

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
October 27, 2017
Consent Items



9% HOUSING CREDITS

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I. 9% HOUSING CREDITS

A. Request Approval of Applicant and Developer Structure Change for The Jasmine (2016-252C/2017-280C)

Development Name: The Jasmine	Location: Miami-Dade County
Applicant/Borrower: Jasmine Housing, Ltd.	Set Aside(s): 10% @ 33% AMI & 90% @ 60% AMI
Developer/Principal: The Gatehouse Group LLC	Demographic/Number of units: Elderly (non-ALF) / 96 units
Recommended Amounts: \$2,397,397.00 in 9% Housing Credits	Development Category/Type: New Construction / High Rise

1. Background/Present Situation

- a) On September 21, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-108 for Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County.
- b) On May 6, 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 an invitation to enter credit underwriting to the Applicant on June 21, 2016.
- c) In December of 2016, staff approved a request from the Applicant to admit Nikul A. Inamdar as a 25% member of Jasmine GP LLC, the General Partner of the Applicant, Jasmine Housing, Ltd. with David J. Canepari and Marc S. Plonskier each retaining 37.5% ownership interest. ([Exhibit A](#)). Prior to the request, David J. Canepari and Marc S. Plonskier each held 50% ownership interest.
- d) On August 15, 2017, staff received a request from the Applicant to change the Developer entity ([Exhibits B](#) and [C](#)) and the ownership structure of the General Partner ([Exhibits D](#) and [E](#)).
- e) The proposed changes to the General Partner would remove David J. Canepari, Marc S. Plonskier and Nikul A. Inamdar as members and replace them with Southern Coastal Mortgage Company (20% Member) and Magellan Housing, LLC (80% managing Member). Nikul A. Inamdar and Amay A. Inamdar each serve as 50% members of Magellan Housing, LLC. Jeannette B. Chapman and Joseph F. Chapman IV are the Directors of Southern Coastal Mortgage Company.
- f) The current Developer is The Gatehouse Group, LLC with David J. Canepari and Marc S. Plonskier each having 50% ownership interest. The proposed Developer is Jasmine Developer LLC whose members are Magellan Housing LLC (80% managing Member) and Royal American Development, Inc (20% Member). The proposed Developer Principal meets the experience requirement of the RFA.

9% HOUSING CREDITS

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2. **Recommendation**

- a) Approve the request to allow for the admission of Jasmine Developer LLC as the new Developer entity and approve the transfer of ownership interest in the General Partner of the Applicant.

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II. LEGAL

A. In Re: Cocoa Housing Preservation II, LLC - FHFC Case No. 2017-063VW (RFA 2015-111/2016-293C)

Development Name: (“Development”):	Pineda Village
Developer/Principal: (“Developer”):	CHA Developer, LLC and SHAG Pineda Village, LLC
Number of Units: 144	Location: Brevard
Type: Duplex	Set Asides: 20% @ 35% AMI 75% @ 60% AMI
Demographics: Family; Link	Funding: Competitive Housing Credits \$1,350,000

1. Background

- a) Cocoa Housing Preservation II, LLC., (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications 2015-111 (the “RFA”) to assist in financing the development of Pineda Village.
- b) On August 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 A](#). On October 4, 2017, Petitioner filed an amended petition, a copy of which is attached as [Exhibit B](#).

2. Present Situation

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

K. Notwithstanding any other provision of this QAP, 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, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were

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originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

- 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. According to Petitioner, 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. Petitioner asserts that its tax credit investor has advised that it will not be able to close on the terms that had previously been feasible and due to these changes, the 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 requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2018.
- c) On August 31, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 170. 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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B. In Re: Caribbean Village, LTD - FHFC Case No. 2016-064VW (2014-111/2014-418S)

Development Name: (“Development”):	Caribbean Village
Developer/Principal: (“Developer”):	Pinnacle Housing Group David Deutch
Number of Units: 82	Location: Miami-Dade County
Type: New mid-rise	Set Asides: 5% at 33% AMI 95% at 60% AMI
Demographics: Elderly non-ALF	SAIL: \$5,000,000 ELI Gap: \$ 362,400

1. Background

- a) Petitioner was selected to receive SAIL Financing of Affordable Multifamily Housing Developments under RFA 2014-111 to assist in the construction of a Development serving low-income elderly tenants in Miami, Florida.
- b) On October 3, 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. A copy of which is attached as [Exhibit C](#).

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 December 19, 2014, and received a 12-month extension to close the loan until December 21, 2016. Then, Petitioner petitioned for and was granted a waiver of the above rule to extend the closing deadline to December 21, 2017 under FHFC Case No. 2016-035VW. Now, Petitioner is requesting an extension of the SAIL loan closing date until June 29, 2018 due to delays in the development process. Specifically, delays from an Administrative Complaint and Temporary Order of Suspension filed by Florida Housing and delays from litigation filed by an adjacent landowner against Petitioner and Miami-Dade County. The litigation involving the adjacent landowner was settled mid-summer of 2017. On September 22, 2017, a

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Settlement Agreement was approved by Florida Housing and Petitioner may now move forward with the closing.

- c) On October 5, 2017, Notice of the Petition was published in the Florida Administrative Register in Volume 43, Number 193. 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 December 21, 2017 until June 29, 2018.

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C. In Re: Ability Mercy, LLC - FHFC Case No. 2017-066VW (RFA 2016-102/2016-327CS)

Development Name: (“Development”):	Village on Mercy
Developer/Principal: (“Developer”):	Ability Housing Inc.
Number of Units: 166	Location: Orange
Type: Garden Apartments	Set Asides: 15% @ 40% AMI 85% @ 60% AMI
Demographics: Homeless; Link	Funding: 9% Credits: \$2,110,000 SAIL: \$5,000,000

1. Background

- a) Ability Mercy, LLC., (“Petitioner”) successfully applied for an award of competitive housing credits and SAIL financing under Request for Applications 2016-102 (the “RFA”) to assist in financing the development known as Village on Mercy.
- b) On October 3, 2017, Florida Housing received a Petition for Waiver of 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:

K. Notwithstanding any other provision of this QAP, 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, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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- 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. According to Petitioner, the Development was proceeding towards a closing when the equity markets suffered a significant pull back resulting in significant downward pressure on tax credit pricing. Petitioner asserts that its tax credit investor has advised that it will not be able to close on the terms that had previously been feasible and due to these changes, the transaction will need to be re-underwritten and, in part, 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 requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2018.
- c) On October 5, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 193. 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: GM Silver Creek, Ltd. - FHFC Case No. 2017-067VW

Development Name: (“Development”):	Silver Creek Apartments
Developer/Principal: (“Developer”):	Green Mills Group Oscar Sol
Number of Units: 80	Location: Miami-Dade County
Type: New high-rise	Set Asides: 10% at 30% AMI 90% at 60% AMI
Demographics: Low income family	9% HC: \$2,050,000

1. Background

- a) Petitioner was selected to receive 9% Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County under RFA 2016-114 to assist in financing the construction of a development serving low-income households in Miami-Dade County, Florida. On October 4, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(j), F.A.C., to change the total set-aside percentage. A copy of the amended Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-48.004(3), Fla. Admin. Code, provides in relevant part:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application. For the HOME Program, the total number of HOME-Assisted Units committed to in the Set-Aside Commitment section of the Application. Notwithstanding the foregoing, the Total Set-Aside Percentage, or total number of HOME-Assisted Units, as applicable, may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant’s request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development, as well as review of 24 CFR Part 92 to ensure continued compliance for the HOME Program.

- b) Petitioner has received approval from staff to increase the total number of units from 80 to 90, pursuant to Rule 67-48.004(3)(i). Petitioner now seeks a waiver from Rule 67-48.004(3)(j) to reduce the Total Set-Aside Percentage from 100% to 90%. This would have the effect of allowing the development of one additional ELI unit (so that 10% of the new unit total will continue to be set

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aside for ELI Households, as required by the RFA) and nine additional units that would not be set aside for households at 60% AMI. The total number of 60% AMI units would remain at 72. Petitioner has stated that it intends to provide these additional units as workforce housing at or below 140% AMI. Although an additional ELI unit will be constructed, the housing tax credit allocation will not increase.

c) On October 5, 2017, Notice of the Petition was published in the Florida Administrative Register in Volume 43, Number 193. 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 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 67-48.004(3)(j), Fla. Admin. Code, so that Petitioner will be able to reduce its Total Set-Aside Percentage from 100% to 90% and add ten additional units, one of which will be an ELI unit. This waiver will not impact Petitioner’s obligation to meet its current set-aside requirements.

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E. In Re: Centerra Associates, Ltd. - FHFC Case No. 2017-068VW

Development Name: (“Development”):	Centerra
Developer/Principal: (“Developer”):	Cornerstone Mara Mades
Number of Units: 54	Location: Miami-Dade County
Type: New high-rise	Set Asides: HOME: 11% @ 50% AMI 41% @ 60% AMI 48% @ MR MMRB: 40% @ 60% AMI 60% @ MR 4%: 94% @ 60% 6% @ MR
Demographics: Low income family	4% HC: \$1,004,859 MMRB: \$15,700,000 HOME: \$5,304,000

1. Background

- a) Centerra Associates, Ltd., (“Petitioner”) successfully applied for an award of HOME funding to be used in conjunction with Florida Housing-Issued MMRB and Non-Competitive Housing Credits under Request for Applications 2015-110 (the “RFA”) to assist in the construction of a development serving low-income families in Miami-Dade County. On October 4, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.0072(26), F.A.C., to extend the closing date for the HOME loan. A copy of the amended Petition is attached as [Exhibit F](#).

2. Present Situation

- a) The relevant portion of Rule 67-48.0072(26), Fla. Admin. Code provides as follows:

For SAIL, EHCL, and HOME, that is not in conjunction with Competitive HC, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar Days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days.... In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

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- b) Petitioner requests a waiver of the above Rule to allow a further extension of the HOME closing deadline. Petitioner was previously granted several extensions of the HOME loan closing deadline from December 24, 2016 to October 20, 2017. Petitioner is requesting a further extension of the HOME loan closing date from October 20, 2017 to December 31, 2017. Petitioner asserts that the extension is necessary due to delays in the process for obtaining building and development permits due at least partly to the impact of Hurricane Irma on Miami-Dade County.
- c) On October 5, 2017, Notice of the Petition was published in the Florida Administrative Register in Volume 43, Number 193. 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 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(26), Fla. Admin. Code, to allow an extension of the HOME loan closing date to December 31, 2017.

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F. In Re: St Elizabeth Garden Apartments, Ltd. - FHFC Case No. 2017-069VW

Development Name: (“Development”):	St. Elizabeth Gardens
Developer/Principal: (“Developer”):	St. Elizabeth Garden Apartments, Ltd. Elizabeth Wong
Number of Units: 151	Location: Broward County
Type: Mid-rise 4 stories	Set Asides: 20% at 30% AMI 80% at 60% AMI
Demographics: Elderly	9% HC: \$1,124,111

1. Background

- a) Petitioner was selected to receive 9% Housing Credit Financing for Preservation of Existing Affordable Multifamily Housing Developments under RFA 2016-116 to assist in the acquisition and preservation of a development serving low-income elderly households in Pompano Beach, Florida. On October 4, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(j), F.A.C., to change the total set-aside percentage. A copy of the amended Petition is attached as [Exhibit G](#).

2. Present Situation

- a) Rule 67-48.004(3), Fla. Admin. Code, provides in relevant part:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application. For the HOME Program, the total number of HOME-Assisted Units committed to in the Set-Aside Commitment section of the Application. Notwithstanding the foregoing, the Total Set-Aside Percentage, or total number of HOME-Assisted Units, as applicable, may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant’s request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development, as well as review of 24 CFR Part 92 to ensure continued compliance for the HOME Program.

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- b) Petitioner has received approval from staff to increase the total number of units from 151 to 153, pursuant to Rule 67-48.004(3)(i). Petitioner now seeks a waiver from Rule 67-48.004(3)(j) to reduce the Total Set-Aside Percentage from 100% to 98.7%. This would have the effect of allowing the development of two additional units and for these units to be rented at market rate. Without this waiver, these two additional units would also have to be limited to low-income tenants.
- c) On October 5, 2017, Notice of the Petition was published in the Florida Administrative Register in Volume 43, Number 193. 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 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 67-48.004(3)(j), Fla. Admin. Code, so that Petitioner will be able to reduce its Total Set-Aside Percentage from 100% to 98.7% and add two additional units at market rate. This waiver will not impact Petitioner’s obligation to meet its current set-aside requirements.

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G. In Re: Blue Broadway, LLC - FHFC Case No. 2017-071VW (RFA 2016-113/2017-212C)

Development Name: (“Development”):	Preserve at Sabal Park
Developer/Principal: (“Developer”):	Blue Sky Communities III, LLC
Number of Units: 144	Location: Hillsborough
Type: Townhouses	Set Asides: 10% at 40% AMI 90% at 60% AMI
Demographics: Family	Funding: 9% Credits: \$2,110,000

1. Background

- a) Blue Broadway, LLC, (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications 2016-113 (the “RFA”) to assist in financing the development known as Preserve at Sabal Park.
- b) On October 9, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(g) from Petitioner. A copy of the Petition is attached as [Exhibit H](#).

2. Present Situation

- a) Rule 67-48.004(3), Fla. Admin. Code states the following:

For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(g) Development Type;

- b) Petitioner requests a waiver of the above Rule to allow it to change the Development Type listed in its Application from “Townhouses” to “Garden Apartments.” Petitioner asserts that the construction of Garden Apartments will be the most suitable and desirable accommodations to the residents and the community. Petitioner further asserts that constructing Garden Apartments rather than Townhouses allows the Development to be constructed in a manner which is most appropriate given the limitations of the Development site. Specifically, the Development site includes a series of wetlands that makes construction of Townhouses more difficult, if not impossible and the construction costs associated with Townhouses is more than Garden Apartments.
- c) On October 11, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 197. To date, Florida Housing has received no comments concerning the Petition.

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- 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 to permit Petitioner to change its Development Type listed in the Application from “Townhouses” to “Garden Apartments.”

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H. In Re: Woodland Park Redevelopment I, LLC - FHFC Case No. 2017-065VW (RFA 2015-106/2016-008CS)

Development Name: (“Development”):	Woodland Park Phase I
Developer/Principal: (“Developer”):	Pinnacle Housing Group, LLC
Number of Units: 96	Location: Alachua
Type: Garden Apartments	Set Asides: 30% @ 33% AMI 70% @ 60% AMI
Demographics: Family; Link	Funding: 9%: \$1,155,500 SAIL: \$3,840,000

1. Background

- a) Woodland Park Redevelopment I, LLC., (“Petitioner”) successfully applied for an award of competitive housing credits and SAIL financing under Request for Applications 2015-106 (the “RFA”) to assist in financing the rehabilitation of Woodland Park.
- b) On October 3, 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 I](#). On October 9, 2017, Petitioner filed an amended petition, a copy of which is attached as [Exhibit J](#).

2. Present Situation

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

K. Notwithstanding any other provision of this QAP, 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, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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- 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 delays in the development process will cause the Development to not be placed in service by December 31, 2018. According to Petitioner, the delays were the result of an Administrative Complaint and Temporary Order of Suspension filed by Florida Housing against certain of Petitioner's principals and affiliates. Additionally, this litigation created uncertainty as to whether certain of Petitioner's principals and affiliates (affiliated with Pinnacle Housing Group, LLC) would remain as part of Woodland's ownership and developer structure.
- c) On September 22, 2017, a Settlement Agreement between Florida Housing and the referenced principals and affiliates was approved by Florida Housing. Petitioner is now prepared to move forward with the development with the affiliates of Pinnacle Housing Group, LLC continuing as part of the ownership and development structure together with an affiliate of Gainesville Housing Authority. Given these circumstances, Petitioner asserts that achievement of the scheduled placed in service deadline is extremely unlikely. Petitioner therefore requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2018.
- d) On October 9, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 195. To date, Florida Housing has received no comments concerning the Petition.
- e) 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.
- f) 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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Consent

I. In Re: River Oaks Partners, Ltd. - FHFC Case No. 2017-072VW

Development Name: (“Development”):	River Oaks
Developer/Principal: (“Developer”):	Cornerstone Mara Mades
Number of Units: 160	Location: Miami-Dade County
Type: Acquisition and Rehabilitation / Garden Apartments	Set Asides: 100% @ 60% AMI
Demographics: Family	4% HC: \$634,683

1. Background

- a) River Oaks Partners, Ltd., (“Petitioner”) submitted an application for 4% Housing Tax Credits to be used in conjunction with local bonds to assist in the rehabilitation of a development serving low-income families in Miami-Dade County. On October 10, 2017, Florida Housing received a Petition for Waiver of Rule 67-21.026(10), F.A.C., to allow the use of a stipulated sum contract with its general contractors. A copy of the amended Petition is attached as [Exhibit K](#).

2. Present Situation

- a) Rule 67-21.026(10), F.A.C. (2016) provides as follows:

The Corporation’s assigned Credit Underwriter shall require a guaranteed maximum price construction contract, acceptable to the Corporation, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant’s sole expense, and review a pre-construction analysis for all new construction units or a physical needs assessment for rehabilitation units and review the Development’s costs.

- b) In 2015, Petitioner acquired and began rehabilitating a 160-unit development in Miami-Dade County known as River Oaks, and entered into a stipulated sum contract with its general contractor on January 27, 2015 to accomplish this. The financing included tax exempt bond financing from the local bond issuer in Miami-Dade County. At that time, Rule 67-21.026(10), F.A.C., read: “The Corporation’s assigned Credit Underwriter shall require a guaranteed maximum price or stipulated sum construction contract.” On February 2, 2015, after execution of the stipulated sum contract, Rule 67-21.026(10), F.A.C., was revised to allow only a guaranteed maximum price contract. In October 2016, Petitioner submitted a non-competitive application for the allocation of four percent low-income housing tax credits. The work contracted for under the stipulated sum contract has been completed, rendering it impossible to

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Consent

retroactively have the work performed under a guaranteed maximum price contract.

- c) On October 11, 2017, Notice of the Petition was published in the Florida Administrative Register in Volume 43, Number 197. 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 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 67-21.026(10), Fla. Admin. Code, to allow the use of a stipulated sum contract.

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Consent

J. In Re: Redding Development Partners, LLC - FHFC Case No. 2017-074VW (RFA 2015-106/2016-042C)

Development Name: (“Development”):	Redding Redevelopment
Developer/Principal: (“Developer”):	Sanford Redevelopment Partners, LLC
Number of Units: 90	Location: Seminole
Type: Garden Apartments	Set Asides: 10% @ 40% AMI 90% @ 60% AMI
Demographics: Elderly	Funding: 9% Credits: \$1,510,000

1. Background

- a) Redding Development Partners, LLC., (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications 2015-106 (the “RFA”) to assist in financing the development known as Redding Redevelopment.
- b) On October 11, 2017, Florida Housing received a Petition for Waiver of Rule 67-48.002(95) from Petitioner. A copy of the Petition is attached as [Exhibit L](#).

2. Present Situation

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

K. Notwithstanding any other provision of this QAP, 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, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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Consent

- 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. According to Petitioner, the equity markets suffered a significant pull back resulting in significant downward pressure on tax credit pricing, which significantly impacted the financial feasibility of the Development. Petitioner was preliminarily awarded additional funding for the Development under RFA 2017-109: Development Viability Loan Funding. Due to these changes, the transaction will need to be 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 requests that it be permitted to swap the allocated tax credits now instead of the last quarter of 2018.
- c) On October 12, 2017, the Notice of Petition was published in the Florida Administrative Register in Volume 43, Number 198. 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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Consent

K. In Re: Delmar Terrace South, LLC - FHFC Case No. 2016-073VW (RFA 2014-115/2015-158CS and 2016-002CS)

Development Name: (“Development”):	Delmar Terrace
Developer/Principal: (“Developer”):	Delmar Terrace Developers, LLC
Number of Units: 65	Location: Pinellas County
Type: High Rise	Set Asides: 15% at 40% AMI 85% at 60% AMI
Demographics: Homeless	Funding: 9% HC \$1,660,000 SAIL \$3,250,000

1. Background

- a) Delmar Terrace South, LLC (“Petitioner”) was selected to receive competitive housing credits and State Apartment Incentive Loan (“SAIL”) Financing under RFA 2014-115 to assist in the development of Delmar Terrace.
- b) On October 10, 2017, Florida Housing received a Petition for Waiver of Rule-Adopted RFA Provision to Allow Additional Extension of SAIL Loan Closing, and Variance to Rule 67-48.0072(15) to Allow Surety Bond, and Rule-Adopted QAP Provision on Placed in Service Dates (the “Petition”) from Petitioner. A copy of which is attached as [Exhibit M](#). On October 13, 2017, Florida Housing received Delmar Terrace South LLC’s Amendment to Petition for Waiver and Variance (the “Amendment”), a copy of which is attached as [Exhibit N](#).

2. Present Situation

- a) The Amendment to the Petition withdrew the variance request for Rule 67-48.0072(15) to allow alternate forms of construction completion guarantees and from the Qualified Allocation Plan (“QAP”) that is adopted in and incorporated by Rule 67-48.0072(95) regarding the placed in service deadline. The sole issue remaining is a request for waiver of Rule 67-48.0072(4)(c) and 67-48.0072(27), incorporating by reference the terms and provisions of the RFA. Petitioner seeks to extend its SAIL closing deadline from November 2, 2017 to January 31, 2018.
- b) Rule 67-48.0072(4)(c), Fla. Admin. Code, provides:
 - (c) ... For SAIL and HOME that is in conjunction with Competitive HC, the credit underwriting process and loan closing must be accomplished within the time frames outlined in the competitive solicitation.
- c) Rule 67-48.0072(27), Fla. Admin. Code, provides:
 - (27) For SAIL and HOME that is in conjunction with Competitive HC, upon issuance of the preliminary loan commitment, these Corporation loans and other mortgage loans related to the Development must close within the time frame outlined in the competitive solicitation.

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Consent

- d) Petitioner was awarded funding under RFA 2014-115 (the "RFA"). The RFA contained the following provisions regarding the SAIL loan closing deadline and extensions to that deadline in Exhibit C, Section 11:

f. Loan Closing Extension Fees:

(a) In the event the SAIL loan does not close within the timeframe prescribed, extension fees will be assessed. The loan must close within 12 months of the date of the invitation to enter credit underwriting (preliminary loan commitment). Applicants may request one (1) extension of up to 12 months related to this closing deadline. The Corporation shall charge a non-refundable extension fee of 1 percent of the loan amount if the Board approves the request to extend the preliminary commitment beyond the initial 12 month closing deadline. In addition, the loan related to the construction of the Development must close within 180 Calendar Days of the date of the firm loan commitment. A request for an extension of the firm loan commitment may be considered by the Board for an extension term of up to 90 Calendar Days. The Corporation shall charge an extension fee of one-half of one percent of each loan amount if the Board approves the request to extend the firm commitment.

(emphasis added).

- e) Petitioner was invited to credit underwriting on November 2, 2015, and received a 12-month extension to close the SAIL loan until November 2, 2017. Now, Petitioner is requesting an additional extension of the SAIL loan closing date to January 31, 2018 to align with the deadline for closing of the tax credit partnership for Petitioner. Additionally, Petitioner recently received an award of Development Viability Loan funding under RFA 2017-109. Petitioner asserts that the credit underwriting process will be more efficient, complete, and accurate if all financing proceeded to a common closing date.
- f) On October 12, 2017, Notice of the Petition was published in the Florida Administrative Register in Volume 43, Number 198. To date, Florida Housing has received no comments concerning the Petition.
- g) Section 120.542(2), Florida Statutes provides in pertinent part:

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

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Consent

- h) 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 amended request for a waiver of the above Rules and RFA provisions regarding the SAIL loan closing deadline and extensions to that deadline, so that the SAIL loan closing deadline may be extended from November 2, 2017 until January 31, 2018.

MULTIFAMILY BONDS

Consent

III. MULTIFAMILY BONDS

A. Request Approval of Credit Underwriting Report for Cedar Park Apartments (2016-388BS)

Development Name: Cedar Park Apartments	Location: Columbia County
Applicant/Borrower: SP Park, LLC	Set Aside(s): 30% @ 45% AMI (MMRN, SAIL, ELI, and Housing Credits) 70% @ 60% AMI (MMRN, SAIL, ELI, and Housing Credits)
Developer/Principal: Southport Development, Inc.	Demographic/Number of units: Family / 72
Requested Amounts: \$6,000,000 Multifamily Mortgage Revenue Note (MMRN) \$3,200,000 State Apartment Incentive Loan (SAIL) \$272,300 ELI Gap Funding (ELI) \$392,012 Housing Credits	Development Category/Type: Acquisition and Rehabilitation / Garden Apartments

1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 for the SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 24, 2017, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- c) On March 31, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- d) Staff reviewed the credit underwriting report, giving a positive recommendation for a SAIL loan in the amount of \$3,200,000, ELI Gap funding in the amount of \$272,300, and \$6,000,000 in Tax Exempt MMRN ([Exhibit A](#)). Staff finds that the development meets all of the requirements of RFA 2016-109.

2. Recommendation

- a) Approve the recommendation of the Credit Underwriter outlined in the final credit underwriting report recommending and allocating \$6,000,000 in Tax Exempt MMRN, \$3,200,000 in SAIL funding, and \$272,300 in ELI Gap funding for the Construction of the Development, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

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

1. Background

- a) Pursuant to staff's request for approval to issue bonds/notes to finance the 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/note sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond/note 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/note sale, as shown in the chart below, for the proposed Development.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Cedar Park Apartments	Columbia County	72	Note Placement	RBC Capital Markets, LLC	Exhibit B

MULTIFAMILY BONDS

Consent

C. Request Approval of the Transfer of Ownership for Marina Bay (2000 Series S / 2000-542C)

Development Name: Marina Bay	Location: Palm Beach County
Applicant/Borrower: Marina Clinton Associates, Ltd.	Set Aside(s): 5% @ 28% AMI (MMRB & Housing Credits) 50% @ 60% AMI (MMRB) 95% @ 60% AMI (Housing Credits)
Developer/Principal: SCA Properties LLC	Demographic/Number of units: Family / 192 units
Requested Amounts: \$11,255,000 MMRB \$514,116 Housing Credits	Development Category/Type: New Construction / Mid-Rise with elevators

1. Background/Present Situation

- a) Florida Housing financed the above referenced Development in 2000 with \$11,255,000 in tax exempt MMRB designated as 2000 Series S. In addition, \$514,116 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in September 2013.
- b) Marina Clinton Associates, Ltd. has requested Florida Housing's consent to the transfer of ownership of the Development to CDT SP Marina, LLC. First Housing Development Corporation has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption, and subordination of the Land Use Restriction Agreement "LURA" and Extended Low-Income Housing Agreement "ELIHA" ([Exhibit C](#)).

2. Recommendation

- a) Approve the transfer of ownership and the assignment, assumption, and subordination of the LURA and ELIHA, subject to the conditions in the credit underwriting report with further approval by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

D. Request Approval of the Transfer of Managing Member Ownership Interest for Georgia Ayers Apartments (2012 Series A / 2011-515C)

Development Name: Georgia Ayers Apartments	Location: Miami-Dade County
Applicant/Borrower: Georgia Ayers Apartments, LLC	Set Aside(s): 85% @ 60% AMI (MMRB) 100% @ 60% AMI (Housing Credits)
Developer/Principal: Biscayne Housing Group, LLC	Demographic/Number of units: Family / 72 units
Requested Amounts: \$7,000,000 MMRB \$542,020 Housing Credits	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) Florida Housing financed the above referenced Development in 2012 with \$7,000,000 in tax exempt MMRB designated as 2012 Series A. In addition, \$542,020 in Housing Credits was allocated to this Development. The bonds were subsequently redeemed in June 2014.
- b) The Borrower has requested Florida Housing's consent to the transfer of the managing member interest of the Borrower from MM Georgia Ayers, LLC to FL Georgia Ayers GP, LLC. AmeriNat® has reviewed this request and provided a positive recommendation for the transfer and the assignment and assumption of the Land Use Restriction Agreement "LURA" and Extended Low-Income Housing Agreement "ELIHA" ([Exhibit D](#)).

2. Recommendation

- a) Approve the transfer of ownership interest and the assignment and assumption of the LURA and ELIHA, subject to the conditions in the credit underwriting report 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 to Use Related Subcontractors for Promise in Brevard (RFA 2014-113 / 2015-002CSG)

Development Name: Promise in Brevard	Location: Brevard County
Applicant/Borrower: Promise in Brevard, LLC	Set Aside(s): 25% @ 35% AMI and 75% @ 60% AMI
Developer/Principal: Promise in Brevard Development, LLC / Royal American Development, LLC	Demographic/Number of units: Developmentally Disabled / 52 units / 134 bedrooms
Requested Amounts: \$2,000,000 SAIL / \$2,000,000 Grant / \$1,300,000 Housing Credits	Development Category/Type: New Construction / Garden

1. Background/Present Situation

- a) Promise in Brevard, LLC (RFA 2014-113 / 2015-002CSG) applied for and was awarded an allocation of \$1,300,000.00 in Housing Credits and \$4,000,000.00 in Grant and SAIL funding. The funds are being utilized to finance a 52-unit (134-bedroom) permanent supportive housing facility for persons with developmental disabilities in Brevard County, Florida.
- b) On August 23, 2017, Florida Housing received a letter (dated July 27, 2017) from the Borrower ([Exhibit A](#)) stating that their General Contractor had previously entered into subcontracts with two affiliated parties for sitework related construction. The letter also included a request for a variance from Rule 67-48.0072(17)(g), F.A.C., which requires that no construction cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board.
- c) According to the most recent construction inspection report completed on August 16, 2017, the development is now 75% complete, and the work in question had already been performed at the time of the request. The total amount of the construction contract (through June 2017) is \$11,919,894.54 and the amount of the related sub-contracted amount totals \$1,934,712.78 or 16.23% of the construction contract.
- d) Due to the fact that this information was provided after it occurred, FHFC proposes that a penalty be imposed. To the extent that the applicant intends to take any GC Fee on the related sub amount (\$1,934,712.78), it will have to be paid out of the Developer Fee. In addition, no Developer Fee will be allowed on the related sub amount or any GC Fee taken on the related sub amount. These calculations will be vetted and verified at the time of their Cost Certification.

2. Recommendation

- a) Approve the after the fact request to allow the use of the related sub-contractors subject to the additional penalty, if applicable, described herein.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

V. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan Extension for REVA Development Corporation, a not-for-profit entity, for Boulevard Art Lofts (2014-002P-09)

DEVELOPMENT NAME (“Development”):	Boulevard Art Lofts
APPLICANT/DEVELOPER (“Developer”):	MFK/REVA Development, LLC
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	45
LOCATION (“County”):	Broward County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS: Original loan was for \$670,000 which included \$170,000 in acquisition costs that are no longer needed by the applicant.	

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 March 14, 2014, Florida Housing received a PLP Application from the Developer for the Pompano Terrace Artisan Village. The development has since been renamed Boulevard Art Lofts.
- c) On February 18, 2015, the Developer closed on the non-site acquisition portion of the PLP loan.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

2. Present Situation

- a) The Developer has submitted a letter ([Exhibit A](#)) requesting a one-year extension to the maturity date of the Loan. The reasons, as outlined in the letter include an issue with NIMBY that forced the Developer to seek a new site for the development despite the development having already been awarded construction financing that had to be de-obligated.
- b) The current site for the development was donated to the Developer. Therefore, the previously approved PLP funds for acquisition will no longer be needed, so the total loan amount is \$500,000.
- c) The Technical Assistance Provider had reviewed the request and revised the timeline for the development and is supporting the extension request.

3. Recommendation

- a) Approve the PLP Loan maturity extension to MFK/REVA Development Corporation for Boulevard Art Lofts, as recommended by the TAP, and allow staff to revise closing documents.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of Entity Name Change for Londontowne Lane PLP Loan (2017-006P-09)

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

1. Background

- a) On August 29, 2017, the Developer closed on the non-site acquisition funds for the Londontowne Lane PLP loan in the name of Ability Housing, Inc.
- b) On September 22, 2017, the Board approved the credit underwriting report for the site acquisition portion of the loan.

2. Present Situation

- a) On September 29, 2017, staff received a letter from the TAP ([Exhibit B](#)) supporting a request from the Developer for a change in the name of the owner entity for the property acquisition from Ability Housing, Inc. to a single purpose limited liability company, Ability Holding, LLC, for the sole purpose of owning the development property. The LLC is wholly owned by Ability Housing, Inc.

3. Recommendation

- a) Approve the entity name change from for Londontowne Lane from Ability Housing, Inc. to Ability Holding, LLC and allow staff to commence with the loan closing process on the site acquisition funds in the amount of \$450,000.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of Credit Underwriting Report for Residential Options of Florida, Inc., a not-for-profit entity, for Independence Place (2017-005P-09)

DEVELOPMENT NAME (“Development”):	Independence Place
APPLICANT/DEVELOPER (“Developer”):	Residential Options of Florida, Inc. (ROOF)
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	3
LOCATION (“County”):	Collier County
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$279,750
ADDITIONAL COMMENTS: Credit underwriter is recommending an increase in the PLP loan to \$284,650.	

1. Background

- a) On May 12, 2017, Florida Housing issued an Invitation to Participate in the PLP to the Developer.
- b) On July 28, 2017, the board approved the PLP loan and allowed staff to assign the acquisition portion of the loan to a credit underwriter.

2. Present Situation

- a) On October 6, 2017, staff received a credit underwriting report ([Exhibit C](#)) recommending the PLP loan with an increase in the acquisition line item from \$175,000 to \$179,900. The overall PLP loan amount of \$279,750 increases to \$284,650.

3. Recommendation

- a) Approve the credit underwriting report for the acquisition portion of the PLP Loan to Residential Options of Florida, Inc., for Independence Place and allow staff to commence with the loan closing process on the site acquisition.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of PLP Loan for Neighborhood Housing Development Corporation, Inc., a not-for-profit entity, for Deer Creek Senior Housing (2016-001P-09)

DEVELOPMENT NAME (“Development”):	Deer Creek Senior Housing
APPLICANT/DEVELOPER (“Developer”):	Neighborhood Housing Development Corporation, Inc.
CO-DEVELOPER:	Rural Neighborhoods, Inc.
NUMBER OF UNITS:	64
LOCATION (“County”):	Alachua County
TYPE:	Elderly
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	

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 February 1, 2016, the Developer submitted a PLP application for Deer Creek Senior Housing.
- c) On February 2, 2016, Florida Housing issued an Invitation to Participate in the PLP to the Developer.
- d) The developer was advised by the TAP to consider partnering with an experienced development partner. This process was lengthy, but resulted in the agreement with Rural Neighborhoods, Inc. The development plan deadline was extended by staff to allow for this process to occur.

2. Present Situation

- a) On October 4, 2017, staff received a development plan and a letter ([Exhibit D](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$500,000.
- 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 \$500,000 to Neighborhood Housing Development Corporation, Inc. for Deer Creek Senior Housing and allow staff to commence with the loan closing process.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VI. PROFESSIONAL SERVICES SELECTION (PSS)

A. Contract Renewal – Trustee Services

1. Background

- a) At the December 2013 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with the five firms below for trustee services.
- b) Current contract information is as follows:

Contract Number	Vendor	Initial Term Start Date	Current Expiration Date
2013-15-Q-130-004	Zions First National Bank	3/18/2014	3/17/2018
2013-15-Q-130-002	Wells Fargo Corporate Trust Services	3/25/2014	3/24/2018
2013-15-Q-130-005	Regions Bank	4/9/2014	4/8/2018
2013-15-Q-130-001	The Bank of New York Mellon Trust Company, N.A.	4/10/2014	4/9/2018
2013-15-Q-130-003	U.S. Bank Global Trust Services	5/22/2014	5/21/2018

- c) 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 is one optional renewal term remaining for all five firms.

2. Present Situation

- a) Florida Housing staff supports a renewal to extend the terms of the contracts for the final one-year renewal period.

3. Recommendation

- a) Staff recommends the Board direct staff to proceed with the final one-year renewal option for each contract.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

B. Single Source Procurement for OnBase Upgrade and E-Form Updates

1. Background

- a) Florida Housing uses OnBase as its document management system. Hyland Software, Inc., the developer of OnBase maintain a team of Certified Solution Providers, and requires that one be registered to each user. Databank IMX is Florida Housing's registered Certified Solution Provider. A copy of the letter from Hyland Software is attached as [Exhibit A](#).

2. Present Situation

- a) Florida Housing is seeking to upgrade OnBase with the latest version of the software, and update four existing HTML e-forms and 17 VBScripts.

3. Recommendation

- a) Staff believes that it is in the best interests of Florida Housing to proceed with a new single source contract to proceed with upgrading OnBase software, and updating applicable e-forms/VBScripts.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

C. Single Source Procurement for the Affordable Housing Locator Subscription Services

1. Background

- a) In August 2005 and May 2008, Florida Housing's Board of Directors authorized staff to carry out a solicitation process to select an entity to develop and maintain a web-based housing Locator to help Floridians conduct searches for available rental housing financed by Florida Housing. The goal was to create an adaptable system to enable the eventual inclusion of any affordable rental unit statewide that met Florida Housing's inclusion standards (for example, units that serve households at or below 140% of area median income).
- b) At the conclusion of both solicitations, the Board authorized staff to enter into contract negotiations with SocialServe.com. The Locator services, including the web-based search engine (www.floridahousingsearch.org) and a staffed call center, launched in October 2006.
- c) At the December 2013 meeting, the Board authorized a single source procurement to purchase housing Locator services directly from Non-Profit Industries d/b/a SocialServe.com, with a contract term of up to three years.
- d) In August 2015, Emphasys Computer Solutions, Inc. acquired the technology assets of Non-Profit Industries d/b/a SocialServe.com. The Locator continues to be managed by the same staff in the same manner as it was before this transition.
- e) At the October 2016 meeting, the Board authorized the Board authorized a single source procurement to purchase housing Locator services directly from Emphasys Computer Solutions, Inc., for a period of one year.

2. Present Situation

- a) On March 24, 2018, the term for Florida Housing's current contract with Emphasys Computer Solutions, Inc., will expire.
- b) The Locator service has been very successful. It is well-respected for being a very user-friendly service that allows people to locate available housing that best fits their individual and family needs. Throughout the past decade, Florida Housing has never received a complaint about the Locator or attendant call center services.
- c) Florida Housing staff continues to be very satisfied with the Locator's growth in use by consumers and landlords, as well as the provision of services by Emphasys to consumers who may need help with the site, advocates for consumers, landlords and Florida Housing itself. With the end of the current contract approaching, the staff has been researching prospective vendors that may be qualified and interested in applying to manage the Locator services with the same capacity and quality as the current Locator service.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

- d) The services are widely used by supportive services agencies, homeless coalitions and legislators' staffs in their efforts to assist Floridians find affordable and available rental housing that meets their needs. The on-line and call center services are ADA certified for use by persons with disabilities. Individuals can access the information online, in many languages, 24 hours a day. They can easily search for available rental housing using a wide variety of search criteria with special mapping features and receive apartment listings that provide a variety of important information about each unit. In addition, the site connects people to other housing and community resources through website links and provides helpful tools for renters such as an affordability calculator, rental checklist, and renter rights and responsibilities information.
- e) The toll-free call center is staffed by specialists who are trained to work with both the public and landlords, with bilingual capacity to assist Spanish-speaking persons. The vendor is a non-profit organization that strives to train and hire persons with disabilities, formerly homeless individuals, and those with other special needs. Many of the call center specialists have had experiences similar to the consumers they are now assisting to find housing. Florida Housing has not found any other rental housing locator businesses that provide the call center services.
- f) There are nearly 168,000 units registered in the Locator data, of which the majority were funded by Florida Housing.
- g) The services listed below that Florida Housing obtains from Emphasys cannot be replicated by any other vendor in the market:
 - (1) The services listed below that Florida Housing obtains from Emphasys cannot be replicated by any other vendor in the market;
 - (2) Screening properties for listing accuracy and Fair Housing violations and removing those in non-compliance;
 - (3) Backing up its online services with a bilingual toll free call center comprised of housing-specific trained customer service specialists who help tenants locate housing, help landlords initially register and regularly update listings, and support families displaced as a result of natural disasters and economic situations;
 - (4) Conducting rental housing searches for households that do not have access to the internet;
 - (5) In addition to customer specialists at the call center, providing professionally trained case managers who assist households with special needs and/or are in crisis to search for temporary and permanent housing that meets their immediate and/or long term needs;
 - (6) Contacting and working with households directly upon request by staff from Florida Housing, State agencies and Legislators' offices; and

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

- (7) Assisting state and local emergency management systems in helping displaced households find housing local, regional and statewide. A component of disaster services is to update available housing stock in its database on a 24/7 basis and conduct ongoing searches for additional housing units and options.
- h) As a result of our research, and after consideration of the standards Florida Housing expects for a Housing Locator service and the available vendor options, Florida Housing's staff believes that Emphasys is the only vendor with the capacity, qualifications and experience to maintain the level of service that Florida Housing and the State of Florida relies on and has come to expect for Locator services.

3. **Recommendation**

- a) Staff believes that it is in the best interest of Florida Housing to continue with these services and proceed with a new one-year contract. Staff requests authorization to enter into negotiations for a single source contract with Emphasys Computer Solutions, Inc, for this purpose.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

D. Single Source Procurement for Oversight of Cost/Benefit Research on High Needs/High Cost Pilot Developments

1. Background

- a) Florida Housing has issued grants to three pilot developments to develop and provide up to 50 units of rental housing to serve “high needs/high cost” chronically homeless residents in permanent supportive housing. The purpose of the pilot is to target and integrate supportive housing and community-based services to high needs persons with disabilities and frail elders who are homeless. These individuals typically are high utilizers of publicly funded crisis services, such as emergency rooms and jails.
- b) Each developer committed to hire a research team to carry out cost-benefit and personal outcome evaluations of how well this model works to evaluate the Florida-specific of public services/housing and residents’ personal outcomes, compared to when the residents were still homeless. While evaluations of this sort have occurred in other states, our staff and stakeholders in Florida have found that Florida policymakers want to know how well such a model works in this state.
- c) The data collection started as residents moved in to the units and will continue for 24 months, at which point the final reports will be written. Each organization is responsible for its own data collection, analysis and report.
- d) Because of the importance of this research, Florida Housing staff determined that it would be helpful to have assistance from a more knowledgeable organization to ensure that the three pilot sights are problem solving around data and research questions that arise. In January 2016, Florida Housing released a Request for Quote to procure a firm that would provide research oversight and work with Florida Housing on these grants. The Corporation for Supportive Housing, Inc. (CSH), was the only firm to respond, and because of CSH’s qualifications, Florida Housing entered into a contract with the organization.

2. Present Situation

- a) The contract with CSH for these services is set to expire on December 31, 2017. Florida Housing estimates that the research portion of this pilot will not be over for 2-3 more years, and has found these research oversight services to be very helpful.
- b) CSH is the only firm nationally that specializes in this type of research. Florida Housing’s High Need/High Cost Pilot is similar to a CSH’s signature initiative, FUSE (Frequent Users Systems Engagement), which has been implemented in approximately 30 communities nationwide – including Orlando. The CSH program has its origins 10 years ago as a pilot experiment in New York City to develop an enhanced supportive housing model to target individuals with established patterns of cycling between jail and shelters in the city. This month, the most recent evaluation was released demonstrating the benefits of this approach – MeckFUSE, in North Carolina, announced significantly reduced

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

arrests, ambulance and hospital usage, along with a two-year 90% housing retention rate.

- c) Also this month, CSH and the national Center for Budget and Policy Priorities convened a group of researchers, policymakers and stakeholders from the academic, federal and provider community to discuss the future of national research on supportive housing, identify what gaps exist in the current research, and engage the field in next steps towards further demonstrating evidence around the model's implementation for different populations. The discussion from this convening will drive CSH's national research agenda and policy documents developed by both CSH and Center for Budget and Policy Priorities around supportive housing – and this will greatly inform the evaluations being conducted in the three High Need/High Cost sites in Florida.
- d) No other technical assistance provider has the depth and breadth of experience CSH does with frequent user/high utilizer supportive housing initiatives generally, and Florida Housing is not aware of any that have tried to provide technical assistance particularly targeted to the type of pilot we are implementing. Such a contract will have an annual cost of approximately \$20,000.

3. Recommendation

- a) Staff believes that it is in the best interest of Florida Housing to continue with these services and proceed with a new one-year contract for 2018. Staff requests authorization to enter into negotiations for a single source contract with the Corporation for Supportive Housing, Inc. for this purpose.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Firm Loan Commitment Issuance Extension for Coral Bay Cove (2016-394S)

Development Name: Coral Bay Cove	Location: Miami-Dade County
Applicant/Borrower: Coral Bay Cove, LLC	Set-Aside(s): 10% @ 30% AMI & 90% @ 60% AMI
Developer/Principal: Landmark Development Corp.	Demographic/Number of Units: Family/224
Requested Amounts: MMRB \$29,000,000 SAIL \$6,500,000 ELI \$600,000 Annual HC \$2,052,000	Development Category/Type: New Construction/Garden

1. Background/Present Information

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 for SAIL Financing of Affordable Multifamily Housing Developments to be used in conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits.
- b) On March 24, 2017, the Board approved the Final Order resolving all pending litigation pertaining to RFA 2016-109, allowing staff to proceed with all necessary credit underwriting activities.
- c) On March 31, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Coral Bay Cove, LLC which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 31, 2017, giving them a firm loan commitment issuance deadline of January 2, 2018. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On September 2, 2017, staff received a request from the Applicant to extend the January 2, 2018 firm loan commitment issuance deadline to July 2, 2018 ([Exhibit A](#)), which will allow additional time to obtain pending development approvals, obtain various civil engineering permits and complete the underwriting process. Staff has reviewed this report and finds that the development meets all the requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the firm loan commitment issuance deadline from January 2, 2018 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

B. Request Approval of Loan Closing Extension for Twin Lakes Estates – Phase 1 f/k/a/ West Lake Apartments (2016-184BS)

Development Name: Twin Lakes Estates – Phase I f/k/a West Lake Apartments	Location: Polk County
Applicant/Borrower: West Lake I, Ltd.	Set-Aside(s): 10% @ 45% AMI & 90% @ 60% AMI
Developer/Principal: HTG West Lake Developer, LLC and Polk County Housing Developers, Inc.	Demographic/Number of Units: Elderly/100
Requested Amounts: MMRB \$10,000,000 SAIL \$5,000,000 ELI \$298,200 Annual HC \$600,000	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for the SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 18, 2016, the Board approved the Final Orders resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- c) On March 21, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to West Lake I, Ltd. with a closing deadline of March 21, 2017.
- d) On December 9, 2016, the Board approved a request to extend the loan closing deadline from March 21, 2017 to March 21, 2018.
- e) On May 5, 2017, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm commitment letter and closing activities.
- f) On May 9, 2017, staff issued a firm commitment letter to the Borrower which states that the loan must close within 180 calendar days of the date of the issuance of the firm commitment, giving them a closing deadline of November 6, 2017. Applicants may request a closing extension of up to 90 calendar days.
- g) On September 29, 2017, staff received correspondence from the Borrower requesting a 90-day extension of the firm commitment closing deadline ([Exhibit B](#)). The extension will allow additional time to close the loan once the appropriate HUD approvals are received. Staff has reviewed this request and finds that the developments meets the requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

- a) Approve the request to extend the firm commitment loan closing deadline from November 6, 2017 to February 5, 2018, subject to payment of the required non-refundable extension fee of one-half of one percent of the loan amount, pursuant to the requirements of the RFA.

SPECIAL ASSETS

Consent

VIII. SPECIAL ASSETS

- A. **Request Approval to Refinance the First Mortgage for Volunteers of America of Florida-Pensacola Veterans, Inc., a Florida Non-Profit Corporation, for Pensacola Veteran Housing (RFP 2008-01-02)**

Development Name: Pensacola Veteran Housing (“Development”)	Location: Escambia County
Developer/Principal: Volunteers of America of Florida (“Developer”)/ Volunteers of America of Florida-Pensacola Veteran Housing, Inc. (“Borrower”)	Set-Aside: SAIL: 25% @ 35% & 75% @ 60% AMI LURAs 50 years
Number of Units: 31	Allocated Amount: SAIL \$850,000
Demographics: Homeless/ Family	Servicer: First Housing Development Corporation

1. **Background**

- a) During the RFP 2008-01 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$850,000 for construction/permanent loan to Volunteers of America of Florida-Pensacola Veteran Housing, Inc., a Florida non-profit corporation (“Borrower”), for the development of a 31-unit development in Escambia County. The SAIL loan closed on December 30, 2010, and will mature on December 30, 2030.

2. **Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage. The Borrower has received a commitment from CenterState Bank for a new first mortgage of which the proceeds will be used to satisfy the existing first mortgage. The Borrower also requests that the SAIL loan documents and SAIL Land Use Restriction Agreement (“LURA”) be subordinated to the new first mortgage as required by CenterState Bank.
- b) Staff received a credit underwriting report ([Exhibit A](#)) from First Housing Development Corporation with a positive recommendation for approval of the new financing, and subordination of the SAIL loan documents and SAIL LURA to the new first mortgage.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the refinancing of the first mortgage, and subordination of the SAIL loan documents and SAIL LURA, and modifications to any other loan documents deemed necessary by FHFC counsel, 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 for Transfer of Ownership, Refinancing of the First Mortgage, and Renegotiation and Extension of the SAIL Loan for Garden Walk Associates, Ltd., a Florida Limited Partnership, for Garden Walk Apartments (93HRR-008/95L-004)

Development Name: Garden Walk (“Development”)	Location: Miami-Dade County
Developer/Principal: Tacolcy Economic Development Corporation (“Developer”); Garden Walk Associates, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 33% @ 40%, 52% @ 50%, & 15% @ 60% AMI; LURA: 57 years; EUA: 50 years
Number of Units: 228	Allocated Amount: SAIL - \$3,110,901; HC \$1,554,615
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 1993 State Apartment Incentive Loan/Hurricane Recovery and Rebuilding Program Cycle (“SAIL/HRR”), Florida Housing awarded a \$3,110,901 construction/permanent loan to Garden Walk Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 228-unit development in Miami-Dade County. The SAIL loan closed on October 27, 1994, and originally matured on October 31, 2011. The Board previously approved loan extensions to August 27, 2018. The Development also received a 1995 allocation of low-income housing tax credits (“HC”) of \$1,554,615.

2. Present Situation

- a) The Borrower request approval of the transfer of ownership to Tacolcy Garden Walk I, LLC, an affiliate entity (“Purchaser”). The Borrower also requests consent for renegotiation and extension of the SAIL loan which includes modifying the interest rate from 9% to 3%.
- b) The Purchaser requests consent from the Board to refinance the existing first mortgage with a new loan from Citibank and the Housing Finance Authority of Miami-Dade County. The refinancing will require that the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), and Low-Income Housing Tax Credit Extended Use Agreement (“EUA”) be subordinated to the new first mortgage. The SAIL loan term will be extended to be coterminous with the term of the new first mortgage. The Borrower has agreed to an extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the extension of the SAIL loan term.
- c) Staff received a credit underwriting report from Seltzer Management Group ([Exhibit B](#)) with a positive recommendation for approval of the transfer of ownership and new financing, renegotiation and extension of the SAIL loan and subordination of the SAIL loan documents, SAIL LURA, and the HC EUA to the new first mortgage.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the transfer of ownership, refinancing of the first mortgage loan, renegotiation and extension of the SAIL loan and LURA and subordination of the SAIL loan, the SAIL LURA, and HC EUA subject to the conditions outlined in the credit underwriter's report, and subject to further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

C. Request Approval to Refinance the First Mortgage and Renegotiate the SAIL Loan Terms, for Clipper Cove Associates, Ltd., a Florida Limited Partnership, for Clipper Cove Apartments (2000-043S/2000-539C)

Development Name: Clipper Cove Apartments. (“Development”)	Location: Hillsborough County
Developer/Principal: Cornerstone Group/Clipper Cove Associates, Ltd. (“Borrower”)	Set-Aside: SAIL & HC: 100% @ 60% AMI LURA: 55 years; EUA 50 years
Number of Units: 176	Allocated Amount: SAIL: \$1,828,112, HC \$437,639
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2000 funding cycle, Florida Housing awarded a \$1,828,112 State Apartment Incentive Loan (“SAIL”) to Clipper Cove Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 176-unit apartment complex in Hillsborough County, Florida. The SAIL loan closed on June 27, 2001, and had an original maturity date of December 31, 2039. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$437,639.
- b) On January 22, 2010, the Board approved the refinancing of the existing first mortgage and subordination of the SAIL loan to a new first mortgage. The Borrower also requested that the SAIL loan term be extended to be co-terminus with the new first mortgage, and the Borrower agreed to an extension of the SAIL Land Use Restriction Agreement (“LURA”) term by the length of time equal to the extension of the SAIL loan term. The SAIL loan now matures on September 1, 2045 and five years were added to the SAIL LURA term.

2. Present Situation

- a) The Borrower requests consent from the Board to again refinance the existing first mortgage and subordinate the SAIL loan documents, the SAIL LURA, and the Low-Income Housing Tax Credit Extended Use Agreement (“EUA”) to the new first mortgage. The Borrower also requests that the SAIL loan term be extended to be coterminous with the new first mortgage. The SAIL LURA term will be extended by the length of time equal to the extension of the SAIL loan term. The SAIL loan terms will also be renegotiated to limit annual SAIL interest payments to 75% of annual surplus cash as a requirement of the new first mortgage lender.
- b) The Borrower has also requested that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower will pay all accrued and outstanding 3% interest on the current SAIL note, as required, for the loan to be renegotiated.

SPECIAL ASSETS

Consent

- c) Staff received a credit underwriting report ([Exhibit C](#)) from Seltzer Management Group with a positive recommendation for approval of the renegotiation of the SAIL loan terms, refinance of the first mortgage, subordination of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage, and extension of the SAIL loan term and the SAIL LURA's affordability period.

3. **Recommendation**

- a) Approve the refinance of the first mortgage, renegotiation of the SAIL loan terms, extension and subordination of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage, and the extension of the SAIL LURA's affordability period, subject to the conditions provided 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

D. Request Approval to Refinance the First Mortgage and Renegotiate the SAIL Loan Terms, for Hawk’s Landing Associates, Ltd., a Florida Limited Partnership, for Hawk’s Landing Apartments (2003-048S/2003-524C)

Development Name: Hawk’s Landing Apartments. (“Development”)	Location: Lee County
Developer/Principal: Cornerstone Group/Hawk’s Landing Associates, Ltd. (“Borrower”)	Set-Aside: SAIL: 17% @ 50% & 83% @ 60% AMI; HC: 100% @ 60% AMI LURA: 50 years; EUA 30 years
Number of Units: 204	Allocated Amount: SAIL: \$1,500,000, HC \$498,493
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2003 funding cycle, Florida Housing awarded a \$1,500,000 State Apartment Incentive Loan (“SAIL”) to Hawk’s Landing Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the development of a 204-unit apartment complex in Lee County, Florida. The SAIL loan closed on November 10, 2004, and will mature on October 1, 2045. The Development also received a 2003 allocation of low-income housing tax credits (“HC”) of \$498,493.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage and subordinate the SAIL loan documents, the SAIL Land Use Restriction Agreement (“LURA”), and the Low-Income Housing Tax Credit Extended Use Agreement (“EUA”) to the new first mortgage. The Borrower also requests that the SAIL loan term be extended to be coterminous with the new first mortgage. The SAIL LURA term will be extended by the length of time equal to the extension of the SAIL loan term. The SAIL loan terms will also be renegotiated to limit annual SAIL interest payments to 75% of annual surplus cash as a requirement of the new first mortgage lender.
- b) Staff received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group with a positive recommendation for approval of the renegotiation of the SAIL loan terms, refinance of the first mortgage, subordination of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage, and extension of the SAIL loan term and the SAIL LURA’s affordability period.

3. Recommendation

- a) Approve the refinance of the first mortgage, renegotiation of the SAIL loan terms, extension and subordination of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage, and the extension of the SAIL LURA’s affordability period, subject to the conditions provided 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

E. Request Approval of the Extension of the SAIL Loan for Thornwood Terrace of Lake City, Ltd., a Florida Limited Partnership, for Thornwood Terrace Apartments (2000-089CS)

Development Name: Thornwood Terrace (“Development”)	Location: Columbia County
Developer/Principal: Hallmark Companies (“Developer”); Thornwood Terrace of Lake City, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 17.86% @ 35% & 82.14% @ 60% AMI; LURA & EUA: 50 years
Number of Units: 29	Allocated Amount: SAIL - \$455,000; HC \$79,130
Demographics: Elderly	Servicer: Seltzer Management Group

1. Background

- a) During the 2000 State Apartment Incentive Loan Program Cycle (“SAIL”), Florida Housing (“FHFC”) awarded a \$455,000 construction/permanent loan to Thornwood Terrace of Lake City, Ltd., a Florida limited partnership (“Borrower”), for the development of a 29-unit development in Columbia County. The SAIL loan closed on June 1, 2001, and will mature on December 1, 2017. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$79,130.

2. Present Situation

- a) The Borrower has requested approval to extend the SAIL loan, at its current terms, to December 1, 2018, to allow time for refinancing of the Development. The Borrower has agreed to pay the FHFC loan extension fee, and to extend the affordability period under the Land Use Restriction Agreement (“LURA”) by a length of time equal to the loan extension (adding one year to the current 50 years).

3. Recommendation

- a) Approve the extension of the SAIL loan, at its current terms, to December 1, 2018, extension of the LURA for an additional year, and direct staff to proceed with loan document modification activities, as needed.