ADDITIONAL COMMENTS: Foreclosed homes will be purchased, rehabilitated and then sold to income eligible buyers.</b>	

**1. Background**

- a) On June 5, 2009, the Board approved the development plan and budget that was submitted by the Technical Assistance Provider recommending a loan in the amount of \$666,710 for PLP eligible activities. Of this \$666,710, staff was authorized to proceed with loan closing activities for up to \$166,710 for the non-site acquisition portion of the loan. The remaining \$500,000 was approved pending a positive recommendation from the Credit Underwriter for the acquisition of distressed scattered sites for rehabilitation and sale.
- b) On July 30, 2009, the Developer closed on the non-site acquisition portion of the PLP Loan in the amount of \$166,710. To date, the Developer has drawn \$4,126 for the credit underwriting fee.
- c) On December 10, 2010, the Board approved a credit underwriting report with a positive recommendation for funding up to \$500,000 in acquisition funding subject to the conditions outlined in the report.
- d) The Developer’s plan was to use PLP funds to partially fund the soft costs and acquisition of distressed properties in foreclosure. The properties would then be rehabilitated with non-PLP funding. After a satisfactory final inspection, the property would be marketed for sale to income eligible homebuyers. PLP funds would be repaid at the time of sale of the property to the income eligible homebuyer.

## **PREDEVELOPMENT LOAN PROGRAM (PLP)**

### ***Consent***

- e) Subsequent to the Board approval, the Developer was unable to meet all the conditions of the credit underwriting report. Florida Housing program and legal staff worked with the developer to resolve the issues without success. The conditions which prevented the development from moving forward were related to the financial status of the not-for-profit and the requirement for the principal to be a personal guarantor on the loan.
- f) In November 2012, the Developer requested that a second credit underwriting be performed to re-examine the issues related to the financial status of the applicant as well as previous underwriting requirements related to the restriction on the number of units that can be purchased at any given time and the percentage of PLP funds that can be applied towards the acquisition of homes. Staff agreed to allow the underwriter to re-examine the loan, provided the developer paid a new underwriting fee and was able to provide all requested documents, which was agreed to by the developer.

### **2. Present Situation**

- a) On January 15, 2013, staff received a credit underwriting report with a positive recommendation for an acquisition loan up to \$500,000 subject to conditions in the report ([Exhibit A](#)).
- b) The developer has reviewed the report and agreed in writing to the conditions.
- c) Staff believes that the loan can move forward governed by the conditions in the report. Legal documents will be executed with a new maturity date established three years from the date the loan closes.

### **3. Recommendation**

Approve the Credit Underwriter's final recommendation and authorize staff to proceed with loan closing on the acquisition portion of the PLP Loan for The Housing League, Inc., a not-for-profit organization.



## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

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

##### A. Trustee, Registrar, Paying Agent and Dissemination Bond Agent Services

###### 1. Background

- a) In February and September 2009, Florida Housing entered into contracts for Trustee, Registrar, Paying Agent and Dissemination Bond Agent (Trustee) services with the following firms:
  - (1) The Bank of New York Mellon Trust Company, N.A. f/k/a Bank of New York Trust Company of Florida, N.A.
  - (2) U.S. Bank National Association
  - (3) Wells Fargo & Company
- b) The initial term of the contracts was for a three year period ending in 2012. Each contract provides for two one year renewals. The first renewal for each contract was approved by the Board in 2012. The Bank of New York and Wells Fargo contracts end in March 2013. The U.S. Bank National Association contract ends in September 2013. There is one renewal available for each contract.

###### 2. Present Situation

Florida Housing has a need for qualified entities to serve as Trustee. Services provided by the Trustee are those typical of trustees under trust indentures securing revenue bonds and shall include all such functions with respect to issues or series of bonds issued for Multifamily Mortgage Revenue Bonds (MMRB), MMRB with HUD Risk-Sharing and Single Family Mortgage Revenue Bonds or any Florida Housing bonds issued for the Guarantee Program. It is anticipated that the structure of the issue(s) may include taxable as well as tax-exempt bonds. Services also include acting as dissemination agent under continuing disclosure agreements entered into with developers or Florida Housing for the above referenced bonds.

###### 3. Recommendation

Staff believes that it is in the best interests of Florida Housing to continue to retain all three Trustees pursuant to the existing contracts and recommends the Board direct staff to proceed with the final contract renewal.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

V. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Letter for Hampton Point (2012-04-11)

<b>Development Name:</b>	<b>Hampton Point</b>
<b>Developer/Principal:</b>	<b>Picerne Hampton Point, LLC/Picerne Affordable Development, LLC</b>
<b>Number of Units:</b>	<b>284</b>
<b>Location :</b>	<b>Charlotte County</b>
<b>Type/Demographic:</b>	<b>Rental/Family (MMRB, Guarantee/HUD-Risk, HC and SMI)</b>
<b>Set-Aside:</b>	<b>40% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)</b>
<b>Allocated Funding Amount:</b>	<b>MMRB 2003 Series Q1 &amp; Q2 \$11,020,000 Tax-Exempt Bonds and \$2,180,000 Taxable Bonds \$943,725 Housing Credits \$600,682 Subordinate Mortgage Initiative ("SMI") \$1,125,000 SAIL ELI (RFP 2010-16)</b>
<b>SAIL ELI Funding under RFP 2012-04:</b>	<b>\$2,500,000</b>

1. Background/Present Situation

- a) On September 27, 2012, Florida Housing staff issued RFP 2012-04 to award SAIL ELI funding to Applicants where the Applicant’s development had a mortgage note guaranteed by the Florida Affordable Housing Guarantee Program which closed by September 30, 2003, and the Applicant committed to provide additional ELI set-aside units. The deadline for receipt of Responses was Friday, October 12, 2012.
- b) On November 2, 2012, the Board approved the award list of RFP 2012-04 and directed staff to proceed with all necessary credit underwriting activities.
- c) On November 5, 2012, staff issued a preliminary commitment and an invitation to enter credit underwriting for SAIL Funding under RFP 2012-04 for units set-aside for ELI Households.
- d) On January 8, 2013, staff received a credit underwriting letter with a positive recommendation for a SAIL ELI loan in the amount of \$2,500,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2012-04.

2. Recommendation

Approve the credit underwriting letter 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 Letter for Waverly Apartments (2012-04-19)

<b>Development Name:</b>	<b>Waverly Apartments</b>
<b>Developer/Principal:</b>	<b>TWC Seventy-Four, Ltd./The Wilson Company</b>
<b>Number of Units:</b>	<b>260</b>
<b>Location :</b>	<b>Palm Beach County</b>
<b>Type/Demographic:</b>	<b>Rental/Family (MMRB, Guarantee/HUD-Risk, and HC)</b>
<b>Set-Aside:</b>	<b>50% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)</b>
<b>Allocated Funding Amount:</b>	<b>MMRB 2000 Series C1 &amp; C2 \$11,570,000 Tax-Exempt Bonds and \$4,790,000 Taxable Bonds \$776,066 Housing Credits</b>
<b>SAIL ELI Funding under RFP 2012-04:</b>	<b>\$2,475,000</b>

1. Background/Present Situation

- a) On September 27, 2012, Florida Housing staff issued RFP 2012-04 to award SAIL ELI funding to Applicants where the Applicant’s development had a mortgage note guaranteed by the Florida Affordable Housing Guarantee Program which closed by September 30, 2003, and the Applicant committed to provide additional ELI set-aside units. The deadline for receipt of Responses was Friday, October 12, 2012.
- b) On November 2, 2012, the Board approved the award list of RFP 2012-04 and directed staff to proceed with all necessary credit underwriting activities. Request Approval of Credit Underwriting Letter for Whispering Woods (2012-04-17)
- c) On November 5, 2012, staff issued a preliminary commitment and an invitation to enter credit underwriting for SAIL Funding under RFP 2012-04 for units set-aside for ELI Households.
- d) On January 11, 2013, staff received a credit underwriting letter with a positive recommendation for a SAIL ELI loan in the amount of \$2,475,000 ([Exhibit B](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2012-04.

2. Recommendation

Approve the credit underwriting letter 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 Credit Underwriting Letter for Whispering Woods (2012-04-17)

<b>Development Name:</b>	<b>Whispering Woods</b>
<b>Developer/Principal:</b>	<b>TWC Eighty-Nine, Ltd./The Wilson Company</b>
<b>Number of Units:</b>	<b>200</b>
<b>Location :</b>	<b>St. Johns County</b>
<b>Type/Demographic:</b>	<b>Rental/Family (Guarantee/HUD-Risk, HC and SMI)</b>
<b>Set-Aside:</b>	<b>100% @ 60% AMI (HC)</b>
<b>Allocated Funding Amount:</b>	<b>\$12, 870,000 Saint John’s County Housing Finance Authority Bonds \$544,963 Housing Credits \$588,905 Subordinate Mortgage Initiative (“SMI”)</b>
<b>SAIL ELI Funding under RFP 2012-04:</b>	<b>\$2,475,000</b>

#### 1. Background/Present Situation

- a) On September 27, 2012, Florida Housing staff issued RFP 2012-04 to award SAIL ELI funding to Applicants where the Applicant’s development had a mortgage note guaranteed by the Florida Affordable Housing Guarantee Program which closed by September 30, 2003, and the Applicant committed to provide additional ELI set-aside units. The deadline for receipt of Responses was Friday, October 12, 2012.
- b) On November 2, 2012, the Board approved the award list of RFP 2012-04 and directed staff to proceed with all necessary credit underwriting activities.
- c) On November 5, 2012, staff issued a preliminary commitment and an invitation to enter credit underwriting for SAIL Funding under RFP 2012-04 for units set-aside for ELI Households.
- d) On January 10, 2013, staff received a credit underwriting letter with a positive recommendation for a SAIL ELI loan in the amount of \$2,475,000 ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2012-04.

#### 2. Recommendation

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

## SPECIAL ASSETS

### *Consent*

#### VI. SPECIAL ASSETS

- A. **Request Approval to Refinance the First Mortgage for Indian Trace Associates, Ltd., a Florida Limited Partnership for Indian Trace Apartments (GUAR/HUD Risk/SMI #08/2002-042S/RFP 2011-05-13/2002-531C)**

<b>Development Name: Indian Trace Apartments (“Development”)</b>	<b>Location: Palm Beach County</b>
<b>Developer/Principal: Cornerstone/Indian Trace Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 20% @ 50%; 80% @ 60%; ELI 10% @ 28%; HC 100% @ 60% AMI LURA: 50 years; ELI: 15 years; EUA: 50 years</b>
<b>Number of Units: 330</b>	<b>Allocated Amount: SAIL \$2,000,000 ; SMI \$541,816.36; ELI \$2,475,000; HC \$890,398</b>
<b>Demographics: Large Family</b>	<b>Servicer: First Housing Development Corporation</b>

#### 1. Background

- a) During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$2,000,000 to Indian Trace Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 330-unit apartment complex in Palm Beach County, Florida. The SAIL loan closed on September 29, 2003, and will mature on December 15, 2043. The Development also received a 2002 allocation of low-income housing tax credits of \$890,358.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$541,816.36 and State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$2,475,000. The SMI loan closed on August 12, 2009, and matures on August 15, 2019. The SAIL ELI loan closed on May 29, 2012, and will mature on May 29, 2027. The Development is HUD risk sharing with Florida Housing’s Guarantee Program (“Guarantee Program”). The SMI loan will also be repaid.

#### 2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The Borrower intends to obtain a HUD insured 223(f) program first mortgage loan originated by Oak Grove Capital, the proceeds of which will be utilized to satisfy the existing first mortgage from Housing Finance Authority of Palm Beach County, redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC.
- b) The Borrower also requests that the term of the SAIL loan and SAIL ELI loan be extended and the SAIL Land Use Restriction Agreement (“LURA”) and SAIL ELI affordability period would be extended by an equal time. The SAIL loan, SAIL ELI loan, the SAIL LURA, the SAIL ELI loan documents, and the Low Income Housing Tax Credit Extended Use Agreement (“EUA”) will be subordinated to the new first mortgage.

## SPECIAL ASSETS

### *Consent*

- c) Staff has received a credit underwriting report ([Exhibit A](#)) providing a positive recommendation for approval for the new financing, subordination of the SAIL loan, SAIL ELI loan, LURA, and EUA to the new first mortgage, extension of the SAIL loan term and SAIL ELI loan term, and extension of the affordability period for the SAIL loan and the SAIL ELI loan.

### 3. **Recommendation**

Approve the refinancing of the first mortgage loan, extension of the SAIL loan and SAIL ELI loan, extension of the SAIL and SAIL ELI affordability periods equal to the term of the loan extensions, subordination of the SAIL loan, SAIL ELI loan, SAIL LURA, and HC EUA subject to the conditions outlined in the credit underwriter's report and subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**B. Request Approval of Transfer of General Partnership Interest for Fox Hollow Apartments (MR2006B/90S-040/90L-040/2006-502C)**

<b>Development Name: Fox Hollow Apartments (“Development”)</b>	<b>Location: Orange County</b>
<b>Developer/Principal: Centerline (“Developer”)/Fox Hollow Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: MMRB 85% @60%; SAIL 75% @60%, 40% @60%; &amp; HC 100% @60% AMI MMRB &amp; SAIL LURA 50 years; EUAs 30 years</b>
<b>Number of Units: 155</b>	<b>Allocated Amount: MMRB \$6,635,000; SAIL \$2,110,000; HC \$737,370; \$423,910</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

- a) During the 2006 funding cycle, Florida Housing awarded tax exempt bonds in the amount of \$6,635,000 to Fox Hollow Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 155-unit property in Orange County, Florida. Florida Housing also awarded \$2,110,000 in State Apartment Incentive Loan (“SAIL”) funds. The SAIL loan was closed on September 21, 1990, and matured on September 21, 2005. On March 16, 2006, the loan was restructured with a new maturity date of September 1, 2050. The Development also received a 1990 and 2006 allocation of low-income housing tax credits of \$737,370 and \$423,910 respectively.

**2. Present Situation**

- a) By correspondence dated January 4, 2012, the Developer requested approval to transfer and assign the general partner interest in Fox Hollow Associates, Ltd. from 3536 Prairie Fox Lane, LLC, a Centerline controlled entity, to The Partnership, Inc., a non-profit entity.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit B](#)).

**3. Recommendation**

Staff recommends that the Board approve the transfer of the general partnership interest subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.

## SPECIAL ASSETS

### *Consent*

C. **Request Approval of Transfer of General Partnership Interest for Huntington Reserve Apartments (MR2006C/90S-003/90L-041/2006-503C)**

<b>Development Name: Huntington Reserve Apartments (“Development”)</b>	<b>Location: Seminole County</b>
<b>Developer/Principal: Centerline (“Developer”)/Huntington Reserve Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: MMRB 85%@60%; SAIL 75%@60%, 40%@60%; &amp; HC 100%@60% AMI MMRB &amp; SAIL LURA 50 years; EUAs 30 years</b>
<b>Number of Units: 168</b>	<b>Allocated Amount: MMRB \$6,515,000; SAIL \$2,106,000; HC \$424,046; \$694,170</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

1. **Background**

During the 2006 funding cycle, Florida Housing awarded tax exempt bonds in the amount of \$6,515,000 to Huntington Reserve Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 168-unit property in Seminole County, Florida. Florida Housing also awarded \$2,106,000 in State Apartment Incentive Loan (“SAIL”) funds. The SAIL loan was closed on September 7, 1990, and matured on September 7, 2006 after receiving a one-year extension. On March 16, 2006, the loan was restructured with a new maturity date of September 1, 2050. The Development also received a 1990 and 2006 allocation of low-income housing tax credits of \$424,046 and \$694,170 respectively.

2. **Present Situation**

- a) By correspondence dated January 4, 2012, the Developer requested approval to transfer and assign the general partnership interest in Huntington Reserve Associates, Ltd. from 2000 Rosecliff Circles, LLC, to The Partnership, Inc., a non-profit entity.
- b) Florida Housing received a positive recommendation from the credit underwriter ([Exhibit C](#)).

3. **Recommendation**

Staff recommends that the Board approve the transfer of the general partnership interest subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities as needed.



## SPECIAL ASSETS

### *Consent*

#### D. Request Approval of SAIL Loan Modification for Six Developments for Cornerstone Group

<b>Development Name: Golden Lakes ("Development")</b>	<b>Location: Miami-Dade</b>
<b>Developer/Principal: ("Developer") Cornerstone Group Development, LLC</b>	<b>Set-Aside: 100% @ 60% AMI, SAIL 50 years/HC 31 years</b>
<b>Funding Sources: SAIL 97S-038, Guarantee HC 97L-520</b>	<b>Amounts: SAIL \$2,590,000 HC \$871,209</b>
<b>Number of Units: 280 / Family</b>	<b>Servicer: AmeriNational</b>
<hr/>	
<b>Development Name: Heron Pointe ("Development")</b>	<b>Location: Broward</b>
<b>Developer/Principal: ("Developer") Cornerstone Group Development, LLC</b>	<b>Set-Aside: 100% @ 60% AMI, SAIL 50 years/HC 45 years</b>
<b>Funding Sources: SAIL 99-083S HC 98-501C</b>	<b>Amounts: SAIL \$2,000,000 HC \$665,154</b>
<b>Number of Units: 200 / Family</b>	<b>Servicer: First Housing</b>
<hr/>	
<b>Development Name: Doral Terrace ("Development")</b>	<b>Location: Miami-Dade</b>
<b>Developer/Principal: ("Developer") Cornerstone Group Development, LLC</b>	<b>Set-Aside: 72% @ 60% SAIL 50 years/HC 40 years</b>
<b>Funding Sources: SAIL 99-082S HC 99-510C</b>	<b>Amounts: SAIL \$2,500,000 HC \$650,385</b>
<b>Number of Units: 256 / Family</b>	<b>Servicer: Seltzer</b>
<hr/>	
<b>Development Name: Banyan Pointe ("Development")</b>	<b>Location: Broward</b>
<b>Developer/Principal: ("Developer") Cornerstone Group Development, LLC</b>	<b>Set-Aside: 100% @ 60% AMI, SAIL 50 years/ HC 50 years</b>
<b>Funding Sources: SAIL 2000-44S, Guarantee HC 2000-540C</b>	<b>Amounts: SAIL \$2,500,000 HC \$822,929</b>
<b>Number of Units: 300 / Family</b>	<b>Servicer: First Housing</b>
<hr/>	
<b>Development Name: Monterey Pointe ("Development")</b>	<b>Location: Miami-Dade</b>
<b>Developer/Principal: ("Developer") Cornerstone Group Development, LLC</b>	<b>Set-Aside: SAIL 4.76% @ 33% AMI, 95.24% @ 60% AMI, HC 100% @ 60% AMI; SAIL/HC 50 years</b>
<b>Funding Sources: SAIL 2001-017S, Guarantee HC 2001-525C</b>	<b>Amounts: SAIL \$2,500,000 HC \$1,165,566</b>
<b>Number of Units: 336 / Family</b>	<b>Servicer: First Housing</b>
<hr/>	
<b>Development Name: Marbrisa Lake ("Development")</b>	<b>Location: Miami-Dade</b>
<b>Developer/Principal: ("Developer") Cornerstone Group Development, LLC</b>	<b>Set-Aside: 100% @ 60% AMI, SAIL 50 years/HC 50 years</b>
<b>Funding Sources: SAIL 2000-045S, Guarantee HC 2000-536C</b>	<b>Amounts: SAIL \$2,500,000 HC \$1,211,393</b>
<b>Number of Units: 368 / Family</b>	<b>Servicer: First Housing</b>

## SPECIAL ASSETS

### *Consent*

#### 1. **Background**

Cornerstone Group Development, LLC (“Cornerstone”) received funding from FHFC for development of the following six (6) affordable housing properties from 1997 to 2001. Funding sources from FHFC have included State Apartment Incentive Loans (“SAIL”) and Housing Credits (“HC”). The developments are as follows:

- (1) Golden Associates, Ltd., a Florida limited partnership ("Borrower") (Golden Lakes Apartments);
- (2) Heron Pointe, Ltd., a Florida limited partnership ("Borrower") (Heron Pointe Apartments);
- (3) Doral Terrace Associates, Ltd., a Florida limited partnership ("Borrower") (Doral Terrace Apartments);
- (4) Banyan Pointe Associates, Ltd., a Florida limited partnership ("Borrower") (Banyan Pointe Apartments);
- (5) Monterey Pointe Associates, Ltd., a Florida limited partnership ("Borrower") (Monterey Pointe Apartments);
- (6) Marbrisa Associates, Ltd., a Florida limited partnership ("Borrower") (Marbrisa Lake Apartments);

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

- a) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and stated in the proposed Rule 67-48 as follows:

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (5)- (10), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6)(b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the

## SPECIAL ASSETS

### *Consent*

Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

- b) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note in order for the loan to be modified to the 3% interest rate.

### 3. **Recommendation**

Approve the modification of the loan terms for the six loans stated above from a 9% cash flow note to a 3% cash flow note for the remaining term of the loan with conditions as stated above and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**E. Request Approval of SAIL Loan Modification for Four Developments for The Wilson Company**

<b>Development Name: Woodhill ("Development")</b>	<b>Location: Orange</b>
<b>Developer/Principal: ("Developer") The Wilson Company/TWC Eighty- Eight, Ltd. ("Borrower")</b>	<b>Set-Aside: 20% @ 40% &amp; 80% @ 60% AMI, LURA &amp; EUA: 50 years</b>
<b>Funding Sources: SAIL 95S-061, HC 96L-001</b>	<b>Amounts: SAIL \$3,000,000 HC \$2,454,166</b>
<b>Number of Units: 450 / Family</b>	<b>Servicer: Seltzer</b>
<b>Development Name: Worthington ("Development")</b>	<b>Location: Palm Beach</b>
<b>Developer/Principal: ("Developer") The Wilson Company/TWC Ninety, Ltd. ("Borrower")</b>	<b>Set-Aside: SAIL &amp; HC: 10% @ 50% &amp; 90% @ 60% AMI; MMRB: 50% @ 60% AMI; SAIL LURA &amp; EUA: 50 years</b>
<b>Funding Sources: MMRB 1995 Series J SAIL 96S-022 HC 95L-503 Guaranty</b>	<b>Amounts: MMRB \$12,620,000 SAIL \$4,800,000 HC \$953,034</b>
<b>Number of Units: 300 / Family</b>	<b>Servicer: Seltzer</b>
<b>Development Name: Woodbridge at Walden Lake ("Development")</b>	<b>Location: Hillsborough</b>
<b>Developer/Principal: ("Developer") The Wilson Company/TWC Ninety- Two, Ltd. ("Borrower")</b>	<b>Set-Aside: SAIL &amp; HC 80% @ 60%; ELI 10% @ 35% AMI; LURA: 50 years; ELI: 15 years; EUA: 50</b>
<b>Funding Sources: SAIL 97S-020 HC 96L-503 ELI RFP 2010-16-13</b>	<b>Amounts: SAIL \$3,000,000 HC \$406,910 ELI \$1,800,000</b>
<b>Number of Units: 236 / Family</b>	<b>Servicer: First Housing</b>
<b>Development Name: Woodcrest ("Development")</b>	<b>Location: St. Johns</b>
<b>Developer/Principal: The Wilson Company ("Developer"); TWC Ninety-Six, Ltd. ("Borrower")</b>	<b>Set-Aside: : SAIL 100% @ 60%; HC 15% @ 35%, 85% @ 60% AMI; LURA &amp; EUA: 50 years</b>
<b>Funding Sources: SAIL 97S-032 HC 96L-041</b>	<b>Amounts: SAIL \$1,061,065 HC \$468,587</b>
<b>Number of Units: 90/ Family</b>	<b>Servicer: First Housing</b>

## SPECIAL ASSETS

### *Consent*

#### 1. **Background**

- a) The Wilson Company (“Wilson”) received funding from FHFC for development of the following 4 affordable housing properties from 1995 to 1997. Funding sources from FHFC have included Bonds, Housing Credits (“HC”), State Apartment Incentive Loans (“SAIL”) and SAIL Extremely Low-Income (“ELI”). The developments are as follows:
- b) Florida Housing Finance Corporation ("Lender") Loans For:
  - (1) TWC Eighty-Eight, Ltd., a Florida limited partnership ("Borrower") (Woodhill Apartments);
  - (2) TWC Ninety, Ltd., a Florida limited partnership ("Borrower") (Worthington Apartments);
  - (3) TWC Ninety-Two, Ltd., a Florida limited partnership ("Borrower") (Woodbridge at Walden Lake Apartments);
  - (4) TWC Ninety-Six, Ltd., a Florida limited partnership ("Borrower") (Woodcrest Apartments);

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

- a) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and stated in the proposed Rule 67-48 as follows:

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (5)- (10), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6)(b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

## SPECIAL ASSETS

### *Consent*

- b) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note in order for the loan to be modified to the 3% interest rate.

### 3. Recommendation

Approve the modification of the loan terms for the four loans stated above from a 9% cash flow note to a 3% cash flow note for the remaining term of the loan with conditions as stated above and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

**F. Request Approval of SAIL Loan Modification for Castle Woods Housing Associates, Ltd., a Florida Limited Partnership, for Castle Woods (91S-036 & 92S-014/91-021)**

<b>Development Name: Castle Woods (“Development”)</b>	<b>Location: Seminole County</b>
<b>Developer/Principal: CED Construction, Inc. (“Developer”); Castle Woods Housing Associates, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 60% @ 60% AMI &amp; HC 100% @ 60% AMI LURA: 50 Years; EUA: 30 years</b>
<b>Number of Units: 304</b>	<b>Allocated Amount: SAIL - \$2,500,000, HC - \$1,429,604</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing</b>

**1. Background**

During the 1991/1992 and 1992/1993 State Apartment Incentive Loan (“SAIL”) Cycles III and IV, Florida Housing awarded a \$2,500,000 construction/permanent loan to Castle Woods Housing Associates, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 304-unit development in Seminole County. The SAIL loan closed on September 24, 1992, and will mature on September 24, 2022. The Development also received a 1991 allocation of low-income housing tax credits of \$1,429,604.

**2. Present Situation**

- a) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and as stated in the proposed Rule 67-48 as follows:

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (5)- (10), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6)(b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

## SPECIAL ASSETS

### *Consent*

- b) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note in order for the loan to be modified to the 3% interest rate.

### 3. **Recommendation**

Approve the modification of the loan terms from a 9% cash flow note to a 3% cash flow note for the remaining term of the loan after payment of all accrued 3% base interest and direct staff to proceed with loan document modification activities.



## SPECIAL ASSETS

### *Consent*

**G. Request Approval of SAIL Loan Modification for April Circle, Ltd., a Florida Limited Partnership, for Windsong Club (91-002S/91-017)**

<b>Development Name: Windsong Club (“Development”)</b>	<b>Location: Collier County</b>
<b>Developer/Principal: CED Construction, Inc. (“Developer”); April Circle, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 60% @ 60% AMI &amp; HC 100% @ 60% AMI LURA: 50 Years EUA: 30 years</b>
<b>Number of Units: 120</b>	<b>Allocated Amount: SAIL - \$1,674,250, HC - \$551,001</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing</b>

**1. Background**

During the 1991/1992 State Apartment Incentive Loan (“SAIL”) Cycle III, Florida Housing awarded a \$1,674,250 construction/permanent loan to April Circle, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 120-unit development in Collier County. The SAIL loan closed on May 18, 1993 and will mature on May 18, 2023. The Development also received a 1991 allocation of low-income housing tax credits of \$551,001.

**2. Present Situation**

- a) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and stated in the proposed Rule 67-48:

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (5)- (10), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6)(b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

## SPECIAL ASSETS

### *Consent*

- b) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note in order for the loan to be modified to the 3% interest rate.

### 3. Recommendation

Approve the modification of the loan terms from a 9% cash flow note to a 3% cash flow note after payment of all accrued 3% base interest for the remaining term of the loan and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

#### H. Request Approval of SAIL Loan Modification for Regal Trace, Ltd., a Florida Limited Partnership, for Regal Trace Apartments (93S-009/94L-008/93L-114)

<b>Development Name: Regal Trace (“Development”)</b>	<b>Location: Broward County</b>
<b>Developer/Principal: Milton Jones Development Company, Inc. (“Developer”); Regal Trace, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC 100% @ 60% AMI; LURA: 52 years, EUA: 50 years</b>
<b>Number of Units: 408</b>	<b>Allocated Amount: SAIL - \$4,159,047 Housing Credits: \$2,857,740</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

#### 1. Background

- a) During the 1992-93 State Apartment Incentive Loan (“SAIL”) Cycle V, Florida Housing awarded a \$4,159,047 construction/permanent loan to Regal Trace, Ltd. (“Borrower”), a Florida limited partnership, for the development of a 408-unit development in Broward County. The SAIL loan closed on January 11, 1994, and will mature on December 31, 2013. The Development also received a 1993 allocation of low-income housing tax credits of \$2,857,740.
- b) At the Borrower’s request, the Board previously approved extensions of the SAIL loan, at current terms, from the original maturity date of December 31, 2011 to December 31, 2013 to allow time for refinancing of the Development.

#### 2. Present Situation

- a) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with Senate Bill 1996 passed by the legislature in 2012 and stated in the proposed Rule 67-48 as follows:

Any SAIL Applicant from SAIL Application cycles with non-amortizing loans at 9 percent simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan interest rate going forward from 9 percent simple interest per annum to 3 percent simple interest per annum with payments based on Development Cash Flow pursuant to subsections 67-48.010 (5)- (10), F.A.C., in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3 percent simple interest per annum in no more than five (5) equal annual installments but in no event shall it be later than the maturity date of the loan. Payments made from Development Cash Flow, shall be included as Development Expenses as stated in paragraph 67-48.010 (6)(b), F.A.C. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

## SPECIAL ASSETS

### *Consent*

- b) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note in order for the loan to be modified to the 3% interest rate.

### 3. **Recommendation**

Approve the modification of the loan terms from a 9% cash flow note to a 3% cash flow note for the remaining term of the loan with conditions as stated above and direct staff to proceed with loan document modification activities.

## SPECIAL ASSETS

### *Consent*

#### I. Request Affirmation of SAIL Short-pay for CCA Holdings, Ltd., for Kyle's Run Apartments (95S-044/96L-008)

<b>Development Name: Kyle's Run</b> <b>("Development")</b>	<b>Location: Indian River</b>
<b>Developer/Principal: Richman Group</b> <b>("Developer") CCA Holdings, Ltd.</b> <b>("Borrower")</b>	<b>Set-Aside: SAIL 20% @ 40%,</b> <b>80% @ 60% AMI, 50 Years</b>
<b>Number of Units: 200</b>	<b>Allocated Amount: SAIL \$1,550,000</b> <b>Housing Credits \$1,186,189</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer</b>

#### 1. Background

During the 1994-95 State Apartment Incentive Loan ("SAIL") Cycle VII, Florida Housing awarded a \$1,550,000 SAIL loan to CCA Holdings, Ltd., a Florida Limited Partnership ("Borrower"), for the development of a 200 unit apartment complex in Indian River County, Florida. The SAIL loan closed on February 29, 1996 and will mature on September 1, 2015. The Development also received a Housing Credit allocation of \$1,186,189 and was placed in service in March, 1997.

#### 2. Present Situation

- a) The Borrower states the development has been underwater for some time and has made attempts to sell the property and now has a potential purchaser to buy the Development for less than the total debt outstanding. The Borrower has been unable to secure any better offers for the property. The proposed purchase price provides sufficient funds to pay off the first mortgage and a partial payment on the SAIL loan.
- b) Fla. Admin. Code R. 9I-35.006 (8) allows that upon sale of the development if there is insufficient funds from the sale, "the SAIL loan shall not be satisfied until the Agency has received: An appraisal ... indicating that the purchase price ... is reasonable and consistent with existing market conditions; A certification from the borrower that the purchase price reported is the actual price paid for the project and that no other consideration passed between the parties and that the income reported to the Agency during the life of the loan was true and accurate; and A certification that there are no other funds available to repay the loan and that the borrower knows of no other source of funds that could or would be forthcoming so as to pay off the loan". The Borrower will be required to meet the outlined requirements to the satisfaction of Florida Housing before closing. An appraisal has been received confirming the sales price is reasonable and consistent with market conditions. The Borrower requests that Florida Housing approve the sale and provide a satisfaction of the mortgage upon payment of \$1,000,000 to be applied to the balance of the SAIL loan at the time of the closing.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

Affirm the conditions pursuant to Fla. Admin. Code R. 9I-35.006 (8) and direct staff to release the mortgage upon payment of \$1,000,000 subject to a review and approval of all proceeds and costs by the credit underwriter and staff review of same and other closing documents indicating that the sale proceeds are sufficient only to pay off the first mortgage and a portion of the SAIL loan balance outstanding and assumption of all use restrictions by the Purchaser all subject to further approvals and verifications by legal counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities as needed.