

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
March 15, 2013
Consent Items



MULTIFAMILY BONDS

Consent

I. MULTIFAMILY BONDS

A. Request Approval to Amend the Land Use Restriction Agreement (LURA) for Palms at Vero Beach Apartments

Development Name: Palms at Vero Beach	Location: Indian River
Developer/Owner: The Palms at Vero Beach, LP	Set-Asides: 80% @ 60% AMI (MMRB) 100 @ 60% AMI (HC)
Funding Sources: Multifamily Housing Revenue Bonds (MMRB)/Low Income Housing Tax Credits (HC)	Amounts: \$8,070,000 Tax Exempt Bonds; \$2,970,000 Taxable Bonds; \$2,760,000 Subordinate Bonds; \$932,665 (HC)
Number of Units: 259	Type: Rental

1. Background

Florida Housing financed the construction of the above referenced Development in 2002 with \$8,070,000 in Tax Exempt Bonds designated as 2002 Series R-1, \$2,970,000 in Taxable Bonds designated as 2002 Series R-2, and \$2,760,000 in subordinate bonds designated as 2002 Series R-3. In addition, \$932,665 in tax credits were issued for this Development.

2. Present Situation

- a) In a letter received February 6, 2013, attached as [Exhibit A](#), Florida Housing is being advised that the Borrower intends to refinance the Development and redeem all outstanding bonds. Following the redemption of the bonds, the Development will remain subject to the LURA executed in connection with the issuance of the bonds. Fannie Mae will be securing the new loan and is requesting that the LURA be amended to extend to Fannie Mae the same protections extended to the current credit enhancer in the Rider attached to the existing LURA.
- b) Following the redemption of the bonds, the Development will remain subject to the LURA executed in connection with the issuance of the bonds. Fannie Mae will be securing the new loan and is requesting that the LURA be amended to extend to Fannie Mae the same protections extended to the current credit enhancer in the Rider attached to the existing LURA.

3. Recommendation

That the Board approve the amendment of the LURA for the Development to include a Rider with the same protections as provided in the current Rider, 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 to Modify the Trust Indenture for Iona Lakes Apartments

Development Name: Iona Lakes	Location: Lee
Developer/Owner: Agape Iona Lakes, Inc.	Set-Asides: 30% @ 80% AMI/60% @ 150% AMI
Funding Source: Multifamily Housing Revenue Bonds (MMRB)	Amount: \$17,155,000 Tax Exempt Bonds
Number of Units: 350	Type: Rental

1. Background

Florida Housing issued bonds for Iona Lakes Apartments in 1985 in the amount of \$17,400,000 designated as 1985 Series Y. The bonds were refunded in 1989 (1989 Series D) in the amount of \$17,155,000 and again in 2000 (2000 Series B) in the amount of \$17,155,000.

2. Present Situation

Florida Housing received a letter dated January 28, 2013, attached as [Exhibit B](#), requesting a modification of the Trust Indenture to extend the current term of the initial fixed interest rate period to March 31, 2023 (current term expires April 1, 2013). The maturity date of the bonds will not be extended. The bondholder and the owner have consented to a reduction of the base interest rate on the bonds and payments will change from semi-annual to monthly.

3. Recommendation

That the Board approve the request to amend the Trust Indenture to extend the current fixed interest rate term to March 31, 2023, to reduce the base interest rate as requested, and change debt service payments from semi-annual to monthly, subject to approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval to Amend and Subordinate the Land Use Restriction Agreement (LURA) and Extended Low-Income Housing Agreement (EUA) for Marina Bay Apartments

Development Name: Marina Bay	Location: Palm Beach
Developer/Owner: Marina Clinton Associates, Ltd./Clinton Communities	Set-Asides: 50% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Funding Source: Multifamily Housing Revenue Bonds (MMRB)/Guaranty Program-HUD Risk Share (GP)/Low Income Housing Credits (HC)/Subordinated Mortgage Initiative (SMI)	Amount: \$11,255,000 Tax Exempt Bonds: \$514,116 HC; \$265,754.28 SMI
Number of Units: 192	Type: Rental

1. Background

Florida Housing financed the construction of the above Development in 2000 with \$11,255,000 in tax exempt bonds designated as 2000 Series S and issued tax credits in the amount of \$514,116. In 2009 Florida Housing provided funding of a SMI loan in the amount of \$265,754.28.

2. Present Situation

- a) In a letter dated February 14, 2013, attached as [Exhibit C](#), the owner advised Florida Housing of its intention to refinance and pay off the Bond loan and the SMI loan with a new loan from Lancaster Pollard, which will be insured by the Housing and Urban Development (HUD) through the 223(f) program. Since HUD will require subordination of the existing LURA and EUA, Florida Housing's consent to modify and subordinate these documents is being requested.
- b) Upon closing of the new loan and the redemption of the Bond loan, the interests in the Partnership owned by the existing general partner, Shelter Marina Bay LLC (.05%), the limited partner, Key Investment Fund Limited Partnership XXIII (99.9%) and the special limited partner, CHC Marina Bay, LLC (.05%), will be acquired by the new general partner, M Bay Associates, LLC (.01%) and the new limited partner, M Bay Associates II, LLC (99.999%). The current Borrower is requesting consent from Florida Housing for this transfer.

3. Recommendation

That the Board approve the amendment and subordination of the LURA and the EUA for the Development and consent to the Partnership transfers 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

II. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of Maturity Extension of PLP Loan for Loveland Center, Inc., a Not-for-Profit Entity, for Loveland Village (07-147)

DEVELOPMENT NAME (“Development”):	Loveland Village
APPLICANT/DEVELOPER (“Developer”):	Loveland Center, Inc., a not-for-profit entity
CO-DEVELOPER (“Co-Developer”)	N/A
NUMBER OF UNITS:	40
LOCATION (“County”):	Sarasota County
TYPE:	Rental, Developmental Disabilities
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS: This is a second one-year extension request. The number of units for this development has increased from 26 to 40.	

1. Background

- a) On September 26, 2008, Florida Housing approved a PLP Loan for the Applicant for Loveland Village. The Development is located in Sarasota County.
- b) On March 18, 2009, the Developer closed on the PLP loan in the amount of \$500,000.
- c) On January 27, 2012, the Board approved an extension to the loan maturity date from March 18, 2012, to March 18, 2013, as requested by the Developer.

2. Present Situation

- a) The Developer has been working to secure construction financing for the development including a capital campaign seeking private donations which has already resulted in a \$295,000 donation to pay off the existing mortgage on the property and \$1 million in pledged donations towards construction. In addition, the Developer is pursuing several foundation grants that they have applied for or will apply for in 2013. The Developer has a track record of developing projects with primarily donated funds; for example, Phase II of the Loveland campus was completed with donated funds in 2007.
- b) In order to pursue this financing plan, the Developer has requested a second one year extension ([Exhibit A](#)) to the maturity date from March 18, 2013, to March 18, 2014.
- c) The TAP has reviewed the Developer’s request and has submitted a letter recommending approval and a revised development plan and budget ([Exhibit B](#)).

3. Recommendation

- a) Approve the one year extension to the PLP loan for Loveland Village from March 18, 2013 to March 18, 2014, and allow staff to begin the loan document amendment process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of Maturity Extension 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
CO-DEVELOPER (“Co-Developer”)	N/A
NUMBER OF UNITS:	33
LOCATION (“County”):	Polk County
TYPE:	Rental, Family, Preservation
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$615,452
ADDITIONAL COMMENTS: This is a second one-year extension request. The loan amount is being reduced to \$131,073 at the developer’s request.	

1. Background

- a) On August 8, 2008, Florida Housing approved a PLP Loan for the Applicant for Ridgewood Apartments.
- b) On March 11, 2009, the Developer closed on the loan in the amount of \$615,452. Of the recommended loan amount, \$400,000 was being requested for site acquisition.
- c) On January 27, 2012, the Board approved an extension to the loan maturity date from March 11, 2012, to March 11, 2013, as requested by the Developer.

2. Present Situation

- a) The Developer is requesting a second one-year extension ([Exhibit C](#)) to the PLP loan maturity date in order to complete the development process and move towards construction. The developer is applying for a loan from the Florida Community Loan Fund for preservation activities for the development. If this source is not secured, the Developer has plans to pursue other potential sources.
- b) In addition, the Developer has obtained an alternate source for the funding of the acquisition and is therefore de-obligating the \$400,000 previously approved for that activity. The developer has also reduced other predevelopment budget line items bringing the final total PLP budget down from \$615,452 to \$131,073.
- c) The TAP has submitted a letter recommending approval of the extension to the loan maturity date and has provided an updated development plan as required by program rule ([Exhibit D](#)). The TAP has also provided a spreadsheet that details the reduction in each line item from the previously approved budget to the new proposed budget ([Exhibit E](#)).

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

3. Recommendation

Approve the one year extension to the PLP loan for Ridgewood Apartments from March 11, 2013 to March 11, 2014 with the reduction in loan amount from \$615,452 to \$131,073 and allow staff to begin the loan document amendment process.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

III. PROFESSIONAL SERVICES SELECTION (PSS)

A. Arbitrage Rebate Analyst Services

1. Background

April 24, 2009, the Florida Housing Finance Corporation Board approved staff to enter into contract negotiations for arbitrage rebate analytical services. A contract was signed in May 2009 with Bondlogistix and a contract was signed in June 2009 with Hawkins Delafield & Wood to provide the services. The initial contract of three years provided for two one year renewals based on satisfactory performance of the terms of the contract.

2. Present Situation

The first annual renewal of each contract was signed in 2012 and is currently in place. Each contract may be renewed for one more year.

3. Recommendation

Based on the satisfactory performance of each arbitrageur, Florida Housing requests permission to extend the contracts in 2013 with Hawkins Delafield & Wood and BondLogistix, LLC for the final one-year renewal period.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

IV. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Letter for Portofino (RFP 2012-04-07)

Development Name:	Portofino
Developer/Principal:	Cornerstone Group Development LLC
Number of Units:	270
Location :	Palm Beach County
Type/Demographic:	Rental/Family (MMRB, Guarantee/HUD-RISK, SAIL and HC)
Set-Aside:	85% @ 60% AMI (MMRB) 94% @ 60% AMI (HC & SAIL)
Allocated Funding Amount:	MMRB 2003 Series D1 & D2 \$19,570,000 Tax-Exempt Bonds and \$450,000 Taxable Bonds \$770,949 Housing Credits \$3,000,000 SAIL
SAIL ELI Funding under RFP 2012-04:	\$2,475,000

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 February 26, 2013, staff received a credit underwriting letter with a positive recommendation for a SAIL ELI loan in the amount of \$2,475,000 ([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 Sundance Pointe (RFP 2012-04-12)

Development Name:	Sundance Pointe
Developer/Principal:	Cornerstone Group Development LLC
Number of Units:	288
Location :	Duval County
Type/Demographic:	Rental/Family (MMRB, Guarantee, HC, and SAIL)
Set-Aside:	50% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Allocated Funding Amount:	MMRB 1999 Series N1 & N2 \$10,010,000 Tax-Exempt Bonds and \$6,275,000 Taxable Bonds \$676,819 Housing Credits 859,714 Subordinated Mortgage Initiative (“SMP”) \$4,200,000 SAIL ELI (RFP 2010-16)
SAIL ELI Funding under RFP 2012-04:	\$2,100,000

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 February 27, 2013, staff received a credit underwriting letter with a positive recommendation for a SAIL ELI loan in the amount of \$2,100,000 ([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 Mariner’s Cove (RFP 2012-04-06)

Development Name:	Mariner’s Cove
Developer/Principal:	Cornerstone Group Development, LLC
Number of Units:	208
Location :	Hillsborough County
Type/Demographic:	Rental/Family (HC and SAIL)
Set-Aside:	100% @ 60% AMI (HC) 11% @ 50% AMI & 89% @ 60% (SAIL)
Allocated Funding Amount:	\$11,715,000 Housing Finance Authority of Hillsborough County Bonds \$512,322 Housing Credits \$2,000,000 SAIL
SAIL ELI Funding under RFP 2012-04:	\$2,475,000

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 February 27, 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

V. SPECIAL ASSETS

A. Request Approval to Add Subordinate Debt for Willow Creek Apartments, Ltd. for Willow Creek Apartments (2000-018CS)

Development Name: Willow Creek Apartments	Location: Sarasota County
Developer/Principal: Carlisle (“Developer”); Willow Creek Apartments, Ltd. (“Borrower”)	Set-Aside: SAIL/HC 15% @30%, 85% @60%; LURA 50 years; EUA 50 years
Number of Units: 120	Allocated Amount: SAIL: \$1,225,000; HC: \$495,000
Demographics: Elderly/Family	Servicer: Seltzer

1. Background

During the 2000-2001 State Apartment Incentive Loan (“SAIL”) Cycle XII, Florida Housing Finance Corporation (“FHFC”) awarded a SAIL loan in the original amount of \$1,225,000 to Willow Creek Apartments, Ltd., a Florida limited partnership (“Borrower”), for the development of a 120-unit apartment complex in Sarasota County, Florida. The SAIL loan closed on April 21, 2002, and is scheduled to mature on January 1, 2018. The Development also received a 2000 allocation of low-income housing tax credits of \$495,000.

2. Present Situation

- a) The Borrower requests consent from the Board to obtain a loan, to fund certain wind storm mitigation improvements, which will be subordinate to the SAIL loan.
- b) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group recommending approval of the Borrower’s request.

3. Recommendation

Approve the addition of the subordinate loan subject to the conditions outlined in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities as needed.

SPECIAL ASSETS

Consent

B. Request Approval of SAIL Loan Modification for two Developments for Pinnacle Housing Group, LLC

Development Name: Rayos Del Sol (“Development”)	Location: Miami-Dade
Developer/Principal: Pinnacle Housing Group, LLC (“Developer”)	Set-Aside: SAIL/HC 15.08% @ 33% AMI, 84.92% @ 60% AMI LURA 50 years/EUA 50 years
Funding Sources: SAIL 2001-066S, HC 2000-039C	Allocated Amounts: SAIL \$2,000,000 HC \$1,153,000
Number of Units: 199 / Demographic: Family	Servicer: Seltzer Management Group
Development Name: Wynwood Tower Apartments dba Pinnacle View (“Development”)	Location: Miami-Dade
Developer/Principal: (“Developer”) Pinnacle Housing Group, LLC	Set-Aside: SAIL: 14.52% @ 33% AMI, 5.91% @ 40% AMI, 9.68% @ 50% AMI, 69.89% @ 50% AMI; HC: 20% @ 40% AMI, 10% @ 50% AMI, 70% @ 60% AMI LURA 50 years/EUA 50 years
Funding Sources: SAIL 2001-051S HC 99-010C	Allocated Amounts: SAIL \$1,750,000 HC \$1,414,530
Number of Units: 186 / Demographic: Family	Servicer: Seltzer Management Group

1. Background

Pinnacle Housing Group, LLC (“Pinnacle”) received funding from Florida Housing Finance Corporation (“FHFC”) for development of the following two (2) affordable housing properties from 1999 to 2001. Funding sources from FHFC have included State Apartment Incentive Loans (“SAIL”) and Low Income Housing Tax Credits (“HC”). The developments are as follows:

- (1) Rayos Del Sol, Ltd., a Florida limited partnership ("Borrower") (Rayos Del Sol Apartments).
- (2) Wynwood Tower Apartments, Ltd., a Florida limited partnership ("Borrower") (Pinnacle View 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:

SPECIAL ASSETS

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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.

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

3. **Recommendation**

Approve the modification of the loan terms for the two 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

C. Request Approval of SAIL Loan Modification for Grace’s Landing, Ltd., a Florida Limited Partnership, for Grace’s Landing (97S-040/96L-052)

Development Name: Grace’s Landing (“Development”)	Location: Indian River County
Developer/Principal: Sebastian Housing Development Corporation (“Developer”); Grace’s Landing, Ltd. (“Borrower”)	Set-Aside: SAIL 85% @ 60% AMI; HC 15% @ 35% & 85% @ 60% AMI LURA & EUA: 50 years
Number of Units: 70	Allocated Amount: SAIL - \$475,000, HC - \$481,009
Demographics: Elderly	Servicer: Seltzer Management Group

1. Background

During the 1996/1997 State Apartment Incentive Loan (“SAIL”) Cycle IX, Florida Housing Finance Corporation (“the Corporation”) awarded a \$475,000 construction/permanent loan to Grace’s Landing, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 70-unit development in Indian River County. The SAIL loan closed on March 18, 1997, and will mature on August 17, 2013. The Development also received a 1996 allocation of low-income housing tax credits of \$481,009.

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

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- 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

D. Request Approval of SAIL Loan Modification and One Year Extension for Kissimmee Osceola Land Associates, Ltd., a Florida Limited Partnership, for Wellington Woods (92-055S/92-054)

Development Name: Wellington Woods (“Development”)	Location: Osceola County
Developer/Principal: CED Construction, Inc. (“Developer”); Kissimmee Osceola Land Associates, Ltd. (“Borrower”)	Set-Aside: SAIL & HC: 100% @ 60% AMI LURA & EUA: 30 years
Number of Units: 360	Allocated Amount: SAIL - \$1,520,000, HC - \$1,725,210
Demographics: Family	Servicer: First Housing

1. Background

During the 1991/1992 State Apartment Incentive Loan (“SAIL”) Cycle IV, Florida Housing awarded a \$1,520,000 construction/permanent loan to Kissimmee Osceola Land Associates, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 360-unit development in Osceola County. The SAIL loan closed on November 3, 1993, and will mature on May 31, 2013. The Development also received a 1992 allocation of low-income housing tax credits of \$1,725,210.

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

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- b) The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note at closing of the modification in order for the loan to be modified to the 3% interest rate.
- c) The Borrower has also requested approval to extend the SAIL loan, at its modified terms, to May 31, 2014, to allow time to complete the refinancing of the Development. The Borrower has agreed to an extension of the Land Use Restriction Agreement (“LURA”) term equal to the loan extension (adding one year to the current 50 years).

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, the extension of the SAIL loan at its modified terms to May 31, 2014, extension of the LURA for an additional one year and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

E. Request Approval of the Extension of the SAIL Loan for Grove Pointe L.P., a Florida Limited Partnership for Grove Pointe Apartments (95S-049/96S-042/96L-016)

Development Name: Grove Pointe Apartments (“Development”)	Location: Hillsborough County
Developer/Principal: Cornerstone (“Developer”); Grove Pointe, L.P. (“Borrower”)	Set-Aside: SAIL 20% @ 40% & 80% @ 40%; HC 100% @ 40% AMI; LURA: 51 years; EUA: 50 years
Number of Units: 80	Allocated Amount: SAIL \$1,438,936; HC \$529,102
Demographics: Farmworker	Servicer: First Housing Development Corporation

1. Background

During the 1995 and 1996 SAIL (State Apartment Incentive Loan Program) Cycles VII and VIII, Florida Housing Finance Corporation awarded a \$1,438,936 construction/permanent loan to Grove Pointe, L.P., a Florida limited partnership (“Borrower”), for the development of an 80-unit development in Hillsborough County. The SAIL loan closed on May 17, 1996, and will mature on April 22, 2013. The Development also received a 1996 allocation of low-income housing tax credits of \$529,102. At its March 2012 meeting, the Board approved a one-year extension of the loan through April 22, 2013 and a one year extension of the Land Use Restriction Agreement (“LURA”).

2. Present Situation

The Borrower has requested approval to extend the SAIL loan, at its current terms, to April 22, 2014, to allow additional time for refinancing of the Development. The Borrower has agreed to an extension of the LURA term equal to the loan extension (adding one year to the current 51 years).

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to April 22, 2014, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities

SPECIAL ASSETS

Consent

F. Request Approval of the Extension of the SAIL Loan for Homestead Housing Partnership II, Ltd., a Florida Limited Partnership for San Sherri Villas (93HRR-001/96L-005)

Development Name: San Sherri Villas (“Development”)	Location: Miami-Dade County
Developer/Principal: Richman Group (“Developer”); Homestead Housing Partnership II, Ltd. (“Borrower”)	Set-Aside: SAIL and HC 10% @ 40%, 15% @ 45%, 20% @ 50% & 55% @ 60% AMI; LURA: 51 years; EUA: 50 years
Number of Units: 80	Allocated Amount: SAIL \$2,373,200; HC \$670,096
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

During the 1993 SAIL/HRR (State Apartment Incentive Loan/Hurricane Andrew Recovery and Rebuilding Program) Cycle, Florida Housing awarded a \$2,373,200 construction/permanent loan to Homestead Housing Partnership II, Ltd., a Florida limited partnership (“Borrower”), for the development of an 80-unit development in Miami-Dade County. The SAIL loan closed on February 19, 1996, and matured on February 19, 2013. The Development also received a 1996 allocation of low-income housing tax credits of \$670,096. At its April 2012 meeting, the Board approved a one-year extension of the loan through February 19, 2013 and a one year extension of the Land Use Restriction Agreement (“LURA”).

2. Present Situation

The Borrower has requested approval to extend the SAIL loan, at its current terms, to February 19, 2014, to allow additional time to complete the refinancing of the Development. The Borrower has agreed to an extension of the LURA term equal to the loan extension (adding one year to the current 51 years).

3. Recommendation

Approve the extension of the SAIL loan, at its current terms, to February 19, 2014, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities.

SPECIAL ASSETS

Consent

- G. Request Approval to Refinance the First Mortgage and to Transfer the Ownership Interest of Brittany of Rosemont, Ltd., for Nassau Bay I f/k/a Brittany of Rosemont I Apartments (MR1995C1&2/GUAR#31/HUD Risk/SMI#05/RFP 2010-16-12/96L-506)**

Development Name: Nassau Bay I f/k/a Brittany of Rosemont I Apartments (“Development”)	Location: Orange County
Developer/Principal: Alliant Holdings of Florida, LLC (“Developer”); Brittany of Rosemont, Ltd. (“Borrower”)	Set-Aside: MMRB 20% @ 50%; SAIL ELI 20% @ 33%; HC 20% @ 50% AMI LURA 50 years; SAIL ELI 15 years; EUA 30 years
Number of Units: 252	Allocated Amount: MMRB \$13,515,000; SMI \$741,485.25; SAIL ELI \$3,825,000 ; HC \$93,778
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 1995 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$13,090,000, and FHFC issued taxable bonds in the original amount of \$425,000 to Brittany of Rosemont, Ltd., a Florida limited partnership (“Borrower”), for the development of a 252-unit apartment complex in Orange County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on May 22, 1996, and is scheduled to mature on February 1, 2035. The Development is guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”) with HUD Risk Sharing. The Development also received a 1996 allocation of low-income housing tax credits of \$93,778.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$741,485.25 and a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$3,825,000. The SMI loan closed on August 21, 2009, and matures on September 1, 2019. The SAIL ELI loan closed on March 28, 2011, and will mature on March 28, 2026.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage and subordinate the SAIL ELI loan and SAIL ELI loan documents to the new first mortgage. The refinance will terminate the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan will also be repaid. The Borrower further requests that the term of the SAIL ELI loan be extended.
- b) The Borrower requests approval to transfer the ownership interest from Brittany of Rosemont, Ltd. to Orlando Leased Housing Associates I, L.P., a Florida limited partnership, and an affiliate of Dominion (“Purchaser”).
- c) The Purchaser agrees to extend the term of the SAIL ELI set asides 20% @ 33% AMI for fifteen (15) years.

SPECIAL ASSETS

Consent

- d) Staff received a credit underwriting report ([Exhibit B](#)) from First Housing Development Corporation recommending approval for the new financing, subordination of the SAIL ELI loan and SAIL ELI loan documents to the new first mortgage, extension of the SAIL ELI loan term, the transfer of ownership interest, and the modification of the set aside requirements.

3. **Recommendation**

Approve the refinancing of the first mortgage, extension of the SAIL ELI loan, subordination of the SAIL ELI loan and SAIL ELI loan documents to the new first mortgage, the modification of the set aside requirements, and the transfer of the ownership interest contingent upon the refinancing of the first mortgage and termination of the Guarantee Program commitment thereon, subject to the conditions outlined in the credit underwriter's report, 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

H. Request Approval to Refinance the First Mortgage and to Transfer the Ownership Interest of Brittany of Rosemont II, Ltd., for Nassau Bay II f/k/a Brittany of Rosemont II Apartments (MR1995G1&2/GUAR#32/HUD Risk/SMI#06/RFP 2010-16-11/97L-518)

Development Name: Nassau Bay II f/k/a Brittany of Rosemont II Apartments (“Development”)	Location: Orange County
Developer/Principal: Alliant Holdings of Florida, LLC (“Developer”); Brittany of Rosemont II, Ltd. (“Borrower”)	Set-Aside: MMRB 20% @ 50%; SAIL ELI 20% @ 33%; HC 20% @ 50%; AMI LURA 50 years; SAIL ELI 15 years; EUA 30 years
Number of Units: 240	Allocated Amount: MMRB \$13,400,000; SMI \$677,456; SAIL ELI \$3,600,000; HC \$103,127
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 1995 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$12,920,000, and FHFC issued taxable bonds in the original amount of \$480,000 to Brittany of Rosemont II, Ltd., a Florida limited partnership (“Borrower”), for the development of a 240-unit apartment complex in Orange County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on January 31, 1997, and is scheduled to mature on July 1, 2035. The Development is guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”) with HUD Risk Sharing. The Development also received a 1997 allocation of low-income housing tax credits of \$103,127.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$677,456 and a State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loan of \$3,600,000. The SMI loan closed on August 21, 2009, and matures on September 1, 2019. The SAIL ELI loan closed on March 28, 2011, and will mature on March 28, 2026.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage and subordinate the SAIL ELI loan and SAIL ELI loan documents to the new first mortgage. The refinance will terminate the mortgage guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan will also be repaid. The Borrower further requests that the term of the SAIL ELI loan be extended.
- b) The Borrower requests approval to transfer the ownership interest from Brittany of Rosemont II, Ltd. to Orlando Leased Housing Associates I, L.P., a Florida limited partnership and an affiliate of Dominion (“Purchaser”).

SPECIAL ASSETS

Consent

- c) The Purchaser agrees to extend the term of the SAIL ELI set asides 20% @ 33% AMI for fifteen (15) years.
- d) Staff received a credit underwriting report (see Exhibit B, Nassau Bay I) from First Housing Development Corporation recommending approval for the new financing, subordination of the SAIL ELI loan and SAIL ELI loan documents to the new first mortgage, extension of the SAIL ELI loan term, the transfer of ownership interest, and the modification of the set aside requirements.

3. **Recommendation**

Approve the refinancing of the first mortgage, extension of the SAIL ELI loan, subordination of the SAIL ELI loan and SAIL ELI loan documents to the new first mortgage, the modification of the set aside requirements, and the transfer of the ownership interest contingent upon the refinancing of the first mortgage and termination of the Guarantee Program commitment thereon, subject to the conditions outlined in the credit underwriter's report, 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

I. Request Approval to Refinance the First Mortgage for Stratford Point, L.P., a Florida Limited Partnership, for Stratford Point Apartments (MR2000O1&2/GUAR #46/ SMI #02/2000-537C/RFP2010-16-06/RFP2011-05-03)

Development Name: Stratford Point Apartments (“Development”)	Location: Seminole County
Developer/Principal: Picerne (“Developer”)/, Stratford Point, L.P. (“Borrower”)	Set-Aside: MMRB 50% @ 60%; SAIL ELIs 5% @ 33%; 20% @ 33%; HC 100% @ 60% AMI LURA: 50 years; SAIL ELIs: 15/15 years; EUA: 30 years
Number of Units: 384	Allocated Amount: MMRB \$19,290,000; SMI \$1,049,385; SAIL ELIs \$1,500,000 & \$5,700,000; HC \$1,100,100
Demographics: Family	Servicer: First Housing

1. Background

- a) During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) issued tax-exempt bonds in the original amount of \$12,965,000, and FHFC issued taxable bonds in the original amount of \$6,325,000 to fund a first mortgage loan to Stratford Point, L.P., a Florida limited partnership (“Borrower”), for the development of a 384-unit apartment complex in Seminole County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on November 30, 2000, and is scheduled to mature on December 1, 2040. The first mortgage loan is guaranteed with Florida Housing’s Guarantee Program (“Guarantee Program”). The Development also received a 2000 allocation of low-income housing tax credits of \$ 1,100,100.
- b) The Borrower received a Subordinate Mortgage Initiative (“SMI”) loan of \$1,049,385, and two State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”) loans of \$1,500,000 and \$5,700,000. The SMI loan closed on June 17, 2009, and matures on June 15, 2019. The first SAIL ELI loan closed on May 2, 2011, and will mature on May 2, 2026. The second SAIL ELI loan closed on April 26, 2012, and will mature on April 26, 2027.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage loan. The Borrower intends to obtain a HUD insured 223(f) program first mortgage loan, the proceeds of which will be used to satisfy the existing first mortgage, redeeming the underlying bonds and effectively terminating the mortgage loan guaranty issued by the Guarantee Program and its associated financial risk to FHFC. The SMI loan will also be repaid.
- b) The Borrower also requests that the term of the SAIL ELI loans be extended and that the SAIL ELI loans, the Low Income Housing Tax Credit Extended Use Agreement (“EUA”), the SAIL ELI loan documents, and the MMRB Land Use Restriction Agreement (“LURA”) be subordinated to the new first mortgage. As necessary to facilitate the refinance, MMRB loan documents may need to be modified and extended.

SPECIAL ASSETS

Consent

- c) Staff received a credit underwriting report ([Exhibit C](#)) from Seltzer Management Group recommending approval for the new financing, subordination of the SAIL ELI loans, the EUA, the SAIL ELI loan documents, and the MMRB LURA to the new first mortgage, extension of the SAIL ELI loan terms, and modification and extension of MMRB loan documents as necessary.

3. **Recommendation**

Approve the refinancing of the first mortgage loan, extension of the SAIL ELI loans, and subordination of the SAIL ELI loans, the EUA, the SAIL ELI loan documents, and the MMRB LURA to the new first mortgage, and modification and extension of MMRB loan documents as necessary, contingent upon the refinancing of the first mortgage and termination of the Guarantee Program commitment thereon, 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.