

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
June 16, 2017  
Consent Items



**9% HOUSING CREDITS**

*Consent*

**I. 9% HOUSING CREDITS**

**A. Request Approval of Applicant Principal Change for Madison Crossing II (2016-094C)**

<b>Development Name: Madison Crossing II</b>	<b>Location: Osceola County</b>
<b>Applicant/Borrower: Madison Crossing II, LLC</b>	<b>Set Aside(s): 10% @ 40% AMI and 90% @ 60% AMI</b>
<b>Developer/Principal: American Residential Development, LLC</b>	<b>Demographic/Number of units: Elderly / 88 units</b>
<b>Requested Amounts: \$1,510,000 Housing Credits</b>	<b>Development Category/Type: Highrise</b>

**1. Background/Present Situation**

- a) Madison Crossing II (RFA 2015-106/2016-094C) is a Competitive Housing Credit, New Construction Development providing 88 set-aside units in Osceola County, Florida. The Applicant was invited to enter credit underwriting on May 24, 2016.
- b) The Applicant has requested Board approval, required by RFA 2015-106, to allow a change to a Principal of the Applicant. The current and proposed applicant ownership structures are provided as Exhibits [A](#) and [B](#).
- c) The Applicant proposes to replace Madison Crossing II Apartments, LLC, the sole non-investor member, with Madison Crossing Apartments II, LLC. Patrick E. Law was the 100% member of Madison Crossing II Apartments, LLC, but the structure would be further amended under the proposed changes. Madison Crossing Apartments II, LLC will be owned by Madison Crossing PEL, LLC (99.99%) and MADPEL, LLC (0.01%). Madison Crossing PEL, LLC will in turn be owned by Patrick Law (99.99%) and MADPEL, LLC (0.01%). MADPEL, LLC will be owned by Patrick Law (20%), Katie Breslow (20%), James Law (20%), Mark Ginsberg (20%) and James Middleton (20%).

**2. Recommendation**

- a) Approve the request to allow for the change in members of the Applicant as referenced above.

**9% HOUSING CREDITS**

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**B. Request Approval of Applicant Principal Change and Replacement of Co-Developer for Pineda Village (2016-293C)**

<b>Development Name: Pineda Village</b>	<b>Location: Brevard County</b>
<b>Applicant/Borrower: Cocoa Housing Preservation II, LLC</b>	<b>Set Aside(s): 20% @ 35% AMI and 80% @ 60% AMI</b>
<b>Developer/Principal: CHA Developer, LLC</b>	<b>Demographic/Number of units: Family/137 units</b>
<b>Requested Amount: \$1,350,000 Housing Credits</b>	<b>Development Category/Type: Preservation/Duplex, Townhouse, and Garden Apartments</b>

**1. Background/Present Situation**

- a) Pineda Village (RFA 2015-111/2016-293C) is a Competitive Housing Credit, Preservation Development providing 137 set-aside units in Brevard County, Florida. The Applicant was invited to enter credit underwriting on October 28, 2016. Subsequently, Florida Housing issued an allocation of \$1,350,000.00 in Housing Credits in December of 2016.
- b) The Applicant has two requests, one regarding the Applicant structure, and one regarding the Co-Developer. The letter requesting these changes is provided as [Exhibit C](#).
- c) The Applicant requests Board approval, as required by RFA 2015-111, to allow more than a 33.3 percent change in the Principals of the Applicant. The Applicant proposes to withdraw PHG-Cocoa II, LLC as a member of the Applicant; and replace Michael D. Wohl as the initial retiring member with Housing Authority of the City of Cocoa, Florida. The current and proposed Applicant ownership structures are provided as [Exhibit D](#).
- d) Additionally, the Applicant requests Board approval, as required by RFA 2015-111, to replace one of the Co-Developers. The Applicant proposes to remove Pinnacle Housing Group, LLC as a Co-Developer, and replace it with SHAG Pineda Village, LLC. SHAG Pineda Village, LLC meets the General Developer Experience requirements of RFA 2015-111, and has provided the current and proposed entity structures, Florida Department of State Certificate, and General Developer Experience Charts for Timothy Henzy (of SHAG Pineda Village, LLC) and Herbert Hernandez (of CHA Developer, LLC) as [Exhibit E](#).

**2. Recommendation**

- a) Approve the request to allow the change in Members of the Applicant as referenced above; and approve the request to replace the Co-Developer.

## 9% HOUSING CREDITS

### *Consent*

#### C. Request Approval of RFA Waiver for Orange City Flats (RFA 2015-104/2015-261C)

<b>Development Name: Orange City Flats</b>	<b>Location: Volusia County</b>
<b>Applicant/Borrower: Orange City Flats, L.P.</b>	<b>Set Aside(s): 20% @ 40% AMI and 80% @ 60% AMI</b>
<b>Developer/Principal: Two Nickels Development, LLC</b>	<b>Demographic/Number of units: Elderly/96</b>
<b>Requested Amounts: \$657,124 Housing Credits</b>	<b>Development Category/Type: Preservation/Garden</b>

#### 1. Background/Present Situation

- a) Orange City Flats (RFA 2015-104/2015-261C) is a Competitive Housing Credit, Preservation Development providing 96 set-aside units in Volusia County, Florida. The Applicant was invited to enter credit underwriting on October 30, 2015. Subsequently, Florida Housing issued an allocation of \$657,124.00 in Housing Credits in December of 2015.
- b) RFA 2015-104 requires Applicants set aside 50 percent of the development's extremely low income (ELI) units for Special Needs Households, and develop and execute a Memorandum of Understanding with a Special Needs Household Referral Agency which would refer special needs households to apply for these specific units.
- c) Orange City Flats receives subsidy from Rural Development under the RHS 515 Program. Under RHS 515 regulations, properties cannot establish preferences for persons with special needs. The property is currently 100% occupied with a wait list, therefore they cannot accommodate the Special Needs Household set-aside.
- d) The Applicant has submitted a letter ([Exhibit F](#)) requesting a waiver from the RFA requirement for the Special Needs Household set-aside units and the Memorandum of Understanding. As stated in their letter, the development does currently serve residents with special needs, however they are prohibited from establishing preferences for the wait list.

#### 2. Recommendation

- a) Approve the request to waive the requirement of RFA 2015-104 to set aside 50 percent of the development's extremely low income (ELI) units for Special Needs Households, and develop and execute a Memorandum of Understanding with a Special Needs Household Referral Agency.

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**II. LEGAL**

**A. In Re: Spinal Cord Living-Assistance Development, Inc. (SCLAD) - FHFC Case No. 2017-030VW**

<b>Development Name: (“Development”):</b>	<b>Le Jeune Gardens</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Spinal Cord Living-Assistance Development, Inc.</b>
<b>Number of Units: 18</b>	<b>Location: Miami-Dade County</b>
<b>Type: New barrier-free</b>	<b>Set Asides: 30% at 33% AMI 70% at 60% AMI</b>
<b>Demographics: Family; Special Needs</b>	<b>SAIL: \$3,420,00 ELI Gap: \$352,600</b>

**1. Background**

- a) Petitioner was selected to receive SAIL Financing of Affordable Multifamily Housing Developments under RFA 2015-101, in conjunction with local tax exempt bond financing and non-competitive housing credits, to assist in the construction of a Development serving low-income families in Hialeah, Florida. On May 8, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.0072(4)(c), F.A.C., to extend the SAIL loan closing date. Petitioner subsequently filed an Amended Petition with technical changes on June 2, 2017. A copy of the Amended Petition is attached as [Exhibit A](#).

**2. Present Situation**

- a) Rule 67-48.0072(4)(c), Fla. Admin. Code, provides:
  - (c) For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan... In the event the loan does not close by the end of the 12 month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.
- b) Petitioner was invited to credit underwriting on June 22, 2015, and received a 12-month extension to close the loan until June 22, 2017. Since then Petitioner has run into unexpected delays regarding design of the Development to better serve the Persons with Special Needs Demographic and to arrive at the required Total Development Cost per Unit of RFA 2015-101. For these reasons Petitioner has been unable to close the SAIL loan and does not anticipate being able to close it by June 22, 2017. Petitioner therefore seeks an extension of the SAIL loan closing date and ELI Gap closing deadline until March 31, 2018.

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- c) On May 8, 2017, Notice of the Petition was published in the Florida Administrative Register in Volume 43, Number 94. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### **3. Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code, so that the SAIL loan closing deadline may be extended from June 22, 2017 until March 31, 2018.

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**B. In Re: MLF 2 Ltd. - FHFC Case No. 2017-041VW**

<b>Development Name: (“Development”):</b>	<b>MLF Tower (540 Town Center) Development Application No. 2011-106C</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Gulfcoast Housing Foundation, Inc.</b>
<b>Number of Units: 145</b>	<b>Location: Pinellas</b>
<b>Type: High-Rise Apartments</b>	<b>Set Asides: 20% @ 33% AMI 80% @ 60% AMI</b>
<b>Demographics: Elderly</b>	<b>HC: \$1,340,753</b>

**1. Background**

- a) During the 2011 Universal Cycle, MLF 2 Ltd, (“Petitioner”) applied for and was awarded an allocation of tax credits to finance the development of MLF Tower (540 Town Center) (the “Development”) located in Pinellas County, Florida.
- b) On May 26, 2017, Florida Housing received a “Petition for Waiver of Section III (B) (1) (b) of Instructions and Chapter 67-48” (“Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit B](#).

**2. Present Situation**

- a) Rule 67-48.004(1)(a) Fla. Admin. Code (2011) provides, in pertinent part:
  - (a) The Universal Application Package or UA1016 (Rev. 2-11) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s Website under the 2011 Universal Application link labeled Instructions and Application, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00703>, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the HOME and HC Program(s).
- b) Part III of the Instructions provides in pertinent part:
  - Part III. Proposed Development...
  - B. Construction Features and Amenities...
  - Units in buildings that are not eligible for Energy Star New Homes must include, at a minimum, the following:
    - Water heating (choose gas, electric, gas tank less, or boiler/hot water marker):

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- Electric
  - 40 gal = .93 EF; or
  - 50 gal = .92 EF; or
  - 80 gal = .89 EF
- c) Petitioner requested a waiver of the requirement to provide a 40 gallon = .93 EF water heater in each unit of the Development, allowing it to install 30 gallon = .93 EF water heaters when needed. Furthermore, Petitioner requests that Florida Housing acknowledge that the capital needs assessment (“CNA”) for the Development indicated that existing water heaters in the Development were 40 gallons in size with an EF between 0.93 and 0.95., when the existing units were actually 19.9 gallon units. As justification for its request, Petitioner states that the existing 19.9 gallon units and proposed 30 gallon units can accommodate the required capacity for the 1 bedroom units, the required 40 gallon units are larger than needed and would result in substantial economic hardship to MLF, and removing properly sized heaters in good working condition would cause unnecessary expenditure of reserves.
- d) The requested change would neither affect the scoring of Petitioner’s application nor allow Petitioner to gain an unfair advantage over other applicants.
- e) On May 31, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 105. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(1), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) Petitioner demonstrated that strict application of the above Instructions under these circumstances would cause undue hardship. Petitioner established that existing 19.9 gallon units and proposed 30 gallon units can accommodate the required capacity for the 1 bedroom units, and that requiring the Petitioner to replace properly functioning water heaters in each unit would require an unnecessary expense.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Part III.B.4. of the Instructions, and waive the requirement to install 40 gallon = .93 EF water heaters in each unit, thereby allowing Petitioner to install 30 gallon = .93 EF water heaters to replace the existing 19.9 gallon water heaters when such replacement is needed.



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**C. In Re: Equality Park, Ltd. - FHFC Case No. 2017-039VW (RFA 2016-103/2016-332CL)**

<b>Development Name: (“Development”):</b>	<b>The Residences at Equality Park</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Carrfour Supportive Housing, Inc./ Stephanie Berman</b>
<b>Number of Units: 48</b>	<b>Location: Broward County</b>
<b>Type: Mid-Rise, 4-stories</b>	<b>Set Asides: 10% @ 33% AMI 90% @ 60% AMI</b>
<b>Demographics: Persons with a Disabling Condition</b>	<b>Funding: HC \$1,092,894 Loan, FAF \$550,000</b>

**1. Background**

- a) Equality Park, Ltd., (“Petitioner”) successfully applied for an award of competitive Housing Credits and a loan under Request for Applications 2016-103 (the “RFA”) to assist in the construction of The Residences at Equality Park.
- b) On May 24, 2017, Florida Housing received a Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(95), from Petitioner. A copy of the Petition is attached as [Exhibit C](#).

**2. Present Situation**

- a) Rule 67-48.002(95), Fla. Admin. Code defines and incorporates by reference the following provision of the 2016 QAP at Section II.2:

K. ...where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service...

- b) Petitioner requests a waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2018. Petitioner asserts that unforeseen events will cause the Development to not be placed in service by December 31, 2018. Petitioner asserts that the Development was proceeding towards a closing when the equity markets suffered a significant pull back which resulted in significant downward pressure on tax credit pricing. Therefore, the Development’s transaction will need to be re-underwritten and restructured in order to move forward. Given these circumstances, Petitioner asserts that achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner therefore

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requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2018.

c) On May 30, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 104. To date, Florida Housing has received no comments concerning the Petition.

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

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

e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2016 QAP provision to permit Petitioner to exchange its 2016 credits for a subsequent year’s allocation now rather than in the last calendar quarter of 2018.

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**D. In Re: Dr. Alice Moore Apartments, LLLP - FHFC Case No. 2017-040VW (RFA 2016-103/2016-333CL)**

<b>Development Name: (“Development”):</b>	<b>Dr. Alice Moore Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Carrfour Supportive Housing, Inc./ Stephanie Berman</b>
<b>Number of Units: 36</b>	<b>Location: Palm Beach County</b>
<b>Type: Garden</b>	<b>Set Asides: 10% @ 33% AMI 90% @ 60% AMI</b>
<b>Demographics: Persons with a Disabling Condition</b>	<b>Funding: HC \$820,000 Loan, FAF \$550,000</b>

**1. Background**

- a) Dr. Alice Moore Apartments, LLLPL (“Petitioner”) successfully applied for an award of competitive Housing Credits and a loan under Request for Applications 2016-103 (the “RFA”) to assist in the construction of Dr. Alice Moore Apartments.
- b) On May 24, 2017, Florida Housing received a Petition for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(95), from Petitioner. A copy of the Petition is attached as [Exhibit D](#).

**2. Present Situation**

- a) Rule 67-48.002(95), Fla. Admin. Code defines and incorporates by reference the following provision of the 2016 QAP at Section II.2:

K. ...where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Application for the year after the year in which the Development was otherwise required to be placed in service...

- b) Petitioner requests a waiver of the above Rule and bolded selection of the QAP provision above to permit it to exchange its tax credits now rather than in the last calendar quarter of 2018. Petitioner asserts that unforeseen events will cause the Development to not be placed in service by December 31, 2018. Petitioner asserts that the Development was proceeding towards a closing when the equity markets suffered a significant pull back which resulted in significant downward pressure on tax credit pricing. Therefore, the Development’s transaction will need to be re-underwritten and restructured in order to move forward. Given these circumstances, Petitioner asserts that achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner therefore

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requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2018.

c) On May 30, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 104. To date, Florida Housing has received no comments concerning the Petition.

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

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

e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of the above Rule and 2016 QAP provision to permit Petitioner to exchange its 2016 credits for a subsequent year’s allocation now rather than in the last calendar quarter of 2018.

## MULTIFAMILY BONDS

### *Consent*

### III. MULTIFAMILY BONDS

#### A. Request Approval of Credit Underwriting Report and Subordination of the Existing LURA and ELIHA for Timber Sound Apartments (2015-110B)

<b>Development Name: Timber Sound Apartments</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Timber Sound Preservation, L.P.</b>	<b>Set Aside(s): 15% @ 35% AMI (MMRB and Housing Credits) 85% @ 60% AMI (MMRB and Housing Credits)</b>
<b>Developer/Principal: Timber Sound Developer LLC</b>	<b>Demographic/Number of units: Family / 240</b>
<b>Requested Amounts: \$16,500,000 Multifamily Mortgage Revenue Bond (MMRB) \$994,601 Housing Credits</b>	<b>Development Category/Type: Acquisition &amp; Rehabilitation / Garden Apartments</b>

#### 1. Background/Present Situation

- a) The Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$16,500,000 and non-competitive Housing Credits in the amount of \$975,157.
- b) On October 21, 2016, staff issued an opportunity to begin credit underwriting at risk to the Applicant.
- c) The Borrower is purchasing the developments Timber Sound and Timber Sound II, which are currently in Florida Housing's portfolio, from Timber Sound Ltd. and Timber Sound II, Ltd. The Borrower intends to obtain a loan from SunTrust Bank, which will be insured by the U.S. Department of Housing & Urban Development ("HUD") and will utilize MMRB and Housing Credits to rehabilitate the properties. The Borrower requests approval to subordinate the existing State Apartment Incentive Loan ("SAIL") LURA and Housing Credits ELIHA's to the new first mortgage and to amend or modify the documents as determined by Florida Housing and legal counsel.
- d) Staff reviewed the credit underwriting report, giving a positive recommendation for a MMRB loan to the Borrower in the amount of \$16,500,000 and \$994,601 in Housing Credits ([Exhibit A](#)). Staff finds that the development meets all of the requirements of the Non-Competitive Application.

## MULTIFAMILY BONDS

### *Consent*

#### 2. **Recommendation**

- a) Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report, recommending and allocating \$16,500,000 in Tax Exempt MMRB, for the acquisition and rehabilitation of the development, along with the subordination, amendment, and modification as necessary of the existing LURA and ELIHA, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

# MULTIFAMILY BONDS

## *Consent*

### **B. Request Approval of the Method of Bond Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of a Bond Underwriter**

#### **1. Background**

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition and rehabilitation of the proposed Development referenced below, the final credit underwriting report is being presented to the Board for approval simultaneously with this request to assign the appropriate professional for the transaction and approval of the recommended method of sale. A brief description of the Development is detailed below, along with staff's recommendation.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as Exhibit B.

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

- a) Florida Housing staff, the Credit Underwriter, and the IRMA have reviewed the financial structure for the proposed Development.

#### **3. Recommendation**

- a) Approve the assignment of the recommended professional and the Independent Registered Municipal Advisor's recommendation for the method of bond sale, as shown in the chart below, for the proposed Development.

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>	<b>Exhibit</b>
Timber Sound Apartments	Orange County	240	Negotiated Public Offering	RBC Capital Markets, LLC	<a href="#">Exhibit B</a>

## MULTIFAMILY BONDS

### *Consent*

C. **Request Approval for Subordination of the LURA and ELIHA and Extension of the ELIHA for Sands at St. Lucie (1998 Series A / 1998-509C)**

<b>Development Name: Sands at St. Lucie fka Grand Savannah Club</b>	<b>Location: St. Lucie County</b>
<b>Applicant/Borrower: CC Sands, LLC</b>	<b>Set Aside(s): 50% @ 60% AMI (MMRB) 100% @ 60% AMI (Housing Credits)</b>
<b>Developer/Principal: Code Capital Partners</b>	<b>Demographic/Number of units: Family / 320 units</b>
<b>Requested Amounts: \$13,650,000 Multifamily Mortgage Revenue Bond (MMRB) \$852,935 Housing Credits</b>	<b>Development Category/Type: New Construction / Garden</b>

1. **Background/Present Situation**

- a) Florida Housing financed the construction of the above referenced Development in 1998 with \$13,650,000 in tax-exempt MMRB designated as 1998 Series A. In addition, \$852,935 in Housing Credits was allocated to this Development. The bonds were redeemed in December 2015 when CC Sands, LLC purchased the Development from Grand Savannah Club, Ltd.
- b) CC Sands, LLC (“Owner”) is refinancing the Development with a loan from Arbor Agency Lending, LLC to be insured by the U.S. Department of Housing and Urban Development and requests Florida Housing’s consent to subordinate the MMRB Land Use Restriction Agreement “LURA” and the Housing Credits Extended Low-Income Housing Agreement “ELIHA” to the new first mortgage. The Owner also requests Florida Housing’s consent to extend the ELIHA extended use period two years and seven months or such period that the ELIHA is outstanding for a total of 15 years past the HUD loan closing. The ELIHA’s extended use period currently terminates on or about December 31, 2029.

2. **Recommendation**

- a) Approve the subordination of the LURA and ELIHA, along with the extension of the ELIHA’s extended use period, with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.



## MULTIFAMILY BONDS

### *Consent*

**D. Request Approval for First Supplement to Funding Loan Agreement and Project Loan Agreement for Columbus Court (2016 Series B / 2015-535C)**

<b>Development Name: Columbus Court</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: SP CC Apartments LLC</b>	<b>Set Aside(s):</b> 100% @ 60% AMI (MMRN & Housing Credits) 10% @ 40% AMI (SAIL and ELI) 90% @ 60% AMI (SAIL)
<b>Developer/Principal: Southport Financial Services, Inc.</b>	<b>Demographic/Number of units:</b> Family / 160 units
<b>Requested Amounts:</b> \$12,200,000 Multifamily Mortgage Revenue Note (MMRN) \$882,334 Housing Credits \$3,175,000 State Apartment Incentive Loan (SAIL) \$789,900 ELI Gap Funding (ELI)	<b>Development Category/Type:</b> Acquisition and Rehabilitation / Garden

**1. Background/Present Situation**

- a) Florida Housing financed the acquisition and rehabilitation of the above referenced Development in June 2016 with \$12,200,000 in tax exempt MMRN designated as 2016 Series B-1 and 2016 Series B-2. In addition, \$882,334 in Housing Credits, \$3,175,000 in SAIL Loan proceeds and \$789,900 in ELI Gap proceeds were all were allocated to the Development.
- b) The tax exempt MMRN financing for this Development was the first financing by Florida Housing utilizing the tax exempt loan (TEL) program sponsored by the Federal Home Loan Mortgage Corporation (Freddie Mac). The Freddie Mac form program documents that were used provide that the Borrower makes all payments of debt service on the tax exempt MMRN to the Freddie Mac servicer and that upon receipt the Freddie Mac servicer provides the payments to the holder of the tax exempt MMRN, effectively bypassing the trustee / fiscal agent. Florida Housing would like to amend the Funding Loan Agreement and Project Loan Agreement for 2016 Series B-1 whereby the borrower will continue to make payments to the Freddie Mac servicer, but that servicer would begin routing payments through the trustee / fiscal agent who in turn would remit payment to the holder of the tax exempt MMRN, thus enabling both Florida Housing and the trustee / fiscal agent to better monitor and account for any such payments.

**2. Recommendation**

- a) Approve the First Supplement to Funding Loan Agreement and Project Loan Agreement for 2016 Series B-1, with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

## MULTIFAMILY PROGRAMS

### *Consent*

#### IV. MULTIFAMILY PROGRAMS

##### A. Request Approval of Credit Underwriting Report for Arc Gateway Leesway House (2016-346G)

<b>Development Name: Arc Gateway Leesway House</b>	<b>Location: Escambia County</b>
<b>Applicant/Borrower: The Arc Gateway, Inc.</b>	<b>Set Aside(s): 33% @ 35% AMI and 67% at 60% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents</b>
<b>Requested Amounts: \$392,000 Grant Funding</b>	<b>Development Category/Type: New Construction/CRH</b>

##### 1. Background/Present Situation

- a) On March 11, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-105 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 24, 2016, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On September 15, 2016, staff issued an invitation to enter credit underwriting to The Arc Gateway, Inc.
- d) On May 18, 2017, staff received a positive recommendation for a grant amount of \$392,000 to be allocated to the Development ([Exhibit A](#)).

##### 2. Recommendation

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

**MULTIFAMILY PROGRAMS**

*Consent*

**B. Request Approval to Change Financing Structure for The Villages at Noah’s Landing (2014-138CGS)**

<b>Development Name: The Villages at Noah’s Landing</b>	<b>Location: Polk County</b>
<b>Applicant/Borrower: The Villages at Noah’s Landing, Ltd.</b>	<b>Set Aside(s): 25% @ 40% AMI and 75% @ 60% AMI</b>
<b>Developer/Principal: Royal American Development, Inc., and Noah's Ark of Central Florida, Inc.</b>	<b>Demographic/Number of units Persons with Developmental Disabilities/126</b>
<b>Requested Amounts: SAIL \$1,320,000, ELI \$1,000,000, Grant \$1,500,000, 9% HC \$1,100,000</b>	<b>Development Category/Type: New Construction/ Duplex, Garden, Single Family (rental)</b>

**1. Background/Present Situation**

- a) On October 11, 2013, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2013-004 for Financing to Build Larger Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 13, 2013, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on December 19, 2013.
- c) The Board approved a waiver to change the Development Type on December 12, 2014. The credit underwriting report and Applicant name change was Board approved on January 30, 2015. After a series of Board approved closing extensions between September 2014 and February 2015, the grant and loans closed on April 16, 2015.
- d) On June 24, 2016, the Board approved a waiver of certain amenities of the Construction Features and Amenities requirement of the RFA, which states that all proposed Developments that select the Development Category of new construction must include the required Green Building, Accessibility, Adaptability, Universal Design and Visitability Features.
- e) Subsequently, the Borrower submitted a request to change the financing structure and place additional subordinate debt on The Villages at Noah’s Landing. The additional debt will go toward payment of deferred development fees.
- f) On June 1, 2017, staff received a positive recommendation for the financing structure change and additional subordinate debt ([Exhibit B](#)). The additional debt will consist of Affordable Housing Program funds from Federal Home Loan Bank in the amount of \$500,000. Staff has reviewed this recommendation and finds that the development meets all of the requirements of the RFA.

**2. Recommendation**

- a) Approve the financing structure change and additional subordinate debt and direct staff to amend the loan closing documents, as applicable.

**MULTIFAMILY PROGRAMS**

*Consent*

**C. Request Approval to Change Financing Structure for Promise in Brevard (2015-002CSG)**

<b>Development Name: Promise in Brevard (“Development”)</b>	<b>Location: Brevard County</b>
<b>Applicant/Borrower: Promise in Brevard, LLC</b>	<b>Set-Asides: 25% @ 35% AMI and 75% @ 60% AMI</b>
<b>Developers/Principals: Promise in Brevard Development, LLC; Royal American Development, Inc.</b>	<b>Demographic/Number of Units: Family / 52</b>
<b>Requested Amounts: SAIL \$2,000,000, Grant \$2,000,000, 9% HC \$1,300,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On October 17, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-113 for Financing to Build Larger Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-113, and directed staff to proceed with all necessary credit underwriting activities. On December 23, 2014, staff issued an invitation to enter credit underwriting to the Applicant.
- c) On January 21, 2016, the Board approved the final credit underwriting report, and directed staff to proceed with issuance of a firm commitment and closing activities. On February 1, 2016, staff issued a firm commitment letter to the Applicant. On March 31, 2016, all due diligence items were received and closing occurred.
- d) On April 9, 2017, the Borrower submitted a request to change the financing structure and place additional subordinate debt on Promise in Brevard. The additional debt will go toward upgrading the heating and cooling system from PTAC units in each bedroom and common living area to a natural gas heating and cooling system.
- e) On May 31, 2017, staff received a positive recommendation for the financing structure change and additional subordinate debt ([Exhibit C](#)). The additional debt will consist of Affordable Housing Program funds from Federal Home Loan Bank in an amount not to exceed \$1,170,000, and Horizon Keystone Financial funds in the amount of \$250,000. Staff has reviewed this recommendation and finds that the development meets all of the requirements of the RFA.

**2. Recommendation**

- a) Approve the financing structure change and additional subordinate debt and direct staff to amend the loan closing documents, as applicable.

## MULTIFAMILY PROGRAMS

### *Consent*

**D. Request Approval to Release a Portion of Land for Quest Village (2015-004CSG)**

<b>Development Name: Quest Village</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Quest Village, Ltd.</b>	<b>Set Asides: 25% @ 40% AMI and 75% @ 60% AMI</b>
<b>Developers/Principals: TVC Development, Inc.; Quest Village Developer, LLC</b>	<b>Demographic/Number of units: Family / 48</b>
<b>Requested Amounts: SAIL \$1,000,000 , Grant \$1,000,000, 9% HC \$957,253</b>	<b>Development Category/Type: New Construction / Quadraplex</b>

**1. Background/Present Situation**

- a) On October 17, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-113 for Financing to Build Larger Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 12, 2014, the Board approved the final scores and recommendations for RFA 2014-113, and directed staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Borrower on December 23, 2014.
- c) On December 11, 2015, the Board approved a loan closing deadline extension from December 23, 2015 to December 23, 2016. On October 28, 2016, the Board approved the Applicant's request to waive Rule 67-48.0072(17)(f), F.A.C., to minimally exceed subcontractor cost limit.
- d) On December 9, 2016, the Board approved a credit underwriting report with a positive recommendation for funding and directed staff to proceed with issuance of a firm commitment and closing activities. The firm commitment was issued on December 12, 2016, and loan closing occurred on December 21, 2016.
- e) On February 3, 2017, the Board approved the request from the Borrower to remove John D. Rood and TVC Development, Inc. as Guarantors from the Environmental Indemnity Agreement and Guaranty of Recourse Obligation. However, they will remain Guarantors on the Construction Completion and Operating Deficit Guaranty.
- f) On May 9, 2017, the Borrower submitted a request that the 20'-25' strip of land on the provided survey be released from the FHFC Mortgage and LURA ([Exhibit D](#)). In return, the County will credit the Borrower against the impact fees already paid.
- g) On May 31, 2017, staff received a positive recommendation to release the portion of the land ([Exhibit E](#)). There will be a Transportation Impact Fee Deferral Agreement signed by both parties. Staff has reviewed this recommendation and finds that the development meets all of the requirements of the RFA.

## MULTIFAMILY PROGRAMS

### *Consent*

#### 2. **Recommendation**

- a) Approve the release of the portion of the land subject to further approvals and verifications by the credit underwriter, legal counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document amendment activities.

## MULTIFAMILY PROGRAMS

### *Consent*

**E. Request Approval of Credit Underwriting Report for The Santa Fe Hills Home at The Arc of Alachua (2016-342G)**

<b>Development Name: The Santa Fe Hills Home at The Arc of Alachua</b>	<b>Location: Alachua County</b>
<b>Applicant/Borrower: The Arc of Alachua County, Inc.</b>	<b>Set Aside(s): 100% @ 33% AMI</b>
<b>Developer/Principal: N/A</b>	<b>Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents</b>
<b>Requested Amounts: \$392,000 Grant Funding</b>	<b>Development Category/Type: New Construction/CRH</b>

**1. Background/Present Situation**

- a) On March 11, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-105 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 24, 2016, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On October 5, 2016, staff issued an invitation to enter credit underwriting to The Arc Gateway, Inc.
- d) On May 30, 2017, staff received a positive recommendation for a grant amount of \$392,000 to be allocated to the Development ([Exhibit F](#)).

**2. Recommendation**

- a) Staff recommends that the Board approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

## PREDEVELOPMENT LOAN PROGRAM (PLP)

### *Consent*

#### V. FPREDEVELOPMENT LOAN PROGRAM (PLP)

##### A. Request Approval of PLP Loan for Ability Housing, Inc., a not-for-profit entity, for Londontowne Lane (2017-006P-09)

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Londontowne Lane</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Ability Housing, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>80</b>
<b>LOCATION (“County”):</b>	<b>Duval County</b>
<b>TYPE:</b>	<b>Persons with disabling condition and Homeless</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$750,000</b>
<b>ADDITIONAL COMMENTS:</b>	

#### 1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On May 10, 2017, the Developer submitted a PLP application for Londontowne Lane.
- c) On May 12, 2017, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

#### 2. Present Situation

- a) On May 23, 2017, staff received a development plan and a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$750,000. The Developer is requesting \$450,000 of the overall \$750,000 loan for the site acquisition of the subject property. The site acquisition portion of the loan is required to be reviewed by an assigned credit underwriter before it is brought to the Board for approval.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

#### 3. Recommendation

- a) Approve the PLP Loan in the amount of \$750,000 to Ability Housing, Inc., for Londontowne Lane and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$300,000 and assign the site acquisition portion of the loan to a credit underwriter.



**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**B. Request Approval of PLP Loan for Marlyn Behavioral Health Systems, Inc., dba Quality Resource Center, Inc., a not-for-profit entity, for Veteran’s Landing (2017-007P-09)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Veteran’s Landing</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Marlyn Behavioral Health Systems, Inc., dba Quality Resource Center, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>Ability Housing, Inc.</b>
<b>NUMBER OF UNITS:</b>	<b>23</b>
<b>LOCATION (“County”):</b>	<b>Duval County</b>
<b>TYPE:</b>	<b>Persons with disabling condition and homeless with emphasis on veterans</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$275,000</b>
<b>ADDITIONAL COMMENTS: Quality Resource Center is the not-for-profit entity.</b>	

**1. Background**

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On May 11, 2017, the Developer submitted a PLP application for Veteran’s Landing.
- c) On May 12, 2017, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

**2. Present Situation**

- a) On May 23, 2017, staff received a development plan and a letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$275,000.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

**3. Recommendation**

- a) Approve the PLP Loan in the amount of \$275,000 to Marlyn Behavioral Health Systems, Inc., dba Quality Resource Center, Inc. for Veteran’s Landing and allow staff to commence with the loan closing process.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

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

##### A. Single Source Procurement for Affordable Housing Catalyst Program Services

###### 1. Background

- a) Florida Housing is authorized to administer the Affordable Housing Catalyst Program (Catalyst) under chapter 2004-243, Laws of Florida, amending Section 420.531, F.S.
- b) The Affordable Housing Catalyst Program provides training and technical assistance mainly to local governments and community based organizations on state and federal housing programs. The training and technical assistance includes administration and implementation of the State Housing Initiatives Partnership (SHIP) Program, the HOME Investment Partnerships (HOME) Program, the Florida Hardest Hit Fund (HHF) and other affordable housing programs. Typically, the Catalyst program is funded through the annual state legislative appropriations process.
- c) The technical assistance provided through Catalyst allows local governments, not-for-profit organizations and other stakeholders engaged in the development/preservation of affordable housing to access expertise in a variety of subjects and formats. Subjects may include, but not be limited to: specific program management for SHIP, HOME and other housing programs; housing developer specific topics; and housing for persons with special needs. Technical assistance and trainings are provided through onsite direct technical assistance, in-person workshops, webinars and email and phone. A major focus of Catalyst is providing these services to local government staff engaged in the management of the SHIP program.
- d) Section 420.531, F.S., also outlines the requirements for the entity providing technical assistance, stating in pertinent part, "To the maximum extent feasible, the entity to provide the necessary expertise must be recognized by the Internal Revenue Service as a nonprofit tax-exempt organization. It must have as its primary mission the provision of affordable housing training and technical assistance, an ability to provide training and technical assistance statewide, and a proven track record of successfully providing training and technical assistance under the Affordable Housing Catalyst Program."
- e) The only firm that meets all of these statutory requirements is the Florida Housing Coalition, Inc.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

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

- a) The current contract provides the following services:
  - (1) Monthly telephonic and e-mail assistance that is available to all stakeholders;
  - (2) On-site technical assistance visits (primarily for local governments and non-profit developers);
  - (3) Statewide in-person one/two day workshops;
  - (4) Webinars; and
  - (5) Regional Clinics.
- b) Rule 67-49.0031(2), F.A.C., allows the Board to exempt contractual services from competitive solicitation requirements upon a determination by the Executive Director that such services are most readily available from a single source. The Board approved this approach last year, and the current contract for these services with the Florida Housing Coalition, Inc. expires on June 30, 2017. Florida Housing has a continuing need for these services, and the Legislature appropriated funding for this program for the next fiscal year.

#### 3. **Recommendation**

- a) Authorize staff to enter into a one-year single source contract with the Florida Housing Coalition, Inc., to deliver affordable housing training and technical assistance under the Catalyst program, subject to funding availability.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **B. Single Source Procurement for Great Plains Software Licensing, Support, and Upgrade Engagement**

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

- a) Florida Housing utilizes Microsoft Dynamics Great Plains software for general ledger, accounts receivable and accounts payable accounting functions.
- b) Florida Housing is required to license and maintain support for this software from a Microsoft designated support partner. The partner is determined and assigned at original purchase time and remains for the lifetime of the licensing unless there is an issue with the support from that partner. Florida Housing has chosen to work with Tribridge Holdings, LLC.

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

- a) Florida Housing is currently using an older version of the Great Plains software and desires to upgrade to the latest supported version. This upgrade process is highly-specialized and we are required to utilize our designated partner for major alterations or modifications of the software.
- b) The cost for the annual licensing and support is \$10,900, and the upgrade engagement is \$12,760.
- c) Rule 67-49.0031(2), F.A.C. allows the Board to exempt contractual services from competitive solicitation requirements upon a determination by the Executive Director that such services are most readily available from a single source. Since Florida Housing is satisfied with Tribridge Holdings, staff would like to proceed with them as our licensing agent and partner during the upgrade.

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

- a) Authorize staff to enter into a one-year single source contract with Tribridge Holdings, LLC to upgrade and provide support for our Great Plains software licenses.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### C. Contract Renewal – Energy Consumption Provider Services

##### 1. Background

- a) At the October 2014 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the following firms for Energy Consumption Provider Services:
  - (1) Diamond Property Consultants, Inc.
  - (2) Florida Solar Energy Center
  - (3) KN Consultants, LLC; and
  - (4) Matern Professional Engineering, Inc.
- b) The initial three-year term for this contract began in January 2015 for each of these firms. Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed twice for an additional one-year period. There two optional renewal terms remaining for all four firms.

##### 2. Present Situation

- a) Florida Housing staff supports a renewal to extend the term of the contract for the first one-year renewal period for all four firms.

##### 3. Recommendation

- a) Staff recommends the Board direct staff to proceed with first one-year renewal option for all four Energy Consumption Providers.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Consent*

#### **D. Renewal for the Independent Registered Municipal Advisor Contract**

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

- a) At the September 2014 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Caine Mitter & Associates Incorporated for Independent Registered Municipal Advisor services.
- b) The initial one year term of this contract began on October 3, 2014. Contingent upon the vendor satisfactorily performing its obligations under the contract as determined by Florida Housing, this contract may be renewed up to three times. Each renewal shall be for an additional one year period. One optional renewal term remains.

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

- a) Florida Housing staff supports a renewal to extend the term of the contract for the third and final one-year period.

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

- a) Staff believes that it is in the best interest of Florida Housing to continue to retain Caine Mitter & Associates Incorporated pursuant to the existing contract and recommends the Board direct staff to proceed with the third and final one-year renewal option.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

**A. Request Approval of Loan Closing Extension for Village on Mercy f/k/a Mercy Project (2016-327CS)**

<b>Development Name: Village on Mercy f/k/a Mercy Project</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Ability Mercy, LLC</b>	<b>Set-Aside(s): 15% @ 40% AMI &amp; 85% @ 60% AMI</b>
<b>Developer/Principal: Ability Housing, Inc. (f/k/a Ability Housing of Northeast Florida, Inc.)</b>	<b>Demographic/Number of Units: Homeless/166</b>
<b>Requested Amounts: SAIL \$5,000,000 Annual HC \$2,110,000</b>	<b>Development Category/Type: New Construction/Garden</b>

**1. Background/Present Situation**

- a) On January 22, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-102 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties.
- b) On June 24, 2016, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 1, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Ability Mercy, LLC, which states that the loan must close within 12 months of the date of the invitation to enter credit underwriting, giving them a closing deadline of July 1, 2017. Applicants may request one (1) extension of up to 12 months related to the loan closing.
- d) On May 10, 2017, staff received a request from the Applicant to extend the July 1, 2017 loan closing deadline to July 1, 2018 ([Exhibit A](#)), which will allow additional time to secure an equity provider, complete the credit underwriting approval process and proceed to loan closing. Staff has reviewed this request and finds that the development meets the requirements of the RFA.

**2. Recommendation**

- a) Approve the request to extend the loan closing deadline from July 1, 2017 to July 1, 2018, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**B. Request Approval of Loan Closing Extension for Woodwinds (2016-326CS)**

<b>Development Name: Woodwinds</b>	<b>Location: Lake County</b>
<b>Applicant/Borrower: Woodwinds Clermont, LLC</b>	<b>Set-Aside(s): 15% @ 40% AMI &amp; 85% @ 60% AMI</b>
<b>Developers/Principals: NB Woodwinds Developer, LLC and Blue Sky Clermont Developer, LLC</b>	<b>Demographic/Number of Units: Homeless/96</b>
<b>Requested Amounts: SAIL \$4,000,000, 9% HC \$1,510,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On January 22, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-102 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties.
- b) On June 24, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Applicant on July 1, 2016.
- c) On February 3, 2017, the Board approved the final credit underwriting report and Co-Developer structure change, and directed staff to proceed with issuance of a firm commitment and closing activities.
- d) On February 6, 2017, staff issued a firm commitment letter to the Applicant with a loan closing deadline of June 6, 2017. The Board approved the request for a 90-day loan closing extension on March 30, 2017, changing the loan closing deadline associated with the firm commitment from June 6, 2017 to September 4, 2017.
- e) On May 25, 2017, staff received a request from the Applicant for an extension of the loan closing deadline of July 1, 2017, due to delays in receiving a revised Letter of Intent from the investor as a result of the recent tax reform changes ([Exhibit B](#)). Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting (preliminary loan commitment). Applicants may request one extension of up to 12 months related to the loan closing. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.

**2. Recommendation**

- a) Approve the request to extend the loan closing deadline from July 1, 2017 to July 2, 2018, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.



**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**C. Request Approval of Loan Closing Extension for Cameron Preserve Apartments (2016-325CS)**

<b>Development Name: Cameron Preserve Apartments</b>	<b>Location: Osceola County</b>
<b>Applicant/Borrower: Cameron Preserve LLC</b>	<b>Set-Aside(s): 15% @ 40% AMI &amp; 85% @ 60% AMI</b>
<b>Developers/Principals: DRL CP Development LLC</b>	<b>Demographic/Number of Units: Homeless/100</b>
<b>Requested Amounts: SAIL \$4,000,000, 9% HC \$1,510,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On January 22, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-102 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties.
- b) On June 24, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Applicant on July 1, 2016.
- c) On May 5, 2017, the Board approved the final credit underwriting report and Developer structure change, and directed staff to proceed with issuance of a firm commitment and closing activities. On May 9, 2017, staff issued a firm commitment letter to the Applicant with a loan closing deadline of September 6, 2017.
- d) On May 26, 2017, staff received a request from the Applicant for an extension of the loan closing deadline of July 1, 2017, as a precaution in the event the loan closing extends beyond the deadline ([Exhibit C](#)). Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting (preliminary loan commitment). Applicants may request one extension of up to 12 months related to the loan closing. Staff has reviewed this request and finds that the development meets all of the requirements of the RFA.

**2. Recommendation**

- a) Approve the request to extend the loan closing deadline from July 1, 2017 to July 2, 2018, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**D. Request Approval of Waiver Requests and Credit Underwriting Report for Royal Palm Place (2014-429S)**

<b>Development Name: Royal Palm Place</b>	<b>Location: Palm Beach County</b>
<b>Applicant/Borrower: Royal Palm Place, Ltd.</b>	<b>Set-Aside(s): 30% @ 33% AMI &amp; 70% @ 60% AMI</b>
<b>Developer/Principal: Landmark Development Corp. and Baobab Development, Inc.</b>	<b>Demographic/Number of Units: Family/125</b>
<b>Requested Amounts: SAIL \$4,750,000 ELI \$495,000 Annual 4% HC \$1,181,890</b>	<b>Development Category/Type: Redevelopment/Mid-Rise (4-stories)</b>

**1. Background/Present Situation**

- a) On August 25, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-111 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 12, 2014, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 19, 2014, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Royal Palm Place, Ltd. with a closing deadline of December 21, 2015. Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months related to the loan closing.
- d) On December 11, 2015, the Board approved a request to extend the loan closing deadline from December 21, 2015 to December 21, 2016.
- e) On December 9, 2016, the Board approved a petition for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code to extend the closing deadline from December 21, 2016 to August 31, 2017.
- f) On April 4, 2017, the Applicant requested approval to waive the RFA requirement which ensures that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development. The shell work for the development equals 24.6% of total construction costs and will be subcontracted to one company. There is no affiliation between the shell contractor and general contractor. On April 17, 2017, staff received a credit underwriting letter with a positive recommendation for this request. On May 5, 2017, the Board approved the request to minimally exceed subcontractor construction cost percentage limit.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

- g) On April 26, 2017, the Applicant requested a conditional waiver to allow the 30% ELI set-aside be adjusted to 5% in the event of a loss of the federal Section 8 rental assistance, which is subject to Congressional appropriation ([Exhibit D](#)). The RFA requires that a minimum of 5% of the total units be set aside for ELI units in order to be eligible for ELI funding. At the time of application, Royal Palm Place was located within 2 miles of Malibu Bay, a development in the Guarantee Fund program which serves the same demographic group (Family). The proximity of this development would have caused Royal Palm Place to fail the mandatory distance requirement and therefore be ineligible for funding in RFA 2014-111, had Royal Palm Place not met the mandatory distance requirement automatically. To meet the mandatory distance requirements automatically, the Applicant committed to set-aside 30% of the total units as ELI units. Malibu Bay was removed from the Guarantee Program in 2015. Staff has reviewed this request and finds that the development otherwise meets all the requirements of the RFA.
- h) On May 9, 2017, the Applicant requested a waiver of the RFA requirement that within 10 calendar days after entering credit underwriting the Applicant must submit to Florida Housing the Non-Competitive Application and Application fee for housing credits. The Applicant elected to use Non-Corporation Bonds, and submitted its underwriting fee for the Palm Beach County HFA Bonds to First Housing on January 22, 2016, noting that it intended to submit an updated application at a later date. As such, the Applicant contends that actual underwriting did not commence until it submitted the planned updated application for the Palm Beach County Bonds on March 4, 2016. The Applicant subsequently submitted its Non-Competitive Application for housing credits to Florida Housing on March 14, 2016.
- i) On June 1, 2017, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit E](#)). Staff has reviewed this report and finds that the development meets all the requirements of the RFA.

## 2. Recommendation

- a) Approve the waiver request to reduce the ELI set-asides from 30% to 5%, subject to the loss of the federal Section 8 rental assistance, approve the waiver request for timing of the submission of the Non-Competitive Application, and approve the final credit underwriting report and direct staff to proceed with the issuance of a firm commitment and closing activities.

## SPECIAL ASSETS

### *Consent*

#### VIII. SPECIAL ASSETS

- A. Request Approval to Refinance the Existing Mortgage for Lakewood Shores Partners, Ltd., a Florida Limited Partnership, for Lakewood Shores Apartments (1999-066S/2001-514C)

<b>Development Name: Lakewood Shores Apartments (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: CED (“Developer”)/ Lakewood Shores Partners, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC 100% @ 60% AMI; LURA: 61 years; EUA 30 Years</b>
<b>Number of Units: 184</b>	<b>Allocated Amount: SAIL \$1,900,000; HC \$500,041</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

1. **Background**

- a) During the 1999 funding cycle, Florida Housing Finance Corporation awarded a \$1,900,000 State Apartment Incentive Loan (“SAIL”) to Lakewood Shores Partners Ltd., a Florida limited partnership (“Borrower”), for the construction of a 184-unit development in Hillsborough County, Florida. The SAIL loan closed on August 10, 2000 and matured on June 1, 2016. The Development also received a 2001 allocation of low-income housing tax credits (“HC”) of \$500,041.
- b) On June 24, 2016, the Board approved the Borrower’s request for a one year loan extension to June 1, 2017. On February 3, 2017, the Board approved the renegotiation of the loan which extended the loan term to June 1, 2027 and converted the loan to a fully amortizing loan with annual payments of principal and interest. As of February 23, 2016, the affordability restrictions associated with the tax credits were terminated through the qualified contract process.

2. **Present Situation**

- a) The Borrower request consent from the Board to refinance the existing Bank United mortgage. The modified terms for the refinancing include reduction of the interest rate and extension of the Bank United loan term to be coterminous with the previously modified SAIL loan term. The Bank United modification terms require the SAIL loan documents be subordinated to the modified Bank United loan.
- b) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group providing a positive recommendation for the refinancing of the Bank United loan and subordination of the SAIL loan documents.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

- a) Approve the refinancing of the Bank United mortgage and subordination of the SAIL loan documents to the modified Bank United mortgage, 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, as needed.

**SPECIAL ASSETS**

*Consent*

**B. Request Approval of HOME Loan Renegotiation for A.M.R. at Pensacola, Inc., a Florida Not for Profit Corporation, for Zarragossa Street Housing (96HR-025)**

<b>Development Name: Zarragossa Street Housing (“Development”)</b>	<b>Location: Escambia County</b>
<b>Developer/Principal: A.M.R. at Pensacola, Inc. (“Developer” and “Borrower”)</b>	<b>Set-Aside: HOME: 20% @ 50% &amp; 80% @ 60% AMI; LURA: 50 years</b>
<b>Number of Units: 8</b>	<b>Allocated Amount: HOME \$238,000</b>
<b>Demographics: Family</b>	<b>Servicer: First Housing Development Corp.</b>

**1. Background**

- a) During the 1996 HOME Cycle, Florida Housing awarded a \$238,000 construction/permanent loan to A.M.R. at Pensacola, Inc., a Florida not-for-profit corporation (“Borrower”), for the construction of an 8-unit development in Escambia County. The HOME loan closed on July 2, 1997, and will mature on July 2, 2017.

**2. Present Situation**

- a) The Borrower request that the HOME loan be renegotiated from the current zero percent interest balloon payment structure to a fully amortizing zero percent interest loan with monthly principal payments of \$1,325 for a term of approximately fifteen years. The Borrower has agreed to an extension of the HOME Land Use Restriction Agreement (“LURA”) term equal to the extension of the HOME loan term.
- b) Florida Housing staff reviewed the Development’s operating and financial information and provided a positive recommendation for the renegotiation and extension of the HOME loan.

**3. Recommendation**

- a) Approve the renegotiation and extension of the HOME loan and HOME LURA, subject to the conditions outlined above, and subject to further approvals and verifications by counsel and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.