

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
July 27, 2018
Consent Items



ELDERLY HOUSING COMMUNITY LOAN (EHCL)

Consent

I. ELDERLY HOUSING COMMUNITY LOAN (EHCL)

A. Request Approval of Loan Closing Deadline Extension for Palm City Gardens Apartments (2015-229E and 2016-352E)

Development Name: Palm City Gardens (“Development”)	Location: Lee County
Applicant/Borrower: Dunbar Improvement Association, Inc.	Set-Aside: 100% @ 50% AMI
Demographic: Elderly	Number of Units: 100
Requested Amount: EHCL \$750,000 (2015-229E) EHCL \$750,000 (2016-352E)	Development Category/Type: Rehabilitation/Garden Apartments

1. Background/Present Situation

- a) On January 23, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-102 for Elderly Housing Community Loan (EHCL) funding to be used to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older.
- b) On May 8, 2015, the Board approved the final scores and recommendations for RFA 2015-102, and directed staff to proceed with all necessary credit underwriting activities. On May 22, 2015, staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant for RFA 2015-102, with a loan closing deadline of May 23, 2016. On May 6, 2016, the Board approved a request to extend the RFA 2015-102 loan closing deadline from May 23, 2016, to May 23, 2017.
- c) On September 15, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-108 for Elderly Housing Community Loan (EHCL) funding to be used to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older.
- d) On December 9, 2016, the Board approved the final scores and recommendations for RFA 2016-108, and directed staff to proceed with all necessary credit underwriting activities. On December 19, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Applicant for RFA 2016-108, with a firm loan commitment issuance deadline of September 21, 2017.
- e) On May 5, 2017, the Board approved a waiver to allow an additional RFA 2015-102 loan closing extension from May 23, 2017 to May 23, 2018.
- f) On September 22, 2017, the Board approved a request to extend the RFA 2016-108 firm loan commitment issuance deadline from September 21, 2017, to March 21, 2018. Since the Development is being funded from different RFAs the criteria associated with the timeline for each RFA has different requirements.

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- g) On March 16, 2018, the Board approved a waiver to extend the RFA 2015-102 EHCL loan closing deadline from May 23, 2018 to October 31, 2018. The Board also approved a waiver to extend the RFA 2016-108 EHCL firm loan commitment issuance deadline from March 21, 2018 to October 31, 2018.
- h) On May 4, 2018, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities. On May 7, 2018, staff issued a firm commitment to the Applicant for both RFAs, which states that the loans must close within 120 Calendar Days of the date of the firm commitment, giving them a closing deadline of September 4, 2018.
- i) On June 28, 2018, staff received a request from the Applicant for an extension of the loan closing deadline from September 4, 2018 to December 3, 2018, which would allow additional time to address milestones in the schedule required for closing, including final underwriting by the lender, JPMorgan Chase Bank, N.A. ([Exhibit A](#)). Per the RFAs, Applicants may request one extension of the loan closing deadline for a term of up to 90 Calendar Days. Staff has reviewed this request and finds that it meets all requirements of RFA 2015-102 and RFA 2016-108.

2. **Recommendation**

- a) Approve the request to extend the loan closing deadline from September 4, 2018 to December 3, 2018, subject to payment of the required non-refundable extension fees of one-half of one percent of the loan for RFA 2015-102 and one percent of the loan for RFA 2016-108, pursuant to the requirements of the RFAs.

HOUSING CREDITS

Consent

II. HOUSING CREDITS

A. Request Approval to Exceed the 20% Subcontractor Limitation for Los Altos Apartments (RFA 2016-110/2017-035C)

Development Name: Los Altos Apartments	Location: Osceola County
Applicant/Borrower: Osceola Los Altos, Ltd.	Set Aside(s): 10% @ 40% AMI and 90% @ 60% AMI
Developer/Principal: Banyan Development Group, LLC / Judd Roth Real Estate Development, Inc. / DSRG Development, LLC	Demographic/Number of units: Family / 100 units
Requested Amounts: \$1,510,000 Housing Credits	Development Category/Type: New Construction / Garden

1. Background/Present Situation

- a) Los Altos Apartments (RFA 2016-110/2017-035C) is a Competitive Housing Credit, New Construction Development providing 100 set-aside units in Osceola County, Florida. The Applicant was invited to enter credit underwriting on August 2, 2017. Subsequently, Florida Housing issued a preliminary allocation of \$1,510,000.00 in Housing Credits in November of 2017.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow the structural shell subcontract to exceed the 20% limitation in Rule 67-48.0072(17)(f), F.A.C. See [Exhibit A](#) for Applicant's Request.
- c) Pursuant to Rule 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:

Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) At the request of Florida Housing staff, AmeriNat reviewed the Applicant's request, bids received, and the proposed schedule of values. After review and analysis, AmeriNat, in conjunction with the Construction Consultant, GLE Associates, Inc., found the proposed cost to be appropriate for the proposed scope of work. AmeriNat recommends that Florida Housing approve the General Contractor's use of a subcontractor which will provide work at a cost which exceeds 20 percent of the total construction cost for the Development. See [Exhibit B](#) for AmeriNat's recommendation.

HOUSING CREDITS

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2. Recommendation

- a) Approve the request to exceed the 20% subcontractor limitation for delivery of the building shell.

HOUSING CREDITS

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B. Request Approval to Exceed the 20% Subcontractor Limitation for Phoenix Apartments (2015-533C)

Development Name: Phoenix Apartments	Location: Miami-Dade County
Applicant/Borrower: Phoenix Apartments Venture LP	Set Aside(s): 40% @ 40% AMI and 60% @ 60% AMI
Developer/Principal: MRK Partners	Demographic/Number of units: Family / 164 units
Requested Amounts: \$687,441 4% Housing Credits / \$10,500,000 Tax-Exempt MMRB	Development Category/Type: Acquisition and Rehabilitation / Garden

1. Background/Present Situation

- a) Phoenix Apartments (2015-533C) is a Non-Competitive Housing Credit, Acquisition and Rehabilitation Development providing 164 set-aside units in Miami-Dade County, Florida. The Applicant was invited to enter credit underwriting on October 20, 2015. Subsequently, Florida Housing issued a preliminary determination of \$687,441.00 in Housing Credits on April 29, 2016.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow the subcontract to exceed the 20% limitation in Rule 67-21.014(2)(r)(6) F.A.C. See [Exhibit C](#) for Applicant's Request.
- c) Pursuant to Rule 67-21.014(2)(r)(6), F.A.C., the General Contractor must meet the following conditions:

Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) Due to the fact that this information was discovered by FHFC during review of the General Contractor's Cost Certification, staff proposes the following penalty be imposed: No Developer Fee will be allowed on either the applicable subcontractor amount or any GC Fee taken on the subcontractor amount. These calculations will be vetted and verified at the time of their Cost Certification.

2. Recommendation

- a) Approve the request to exceed the 20% subcontractor limitation, with the proposed penalty, to allow for the General Contractor's use of one Subcontractor to provide work at a cost that is more than 20% of the construction cost of this Development.

HOUSING CREDITS

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C. Request Approval to Exceed the 20% Subcontractor Limitation for Trinity Towers South (2015-527C)

Development Name: Trinity Towers South	Location: Brevard County
Applicant/Borrower: New Trinity Towers South Preservation Associates LLLP	Set Aside(s): 99.38% @ 60% AMI
Developer/Principal: Preservation of Affordable Housing, LLC	Demographic/Number of units: Elderly / 162 units
Requested Amounts: \$590,718 4% Housing Credits / \$750,000 EHCL	Development Category/Type: Acquisition and Rehabilitation / Mid-Rise 4 Stories

1. Background/Present Situation

- a) Trinity Towers South (2015-527C) is a Non-Competitive Housing Credit, Acquisition and Rehabilitation Development providing 161 set-aside units in Brevard County, Florida. The Applicant was invited to enter credit underwriting on February 10, 2016. Subsequently, Florida Housing issued a preliminary determination of \$590,718.00 in Housing Credits on April 18, 2017.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow the subcontract to exceed the 20% limitation in Rule 67-21.014(2)(r)(6) F.A.C. See [Exhibit D](#) for Applicant's Request.
- c) Pursuant to Rule 67-21.014(2)(r)(6), F.A.C., the General Contractor must meet the following conditions:

Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) Due to the fact that this information was discovered by FHFC during review of the General Contractor's Cost Certification, staff proposes the following penalty be imposed: No Developer Fee will be allowed on either the applicable subcontractor amount or any GC Fee taken on the subcontractor amount. These calculations will be vetted and verified at the time of their Cost Certification.

2. Recommendation

- a) Approve the request to exceed the 20% subcontractor limitation, with the proposed penalty, to allow for the General Contractor's use of one Subcontractor to provide work at a cost that is more than 20% of the construction cost of this Development.

HOME RENTAL

Consent

III. HOME RENTAL

A. Request Approval of HOME Credit Underwriting Report for Towns of Okeechobee, Phase II (2017-265H) and Extension of Loan Closing Deadline

Development Name: Towns of Okeechobee, Phase II (“Development”)	Location: Okeechobee County
Developer: MFK/REVA Development, LLC (“Developer”)	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 21 HOME Units
Type: New Construction/Townhouses	HOME: \$3,600,000
Total Number of Units: 22	Demographics: Rural

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2017-105, seeking an allocation of HOME Financing to be Used for Rental Developments in Rural Areas. On June 16, 2017, the Board approved the selection of three (3) Applications, including Towns of Okeechobee, Phase II, for funding and invitation to credit underwriting.
- b) On August 30, 2017, the Corporation issued a preliminary commitment letter. In accordance with Rule 67-48 and the RFA, the Developer had an August 30, 2018 deadline to complete the credit underwriting report and close the loan.
- c) On July 11, 2018, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$3,600,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.
- d) On July 6, 2018, staff also received correspondence from the Developer requesting an extension to the loan closing deadline from August 30, 2018 to August 30, 2019 ([Exhibit B](#)) as permitted by the RFA. The construction contract was re-bid due to increased cost of labor and materials. The resulting increase in costs led the Developer to secure additional financing to cover the shortfall and will result in a delay in the closing deadline.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm loan commitment and loan closing activities subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing Staff. Additionally, approve the extension of the loan closing deadline from August 30, 2018 to August 30, 2019.

HOME RENTAL

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B. Request Approval of HOME Credit Underwriting Report for Village Springs (2017-260H)

Development Name: Village Springs ("Development")	Location: Walton County
Developer: Workforce Housing Ventures, Inc. ("Developer")	Set-Aside: 20% @ 50% AMI 80% @ 65% AMI 50 HOME Units
Type: New Construction/Quadplexes	HOME: \$4,686,300
Total Number of Units: 50	Demographics: Rural

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications ("RFA") 2017-105, seeking an allocation of HOME Financing to be Used for Rental Developments in Rural Areas. On June 16, 2017, the Board approved the selection of three (3) Applications, including Village Springs, for funding and invitation to credit underwriting.
- b) On August 30, 2017, the Corporation issued a preliminary commitment letter. In accordance with Rule 67-48 and the RFA, the Developer had an August 30, 2018 deadline to complete the credit underwriting report and close the loan.
- c) On July 11, 2018, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$4,686,300 ([Exhibit C](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.
- d) On July 9, 2018, staff also received correspondence from the Developer requesting an extension to the loan closing deadline from August 30, 2018 to August 30, 2019 ([Exhibit D](#)) as permitted by the RFA. The development has a pending permit from the water management district that may not be finalized prior to the August 30, 2018 deadline for closing and the Developer requests the extension if it is not received.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm loan commitment and loan closing activities subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing Staff. Additionally, approve the extension of the loan closing deadline from August 30, 2018 to August 30, 2019.

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IV. LEGAL

A. Rule Development for Chapter 67-52, F.A.C.

1. Background/Present Situation

- a) Chapter 67-52, entitled Corporation Clerk, contains some outdated references and procedures regarding the filing of documents with the Corporation. Staff would like to begin the process to update and amend this rule chapter.

2. Recommendation

- a) Authorize staff to proceed with the rule development process for Chapter 67-52, F.A.C.

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B. In Re: Suncrest Court Redevelopment, LLC - FHFC Case No. 2018-051VW (RFA 2016-109/2016-378S)

Development Name: (“Development”):	Suncrest Court
Developer/Principal: (“Developer”):	HEF-Dixie Court Development, LLC
Number of Units: 116	Location: Broward County
Type: Garden Apartments	Set Asides: 10% @ 30% AMI 90% @ 60% AMI
Demographics: Family, Link	Funding: 4% HC: \$1,042,000 SAIL: \$6,500,000 MMRB: \$15,250,000 ELI: \$600,000

1. Background

- a) Suncrest Court Redevelopment, LLC, (“Petitioner” or “Suncrest Court”) successfully applied for an award of non-competitive housing credits, State Apartment Incentive Loan (“SAIL”) financing, Multifamily Mortgage Revenue Bonds (“MMRB”), and Extremely Low Income (“ELI”) loan funding under Request for Applications 2016-109 to assist in the redevelopment of Suncrest Court.
- b) On June 25, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), Florida Administrative Code (the “Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Petitioner seeks a waiver from Rule 67-48.0072(21)(b), Fla. Admin. Code, which in relevant part provides:

For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Board shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial nine (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

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(emphasis supplied).

- b) Petitioner accepted its invitation to enter credit underwriting on August 8, 2017 and received a firm loan commitment issuance deadline of May 8, 2018. On March 16, 2018, Florida Housing's Board of Directors (the "Board") granted Petitioner's request to extend the deadline to secure a firm loan commitment to until November 8, 2018. Petitioner now seeks a six-month extension of the time from to obtain a firm loan commitment to until May 7, 2019.
- c) In support of its request, Petitioner alleges that Suncrest Court involves the demolition of 66 units of traditional public housing and the rebuilding of 116 new affordable rental units under RAD. According to Petitioner, this process involves compliance with various provisions under HUD's authority and Petitioner has encountered two significant delays in securing HUD's required approvals. First, approvals to remove existing five-bedroom units, which are no longer supported by the multifamily market, caused significant delay but was ultimately obtained on May 1, 2018. Second, HUD has rejected Suncrest Court under the Fair Housing Act and Title VI of the Civil Rights Act of 1964 based on certain surrounding neighborhood factors. Petitioner asserts that it expects to receive HUD's approval on this issue in due course. Additionally, Petitioner asserts that it has delayed submitting any further documentation to the City of Fort Lauderdale until HUD approval is received because the City of Fort Lauderdale's process is time consuming.
- d) On June 27, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 125. 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 will not impact 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.

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3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of the above Rule regarding the firm loan commitment deadline, so that the firm loan commitment deadline may be extended from November 8, 2018 until May 7, 2019.

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C. **In Re: Ridgewood Affordable, LLC - FHFC Case No. 2018-052VW (RFA 2016-110/2017-081C)**

Development Name: (“Development”):	Ridgewood Apartments
Developer/Principal: (“Developer”):	Southport Development, Inc. J. David Page
Number of Units: 33	Location: Polk
Type: Garden Apartments	Set Asides: 30% at 40% AMI 70% at 60% AMI
Demographics: Family	Funding: 9% HC - \$330,000

1. **Background**

- a) Ridgewood Affordable, LLC, (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications 2016-110 (the “RFA”) to assist in financing the acquisition and rehabilitation of an existing development located in Winter Haven, Florida known as Ridgewood Apartments (the “Development”).
- b) On June 28, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(g) to Change Development Type from Petitioner. A copy of the Petition is attached as [Exhibit B](#).

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 “Garden Apartments” to “Townhouses.” Petitioner asserts that the Development Type that best describes the majority of the units to be rehabilitated is “Townhouses.” Petitioner states that there will be no change in how the units will be rehabilitated: the nine (9) Garden Apartments will be rehabilitated as Garden Apartments and the twenty-four (24) Townhouses will be rehabilitated as Townhouses. The Total Development Cost per Base Unit Limitation is the same for both Garden Apartments and Townhouses. As such, changing the Development Type will have no impact on the Total Development Cost. Petitioner asserts that it is impracticable, if not impossible, to rehabilitate the existing twenty-four (24)

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Townhouses as Garden Apartments as it would require tearing down the units and rebuilding them.

c) On June 29, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 44, Number 127. To date, Florida Housing has received no comments concerning the Petition.

d) 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.

e) Granting the requested waiver does not 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 “Garden Apartments” to “Townhouses.”

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D. In Re: Ambar Key Homes, Ltd. - FHFC Case No. 2018-057VW (RFA 2016-112/2017-167BS)

Development Name: (“Development”):	Ambar Key Homes
Developer/Principal: (“Developer”):	Ambar3, LLC
Number of Units: 155	Location: Miami-Dade County
Type: Townhomes	Set Asides: 5% @ 28% AMI 40% @ 60% AMI 55% @ 80% AMI
Demographics: Family	Funding: 4% HC: \$177,885 SAIL: \$8,500,000 MMRB: \$11,500,000

1. Background

- a) Ambar Key Homes, Ltd, (“Petitioner”) successfully applied for an award of non-competitive housing credits, State Apartment Incentive Loan (“SAIL”) financing, and Multifamily Mortgage Revenue Bonds (“MMRB”) under Request for Applications 2016-112 to assist in the construction and redevelopment of Ambar Key Homes.
- b) On July 5, 2018, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), F.A.C. (the “Petition”) from Petitioner. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Petitioner seeks a waiver from Rule 67-48.0072(21)(b), Fla. Admin. Code, which in relevant part provides:

For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Board shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial nine (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

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(emphasis supplied).

- b) Petitioner accepted its invitation to enter credit underwriting on April 28, 2017 and received a firm loan commitment issuance deadline of January 28, 2018. Petitioner's request to extend the deadline to secure a firm loan commitment to July 28, 2018 in order to address delays caused in part by Hurricane Irma was granted. Petitioner now seeks a six-month extension of the time from to obtain a firm loan commitment to until January 28, 2019.
- c) In support of its request, Petitioner alleges that it has worked diligently to overcome the setbacks caused by Hurricane Irma, however additional delays resulted from a rise in construction costs and changes in the equity market which delayed the credit underwriting report. Petitioner asserts that there are no known obstacles preventing Florida Housing's issuance of the firm loan commitment after the credit underwriting report is approved.
- d) On July 6, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 131. 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 will not impact other participants in funding programs administered by Florida Housing, nor will it detrimentally impact 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 the above Rule regarding the firm loan commitment deadline, so that the firm loan commitment deadline may be extended from July 28, 2018 until January 28, 2019.

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E. In Re: Melbourne Leased Housing Associates II, LLLP - FHFC Case No. 2018-045VW

Development Name: (“Development”):	Crane Creek
Developer/Principal: (“Developer”):	Dominium, Inc. Mark Sween
Number of Units: 127	Location: Brevard County
Type: Rehab midrise	Set Asides: 100% @ 60% AMI
Demographics: Elderly	Funding: 4% HC: \$733,639 Local bonds: \$13,202,000

1. Background

- a) Melbourne Leased Housing Associates II, LLLP (“Petitioner”) applied for an award of Non-Competitive Housing Credits in conjunction with local bonds to assist in the rehabilitation of a development serving elderly persons in Brevard County. On May 22, 2018, Florida Housing received a Petition for Waiver of Rule 67-21.003(1)(b), Fla. Admin. Code, to waive the requirement that 15% of the total proposed equity be paid at construction closing. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-21.003(1)(b), Fla. Admin. Code, incorporates by reference the Non-Competitive Application Package (NCA). The NCA provides, in pertinent part:

7. Applicant Certification

By completing, executing and submitting this Application form and all applicable exhibits, the Applicant certifies and acknowledges that:

j. The proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria). . . .

- b) Due to a difference in calculating the total proposed equity between the credit underwriting process for the local bonds and the credit underwriting process for the housing tax credits, the investor contributed only 13.25% of the total proposed equity at construction closing, a shortfall of \$101,843.00. However, a principal of the Petitioner contributed \$1,051,565.88 as a bridge loan at closing to bridge the equity. As a result, the total amount of equity contributed at the closing of construction financing exceeded the 15% criteria.
- c) On, May 24, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 102. 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.

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- 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 67-21.003(1)(b), Fla. Admin. Code, so that the investor will be allowed to contribute less than 15% of the total proposed equity at the time of construction closing.

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F. In Re: Society of St. Vincent De Paul South Pinellas, Inc. - FHFC Case No. 2018-053VW

Development Name: (“Development”):	Ozanam Village II
Developer/Principal: (“Developer”):	Society of St. Vincent De Paul South Pinellas, Inc. Michael Raposa
Number of Units: 30	Location: Pasco County
Type: New garden apartments	Set Asides: SAIL: 25% @ 40% AMI SAIL: 75% @ 60% AMI
Demographics: Persons with Disabilities	Funding: SAIL: \$4,900,000 ELI Gap: \$100,000

1. Background

- a) Society of St. Vincent De Paul South Pinellas, Inc. (“Petitioner”) successfully applied for an award of SAIL and ELI Gap funding under Request for Applications 2015-109 (the “RFA”) to assist in the construction of a development serving persons with special needs in Pasco County. On July 5, 2018, Florida Housing received a Petition for Waiver of Rules 67-48.0072(4)(c), F.A.C. and 67-48.004(3)(h), Fla. Admin. Code (2014), to extend the date for closing on the loan funding and to allow Petitioner to change its Demographic Commitment. A copy of the amended Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-48.0072(4)(c), Fla. Admin. Code (2014), provides: “For SAIL, EHCL, and HOME Applicants, the loan must close within 12 months of the date of the invitation to enter credit underwriting.”
- b) Rule 67-48.004(3)(b)(h), Fla. Admin. Code, (2014), provides: “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 . . . Demographic Commitment.”
- c) On February 8, 2016, Florida Housing issued a preliminary commitment letter and an invitation to enter credit underwriting to Petitioner with a closing deadline of February 8, 2017. On December 9, 2016, Florida Housing approved a one-year extension of the closing deadline until February 8, 2018. On January 26, 2018, the Board approved a waiver of the above Rule to allow it to extend the closing deadline until August 8, 2018. Petitioner asserts that additional time is necessary because circumstances have forced it to replace both its co-Developer and General Contractor. Specifically, Petitioner has severed its relationship with GHD Construction Services, Inc., and Ability Housing, Inc. is assuming the role of co-Developer. A new General Contractor and a new civil engineer have been engaged to develop the site plan and other engineering work. Petitioner estimates that it will take an additional 6 months to receive approval and permits from the various agencies that must review the plans.
- d) The demographic population intended to be served at the time of application was “Persons receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans’ disability benefits.” Petitioner seeks to add an additional demographic selection for “Adult persons requiring independent living services in order to

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maintain housing or develop independent living skills and who have a Disabling Condition that neither currently impairs nor is likely to impair their physical mobility, such as person with a mental illness.” This additional demographic commitment is necessary for the financial feasibility of the project.

- e) On July 9, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 132. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Fla. Stat., provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) 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. The Corporation finds that 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(4)(c), Fla. Admin. Code (2014) to extend the deadline for closing on the SAIL and ELI loans until August 8, 2019. Staff also recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.004(3)(h), Fla. Admin. Code (2014) to allow it to change its Demographic Commitment as described above.

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G. In Re: Society of St. Vincent De Paul South Pinellas, Inc. - FHFC Case No. 2018-054VW

Development Name: (“Development”):	Ozanam Village III
Developer/Principal: (“Developer”):	Society of St. Vincent De Paul South Pinellas, Inc. Michael Raposa
Number of Units: 30	Location: Pasco County
Type: New garden apartments	Set Asides: SAIL: 20% @ 40% AMI SAIL: 80% @ 60% AMI
Demographics: Persons with Special Needs	Funding: SAIL: \$4,900,000 ELI Gap: \$100,000

1. Background

- a) Society of St. Vincent De Paul South Pinellas, Inc. (“Petitioner”) successfully applied for an award of SAIL and ELI Gap funding under Request for Applications 2016-115 (the “RFA”) to assist in the construction of a development serving persons with special needs in Pasco County. On July 5, 2018, Florida Housing received a Petition for Waiver of Rules 67-48.0072(21)(b) and 67-48.004(3)(h), Fla. Admin. Code (2016), to extend the firm loan commitment deadline by 10 months and to allow Petitioner to change its Demographic Commitment. A copy of the amended Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (2016), provides:
- (b) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within nine (9) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Board shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial nine (9) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

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- b) Rule 67-48.004(3)(h), Fla. Admin. Code, (2016), provides: “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 . . . Demographic Commitment.”
- c) On January 26, 2018, the Board approved a one-year extension of the firm loan commitment deadline until August 12, 2018. Petitioner asserts that additional time is necessary because circumstances have forced it to replace both its co-Developer and General Contractor. Specifically, Petitioner has severed its relationship with GHD Construction Services, Inc., and Ability Housing, Inc. is assuming the role of co-Developer. A new General Contractor and a new civil engineer have been engaged to develop the site plan and other engineering work. Petitioner estimates that it will take an additional 6 months to receive approval and permits from the various agencies that must review the plans.
- d) The demographic population intended to be served at the time of application was “Persons receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans’ disability benefits.” Petitioner seeks to add an additional demographic selection for “Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that neither currently impairs nor is likely to impair their physical mobility, such as person with a mental illness.” This additional demographic commitment is necessary for the financial feasibility of the project.
- e) On July 9, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 132. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Fla. Stat., provides in pertinent part:

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

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3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2016) to extend the firm loan commitment deadline until June 12, 2019. Staff also recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.004(3)(h), Fla. Admin. Code (2016) to allow it to change its Demographic Commitment as described above.

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H. In Re: BDG Banyan Cove LP - FHFC Case No. 2018-058VW (App. 2017-034C)

Development Name: (“Development”):	Banyan Cove
Developer/Principal: (“Developer”):	Banyan Development Group, LLC/Jeff Kiss
Number of Units: 100	Location: Volusia County
Type: Mid-Rise (4)	Set-Asides: 10% @ 45% AMI 90% @ 60% AMI
Demographics: Elderly Non-ALF	\$1,510,000 HC

1. Background

- a) Petitioner was selected to receive financing under RFA 2016-110 – Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties - to assist in the construction of a Development serving elderly tenants in Deland, Florida.
- b) On July 9, 2018, Florida Housing received a “Petition for Waiver of Rule 67-48.002(95)” (the Petition), requesting a waiver of Subsection II.K. of the 2016 Qualified Allocation Plan (“2016 QAP”), which is incorporated by reference by the above Rule. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation

- a) R. 67-48.002(95), Fla. Admin. Code, provides:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2018 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-09578>.

- b) Section II.K. of the 2016 QAP provides:

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 Applicant 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

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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.

- c) Petitioner was invited to credit underwriting on August 2, 2017, and on November 8, 2017 executed a Carryover Allocation Agreement establishing an original Placed-In-Service date of November 30, 2019. Petitioner was granted an extension by Corporation staff on June 25, 2018, moving the Placed-In-Service date to December 31, 2019.
- d) Petitioner now requests a waiver of the above provision of the 2016 QAP, to permit it to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019, effectively extending the Placed-In-Service date to August 31, 2020.
- e) On July 10, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 133. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.

- g) As grounds for this request, Petitioner reports that through no fault of its own the Development has suffered unforeseen delays in the permitting process with the City of Deland (the 'City'). Petitioner submitted plans to the City for approval on November 20, 2017, but did not receive approval until February 19, 2018. Subsequently, Volusia County required Petitioner to submit additional plans regarding turn lanes and similar traffic safety improvements to the Development entrance. Final building permits are not expected until August 1, 2018. Petitioner also suffered delays as the result of engaging a new general contractor, due to the increases in construction and labor costs over the last several months. Petitioner also cites the decrease in Housing Credit pricing as an additional factor, as well as requirements from the equity investor that the Development be completed 90 days prior to the Placed-In-Service date (October 1, 2019). Petitioner asserts this schedule is not feasible given the delays described above.

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- 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 request for a waiver of R. 67-48.002(95), Fla. Admin. Code, and Section II.K. of the 2016 QAP, to permit Petitioner to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019, effectively extending the Placed-In-Service date to August 31, 2020.

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I. In Re: Woodland Park Redevelopment I, LLC - FHFC Case No. 2018-058VW (App. 2016-008C)

Development Name: (“Development”):	Woodland Park Phase I
Developer/Principal: (“Developer”):	Pinnacle Housing Group, LLC/Gainesville Housing Authority Development LLC/David O. Deutch
Number of Units: 96 (new units with demolition/relocation)	Location: Alachua County
Type: Garden	Set-Asides: 30% @ 33% AMI 70% @ 60% AMI
Demographics: Family	\$1,155,000 HC

1. Background

- a) Petitioner was selected to receive financing under RFA 2015-106 – Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties (the “RFA”) - to assist in the construction of the Development described above.
- b) On July 9, 2018, Florida Housing received a “Petition for Waiver of RFA Total Development Cost Limitation and Rules 67-0072(28)(e) and 67-40.0075(3)” (the “Petition”). A copy of the Petition is attached as [Exhibit H](#).

2. Present Situation

- a) R. 67-48.0072(28)(e), Fla. Admin. Code (2014), provides:
 - (e) ...“During the credit underwriting process and as a part of the final cost certification process, the Development will be subjected to the Total Development Cost per unit limitation test as outlined in a competitive solicitation.
- b) R. 67-48.0075(3), Fla. Admin. Code (2014), provides, in pertinent part:

Total Development Cost includes the following:

 - (b) The cost of site preparation, demolition and development...
 - (j) The cost of such other items, including relocation costs...
- c) Exhibit C, Section 8 of the RFA provides:

5. Total Development Cost Per Unit Limitation:

The Corporation shall limit the Total Development Cost (TDC) per unit for all Developments categorized by the construction type of the units as indicated by the Applicant in the RFA. The maximum amounts are provided on the TDC Per Unit Limitation chart set out below (the maximum TDC per unit exclusive of land costs and exclusive of any operating deficit reserves that are part of the permanent phase (i.e., non-construction) financing for the Development which have not been

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included within the Developer fee, applying any applicable TDC multiplier and/or TDC add-on) and will be tested during the scoring of the RFA, during the credit underwriting process, and during the final allocation process, as outlined below.

d) On July 10, 2018, Notice of the Petition was published in the Florida Administrative Register in Volume 44, Number 133. To date, Florida Housing has received no comments concerning the Petition.

e) 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.

f) Petitioner now asks for a waiver or variance from the above provisions, to exclude demolition and relocation costs from the Development's TDC. As grounds for this request, Petitioner reports several factors that have affected the progress of the Development. Petitioner asserts that it is usual practice when partnering with a local Public Housing Authority (PHA) that the PHA paid demolition and relocation costs directly from PHA funds, and did not typically include them in a TDC. In this case, Gainesville Housing Authority (GHA) did not have this option nor possessed the funds from other sources to cover these costs outside the TDC (funds were instead promised to modernize another local development). Petitioner requests the demolition and relocation costs to remain in the Development budget, but be excluded from the TDC so that another source of funds can be obtained and to avoid exceeding the TDC limit. Petitioner also reports that if the waiver is not granted, and GHA were to remove the demolition and relocation costs from the Developments TDC in the absence of the waiver (and fund such costs directly), GHA would have no way to recoup such funds in the event the Development were able to locate additional funds (i.e., Federal Home Loan Bank funds), since such costs would no longer be within the Development budget and thus not eligible to be paid with replacement funds.

g) 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 R. 67-48.0072(28) and R. 67-48.0075(3), Fla. Admin. Code to exclude demolition and relocation costs from the Developments TDC. While not a rule waiver per statute, staff also recommends that the Board waive the applicable requirements of Exhibit C, Section 8 of the RFA in its final order.

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J. In Re: Marathon Key Housing Partners, LP - FHFC Case No. 2018-060VW (RFA 2018-107/2018-305CS)

Development Name: (“Development”):	Residences at Marathon Key
Developer/Principal: (“Developer”):	NuRock Development Partners, Inc.
Number of Units: 55	Location: Monroe
Type: Townhouses	Set Asides: 10% at 25% AMI 90% at 60% AMI
Demographics: Family	Funding: 9% HC - \$1,300,000 SAIL - \$5,400,000

1. Background

- a) Marathon Key Housing Partners, LP, (“Petitioner”) successfully applied for an award of competitive housing credits and State Apartment Incentive Loan (“SAIL”) funding under Request for Applications 2018-107 Housing Credit and SAIL Financing for Affordable Housing for Hurricane Recovery in Monroe County (the “RFA”) to assist in financing the construction of a development located in Marathon Key, Monroe County, Florida known as Residences at Marathon Key (the “Development”).
- b) On July 11, 2018, Florida Housing received a Petition for Waiver of Provisions of Rule 67-48.004(3)(g), Florida Administrative Code Regarding Development Type from Petitioner. A copy of the Petition is attached as [Exhibit I](#).

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.” The Total Development Cost per Base Unit Limitation is the same for both Garden Apartments and Townhouses. As such, changing the Development Type will have no impact on the Total Development Cost. Petitioner asserts that as construction prices have risen, the costs of constructing townhomes is higher than garden apartments. Additionally, Petitioner asserts

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that the site is more conducive to Garden Apartments and construction for Garden Apartments should move more quickly.

- c) On July 12, 2018, the Notice of Petition was published in the Florida Administrative Register in Volume 44, Number 135. 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 does not impact other participants in funding programs administered by Florida Housing, nor does it detrimentally impact 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.”

MULTIFAMILY BONDS

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V. MULTIFAMILY BONDS

A. Request Approval of Credit Underwriting Report and to Exceed 20% Subcontractor Limitation for Palos Verdes Apartments (2016-380BS / 2018-333V)

Development Name: Palos Verdes Apartments	Location: Osceola County
Applicant/Borrower: Osceola Palos Verdes, Ltd.	Set Aside(s): 10% @ 40% AMI (MMRB, SAIL, ELI, and 4% HC) 70% @ 60% AMI (MMRB) 90% @ 60% AMI (SAIL and 4% HC)
Developer/Principal: Banyan Development Group, LLC, Judd Roth Real Estate Development, Inc., and DSRG Development LLC	Demographic/Number of units: Elderly / 120
Requested Amounts: \$11,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$975,000 Developmental Viability Loan (Viability) \$5,200,000 State Apartment Incentive Loan (SAIL) \$552,300 Extremely Low Income (ELI) \$794,186 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- 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 Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, the Board approved the final scores and recommendations for RFA 2016-109, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 24, 2017, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On March 31, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- e) Staff received requests from the Borrower to remove principals from one of the co-developers, Judd Roth Real Estate Development, Inc., which includes Selma Roth, as a shareholder and Penny Roth, as an officer. In addition, Staff received a request from the Borrower to admit two members, Deion Lowery and Ed Hassock, Jr., to another one of the co-developers, DSRG Development, LLC. Both waivers were submitted and approved at the January 26, 2018 Board meeting.

MULTIFAMILY BONDS

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- f) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes.
- g) On May 4, 2018, the Board approved the final scores and recommendations for the RFA 2018-109, and directed staff to proceed with all necessary credit underwriting activities. This Development was initially deemed ineligible. However, the Applicant submitted a Protest and Petition. Subsequently, the applicant requested to enter Credit Underwriting At Risk for this funding, which staff issued on June 15, 2018. A recommendation to the Protest and Petition will be presented simultaneously with this Credit Underwriting report recommending approval of the Viability funding to this development.
- h) Staff received a final credit underwriting report with a positive recommendation for MMRB, Viability, SAIL, and ELI Funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-109 and RFA 2018-109.
- i) Rule Chapters 67-48.0072(17)(f) and 67-21.014(2)(r)(6) (“Rule”) require that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development. Staff received a recommendation letter from the credit underwriter recommending approval to allow for a single subcontractor entity to work in excess of 20% of total construction cost ([Exhibit B](#)).

2. Recommendation

- a) Approve the final credit underwriting report, permit a single subcontractor entity to work in excess of 20% of total construction cost and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing Staff.

MULTIFAMILY BONDS

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B. Request Approval of Credit Underwriting Report for Twin Lakes Estates Phase II (2016-169BS)

Development Name: Twin Lakes Estates Phase II fka Lake Beulah View	Location: Polk County
Applicant/Borrower: Lake Beulah, Ltd.	Set Aside(s): 100% @ 60% AMI (MMRB, , and 4% HC) 10% @ 40% AMI (SAIL and ELI) 90% @ 60% AMI (SAIL)
Developer/Principal: HTG Lake Beulah Developer, LLC and Polk County Housing Developers, Inc. / Matthew Rieger	Demographic/Number of units: Family / 132
Requested Amounts: \$11,100,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,500,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$875,090 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- 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 Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, the Board approved the final scores and recommendations for RFA 2016-109, and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 24, 2017, the Board approved the Final Order(s) allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- d) On March 31, 2017, staff issued an invitation to enter credit underwriting to the Applicant.
- e) Staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL, and ELI Funding ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2016-109.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing Staff.

MULTIFAMILY BONDS

Consent

C. Request Approval of the Method of Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of a Recommended Professional

1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the construction of the proposed Developments referenced below, the final credit underwriting reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals for the transactions and approval of the recommended method of sales. A brief description of the Developments are 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 structures 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 developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendations for the method of bond sale for the Developments. The recommendation letters are attached as Exhibit [D](#) & [E](#).

2. Present Situation

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

3. Recommendation

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

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Palos Verdes Apartments	Osceola County	120	Private Placement	RBC Capital Markets, LLC	Exhibit D
Twin Lakes Estate Phase II	Polk County	132	Private Placement	RBC Capital Markets, LLC	Exhibit E

MULTIFAMILY BONDS

Consent

D. Request Approval of the Transfer of Ownership for Pinnacle Lakes Apartments (2002 Series B / 2002-502C)

Development Name: Pinnacle Lakes Apartments	Location: Miami-Dade County
Applicant/Borrower: Pinnacle Lakes, Ltd.	Set Aside(s): 80% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developer/Principal: Pinnacle Housing Group, LLC / David Deutch	Demographic/Number of units: Family / 226 units
Requested Amounts: \$8,925,000 Multifamily Mortgage Revenue Bond (MMRB) \$531,736 Non-Competitive Housing Credits (4% HC)	Development Category/Type: Acquisition and Rehabilitation / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 2002 with \$8,925,000 in tax exempt MMRB designated as 2002 Series B. In addition, \$275,000 in Housing Credits was allocated to this Development.
- b) Pinnacle Lakes, Ltd. has requested Florida Housing's consent to the transfer of ownership to Trisun 57th Avenue LLC and TT Family Pinnacle LLC. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption and subordination of the Land Use Restriction Agreements ("LURA") and Extended Low Income Housing Agreement ("ELIHA") ([Exhibit F](#)).

2. Recommendation

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

MULTIFAMILY BONDS

Consent

E. Request Approval of the Transfer of Ownership for Lake Forest Apartments (2001 G / 1985 Series BBB)

Development Name: Lake Forest Apartments	Location: Volusia County
Applicant/Borrower: Agape Lake Forest, Inc.	Set Aside(s): 25% @ 80% AMI (MMRB) 75% @ 150% AMI (MMRB)
Developer/Principal: American Agape Foundation, Inc. / Michael R. Goodwin	Demographic/Number of units: Family / 240 units
Requested Amounts: \$10,620,000 Multifamily Mortgage Revenue Bond (MMRB)	Development Category/Type: Rehabilitation / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 1985 with \$12,375,000 in tax exempt MMRB designated as 1985 Series BBB. The bonds were subsequently refunded in 2001 with \$10,620,000 in tax exempt MMRB designated as 2001 series G.
- b) In 2012, Florida Housing approved a transfer of ownership from Lake Forest Acquisition Corporation to Agape Lake Forest, Inc.
- c) Agape Lake Forest, Inc. has requested Florida Housing's consent to the transfer of ownership to LJC Lake Forest, LLC. First Housing has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption and subordination of the Land Use Restriction Agreements ("LURA") ([Exhibit G](#)).

2. Recommendation

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

MULTIFAMILY BONDS

Consent

F. Request Approval of Amendments to Bond Documents for Mary Eaves (2016 Series D / 2016-108H / 2015-539C)

Development Name: Mary Eaves	Location: Duval County
Applicant/Borrower: Mary Eaves, Ltd.	Set Aside(s): 100% @ 60% AMI (MMRB & 4% HC) 20% of HOME assisted Units @ 50% AMI(HOME) 80% of HOME assisted units @ 60% AMI (HOME)
Developer/Principal: TVC Development, Inc. / Matthew Rieger	Demographic/Number of units: Elderly / 80
Requested Amounts: \$6,400,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,300,000 HOME Investment Partnership Program (HOME) \$496,027 Housing Credits (4% HC)	Development Category/Type: New Construction / Mid-Rise, 4-Stories

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 2016 with \$6,400,000 in tax exempt MMRB designated as 2016 Series D, \$5,300,000 in HOME funding, and \$496,027 in Housing Credits.
- b) The Indenture of Trust, dated as of August 1, 2016 (the “Indenture”), related to the Multifamily Mortgage Revenue Bonds, 2016 Series D (Mary Eaves) (the “Bonds”) includes a provision which increases the rate on the Bonds in relation to any decrease in the federal corporate income tax rates. The result of the decrease in federal corporate tax rates on January 1, 2018, increases the interest rate on the Bonds by approximately 21.54%. STI Institutional & Government, Inc. (“STI”) holds 100% of the Bonds and has agreed to an amendment to the Indenture to remove the increase in the interest rate on the Bonds. Specifically, STI has agreed to amend the Indenture definition of “Margin Rate Factor” to ensure that the resulting increase in the interest rate on the Bonds is eliminated. This change will trigger a “reissuance” of the Bonds for federal income tax purposes. This will not impact the 4% HC allocation.

2. Recommendation

- a) Staff recommends approval of the amendments to the Indenture and related documents, reissuance of the Bonds, and authorization of the execution and delivery of all documents necessary to accomplish such amendment and reissuance, subject to further approvals and verifications by Bond Counsel, Special Counsel, Credit Underwriter and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

G. Request Approval of Amendments to Bond Documents for Valencia Grove Apartments (2015 Series M / 2014-433S / 2015-523C)

Development Name: Valencia Grove Apartments	Location: Lake County
Applicant/Borrower: HTG Valencia, LLC	Set Aside(s): 5% @ 40% AMI (MMRB, 4% HC, SAIL & ELI) 95% @ 60% AMI (MMRB, 4% HC, SAIL & ELI)
Developer/Principal: HTG Valencia Developer, LLC / Matthew Rieger	Demographic/Number of units: Family / 144
Requested Amounts: \$12,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,000,000 State Apartment Incentive Loan Program (SAIL) \$383,600 Extremely Low Income (ELI) \$721,570 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 2015 with \$12,000,000 in tax exempt MMRB designated as 2015 Series M, \$5,000,000 in SAIL funding, \$383,600 in ELI funding and \$721,570 in Housing Credits.
- b) The Indenture of Trust, dated as of November 1, 2015 (the “Indenture”), related to the Multifamily Mortgage Revenue Bonds, 2015 Series M (Valencia Grove Apartments) (the “Bonds”) includes a provision which increases the rate on the Bonds in relation to any decrease in the federal corporate income tax rates. The result of the decrease in federal corporate tax rates on January 1, 2018, increases the interest rate on the Bonds by approximately 21.54%. STI Institutional & Government, Inc. (“STI”) holds 100% of the Bonds and has agreed to an amendment to the Indenture to remove the increase in the interest rate on the Bonds. Specifically, STI has agreed to amend the Indenture definition of “Margin Rate Factor” to ensure that the resulting increase in the interest rate on the Bonds is eliminated. This change will trigger a “reissuance” of the Bonds for federal income tax purposes. This will not impact the 4% HC allocation.

2. Recommendation

- a) Staff recommends approval of the amendments to the Indenture and related documents, reissuance of the Bonds, and authorization of the execution and delivery of all documents necessary to accomplish such amendment and reissuance, subject to further approvals and verifications by Bond Counsel, Special Counsel, Credit Underwriter and appropriate Florida Housing staff.

MULTIFAMILY PROGRAMS

Consent

VI. MULTIFAMILY PROGRAMS

A. Request Approval of Loan Closing Deadline Extension for Village at Hyde Park (f.k.a Londontowne Lane Project) (2017-256CSN)

Development Name: Village at Hyde Park	Location: Duval County
Applicant/Borrower: Ability Londontowne, LLC	Set-Aside(s): 10% @ 33% AMI & 90% @ 60% AMI
Developer/Principal: Ability Housing, Inc.	Demographic/Number of Units: Homeless/Persons with Disabling Condition/80
Requested Amounts: SAIL \$4,000,000; NHTF \$1,414,400; Annual 9% HC \$1,780,000	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) On March 22, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-103 for Housing Credit and SAIL Financing to Develop Housing in Medium and Large Counties for Homeless Households and Persons with a Disabling Condition. National Housing Trust Fund (NHTF) funding was also awarded to the proposed Developments selected for funding.
- b) On June 16, 2017, 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 at risk to the Applicant on October 30, 2017, which states that the SAIL and NHTF loans must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 6 months to close the loans.
- c) On December 8, 2017, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- d) On December 29, 2017, staff approved a Development name change from Londontowne Lane Project to Village at Hyde Park.
- e) On June 25, 2018, staff received a request from the Applicant to extend the closing deadline from October 30, 2018 to April 30, 2019 ([Exhibit A](#)), due to delays regarding changes to the equity offer and getting a new construction loan Letter of Intent. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the request to extend the loan closing deadline from October 30, 2018 to April 30, 2019, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Credit Underwriting Report for The Arc Gateway Lejeune House (2018-014G)

Development Name: The Arc Gateway LeJeune House	Location: Escambia County
Applicant/Borrower: The Arc Gateway Inc.	Set Aside(s): 33% @ 35% AMI and 67% at 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents
Requested Amounts: \$427,000 Grant Funding	Development Category/Type: New Construction/CRH

1. Background/Present Situation

- a) On August 2, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-106 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On October 27, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On November 6, 2017, staff issued a Letter of Preliminary Award and subsequently, on January 19, 2018, staff issued an invitation to enter credit underwriting to The Arc Gateway Inc.
- d) On June 27, 2018, staff received a positive recommendation for a grant amount of \$427,000 to be allocated to the Development ([Exhibit B](#)).

2. Recommendation

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

MULTIFAMILY PROGRAMS

Consent

C. Request Approval of Credit Underwriting Report for Independence Place (2018-008G)

Development Name: Independence Place	Location: Collier County
Applicant/Borrower: Residential Options of Florida, Inc.	Set Aside(s): 33% @ 33% AMI and 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities / 3 Residents
Requested Amounts: \$252,000 Grant Funding	Development Category/Type: Acquisition/Rehabilitation/SF/Supported Living Units

1. Background/Present Situation

- a) On August 2, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-106 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On October 27, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On November 6, 2017, staff issued a Letter of Preliminary Award and subsequently, on November 30, 2017, staff issued an invitation to enter credit underwriting to Residential Options of Florida, Inc.
- d) On July 6, 2018, staff received a positive recommendation for a grant amount of \$252,000 to be allocated to the Development ([Exhibit C](#)).

2. Recommendation

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

MULTIFAMILY PROGRAMS

Consent

D. Request Approval of Credit Underwriting Report and RFA Waiver for Grove House (2018-004G)

Development Name: Grove House	Location: Duval County
Applicant/Borrower: The Arc of Jacksonville, Inc.	Set-Aside: 33% @ 33% AMI and 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities/6 Residents
Requested Amount: \$417,000 Grant funding	Development Category/Type: New Construction/Single Family/CRH

1. Background/Present Situation

- a) On August 2, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-106 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On October 27, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On November 6, 2017, staff issued a Letter of Preliminary Award to The Arc of Jacksonville, Inc. and on January 19, 2018, staff issued an invitation to enter credit underwriting.
- d) On June 20, 2018, staff received a waiver request ([Exhibit D](#)) from the requirement to provide a fully accessible kitchen in accordance with the 2010 ADA Standards for Accessible Design per RFA 2017-106, specifically the height of a portion of the countertops, including those next to the oven and stovetop. Staff has determined that the residents served by the Grove House will not be utilizing the kitchen ovens and stove tops due to safety issues associated with their condition. Therefore, a waiver of this requirement should be granted on the grounds of the health and safety of the staff and residents of Grove House.
- e) On July 6, 2018, staff received a credit underwriting report with a positive recommendation for a grant in the amount of \$417,000 ([Exhibit E](#)).

2. Recommendation

- a) Staff recommends that the Board grant the Applicant's waiver request of the terms of the RFA regarding ADA countertop height requirements, approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

E. Request Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Partner Board Members for Citadelle Village (RFA 2017-108/2018-033BS)

Development Name: Citadelle Village	Location: Miami-Dade County
Applicant/Borrower: Citadelle Village, LLC	Set-Asides: 10% @ 28% AMI and 90% @ 60% AMI
Developers/Principals: Little Haiti Housing Association, Inc. & Stone Soup Development, Inc.	Demographic/Number of Units: Family/96
Requested Amounts: \$12,050,000 Multifamily Mortgage Revenue Bonds (MMRB) \$3,600,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$754,301 Housing Credits (HC)	Development Category/Type: New Construction/High Rise Apartments

1. Background/Present Situation

- a) Citadelle Village, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. The funds are being utilized to finance the construction of a 96-unit Family development in Miami-Dade County. On May 4, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On July 2, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit F](#). The Applicant purports that the board members of the non-profit, Little Haiti Housing Association, Inc., will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

2. Recommendation

- a) Approve the RFA waiver, exempting the non-profit board members from having to submit the IRS Form 8821, provided they each submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

MULTIFAMILY PROGRAMS

Consent

F. Request Approval of RFA Waiver for the IRS Form 8821 Requirement for all Non-Profit Partner Board Members and Officers for The Waves (RFA 2017-108/2018-039S)

Development Name: The Waves	Location: Duval County
Applicant/Borrower: The Waves of Jacksonville, Ltd.	Set-Asides: 10% @ 33% AMI and 90% @ 60% AMI
Developers/Principals: Jacksonville Urban Initiatives Development, LLC & TVC Development, Inc.	Demographic/Number of Units: Family/127
Requested Amounts: \$7,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,075,037 National Housing Trust Fund (NHTF) \$1,092,660 Housing Credits (HC)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) The Waves of Jacksonville, Ltd. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. The funds are being utilized to finance the construction of a 127-unit Family development in Duval County. On May 9, 2018, staff issued an invitation to the Applicant to enter credit underwriting.
- b) As part of initial due diligence, and as required in the RFA, the IRS Tax Information Authorization Form 8821 is collected for all Financial Beneficiaries and Natural Person Principals disclosed on the Principals of the Applicant and Developer Disclosure Form.
- c) On July 10, 2018, Florida Housing received a letter from the Applicant requesting an RFA waiver from the requirement that all natural person principals disclosed on the Principals of the Applicant and Developer Disclosure Form provide an IRS Form 8821. The letter is provided as [Exhibit G](#). The Applicant purports that the board members and officers of the Jacksonville Housing Authority, manager of the general partner and co-developer, will not receive any financial benefit from the Development and therefore, should not be required to submit IRS Form 8821.

2. Recommendation

- a) Approve the RFA waiver, exempting the Non-Profit board members and officers from having to submit the IRS Form 8821, provided they each submit an Affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.

MULTIFAMILY PROGRAMS

Consent

G. Request Approval of Credit Underwriting Report for Concord Court at Creative Village f/k/a Amelia Court at Creative Village (2016-305CS/2017-283CS/2017-282V)

Development Name: Concord Court at Creative Village f/k/a Amelia Court at Creative Village	Location: Orange County
Applicant/Borrower: Concord Court at Creative Village Partners, Ltd	Set-Aside(s): 10% @ 40% AMI & 70% @ 60% AMI
Developer/Principal: Atlantic Housing Partners, LLLP and Banc of America Community Development Corporation	Demographic/Number of Units: Family/116
Requested Amounts: SAIL \$2,000,000, Viability Loan \$1,000,000 Annual 9% HC \$2,185,789	Development Category/Type: New Construction/Mid-Rise, 5 or 6 Stories

1. Background/Present Situation

- a) On November 20, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-113 for Housing Credit and SAIL Financing to Provide Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives.
- b) On April 12, 2016, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to the Applicant with a loan closing deadline of April 12, 2017. On March 24, 2017, the Board approved a request to extend the loan closing deadline from April 12, 2017 to April 12, 2018.
- c) On February 13, 2018, staff approved the request to change the Development Name from Amelia Court at Creative Village to Concord Court at Creative Village.
- d) On March 16, 2018, the Board approved the request to change Applicant entity name from Amelia Court at Creative Village Partners, Ltd. to Concord Court at Creative Village Partners, Ltd. and the name of the General Partner from SAS Amelia Court at Creative Village Managers, LLC to SAS Concord Court at Creative Village Managers, LLC. The Board also approved a Rule waiver request to extend the loan closing deadline from April 12, 2018 to September 30, 2018.
- e) On July 20, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-109 for Development Viability Loan Funding (Viability Loan) for Developments experiencing a reduction in equity funding for their Active Award.
- f) On September 22, 2017, the Board approved the final scores and recommendations for RFA 2017-109, and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on October 3, 2017.

MULTIFAMILY PROGRAMS

Consent

- g) On July 12, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit H](#)). Staff has reviewed this report and finds that it meets all the requirements of RFA 2015-113 and RFA 2017-109.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

H. Request Approval of Credit Underwriting Report for Acquisition and Rehabilitation of a Residential Property in Orange County (2016-408G)

Development Name: Acquisition and Rehabilitation of a Residential Property in Orange County	Location: Orange County
Applicant/Borrower: Crystal Lake Supportive Environments, Inc. d/b/a Attain, Inc.	Set Aside(s): 33% @ 40% AMI and 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents
Requested Amounts: \$417,000 Grant Funding	Development Category/Type: Rehabilitation/CRH

1. Background/Present Situation

- a) On October 26, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-107 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On February 3, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 14, 2017, staff issued a Letter of Preliminary Award and subsequently, on May 12, 2017, staff issued an invitation to enter credit underwriting to Crystal Lake Supportive Environments, Inc. d/b/a Attain, Inc.
- d) On July 6, 2018, staff received a positive recommendation for a grant amount of \$417,000 to be allocated to the Development ([Exhibit I](#)).

2. Recommendation

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

MULTIFAMILY PROGRAMS

Consent

I. Request Approval of RFA Waiver and Credit Underwriting Report for Home at Tamarind (2016-406G)

Development Name: Home at Tamarind	Location: Palm Beach County
Applicant/Borrower: Gulfstream Goodwill Industries, Inc.	Set Aside(s): 33% @ 33% AMI and 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Residents: Persons with Developmental Disabilities / 6 Residents
Requested Amounts: \$417,000 Grant Funding	Development Category/Type: New Construction/SLU

1. Background/Present Situation

- a) On October 26, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-107 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On February 3, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On February 14, 2017, staff issued a Letter of Preliminary Award and subsequently, on May 17, 2017, staff issued an invitation to enter credit underwriting to Gulfstream Goodwill Industries, Inc.
- d) On July 6, 2018, staff received a credit underwriting report with a positive recommendation for a grant amount of \$417,000 to be allocated to the Development ([Exhibit J](#)).
- e) On July 6, 2018, staff received a waiver request ([Exhibit K](#)) to change the development type from two triplex buildings to one quadraplex building and one duplex building due to setbacks required by the City of West Palm Beach Planning Department. Part III (1)(g) of RFA 2016-107 states the following:

Notwithstanding any other provisions of this RFA, the following items as identified by the Applicant in the Application of the RFA must be maintained and cannot be changed by the Applicant after the Application deadline unless provided otherwise below:

...

(2) Development Type;...

- f) This change is documented in the credit underwriting report.

2. Recommendation

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

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VII. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Residential Options of Florida, Inc., a not-for-profit entity, for Liberty Place (2018-002P-09)

DEVELOPMENT NAME (“Development”):	Liberty Place
APPLICANT/DEVELOPER (“Developer”):	Residential Options of Florida, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	2, Rental
LOCATION (“County”):	Collier
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$339,530
ADDITIONAL COMMENTS:	

1. Background

- a) On April 9, 2018, the Developer submitted a PLP application for Liberty Place.
- b) On April 9, 2018, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On July 3, 2018, staff received a development plan and a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$339,530. The Developer is requesting \$253,530 of the overall loan for the site acquisition of the subject property (remaining \$86,000 will be used for soft costs). The site acquisition portion of the loan is required to be reviewed by an assigned credit underwriter.
- 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 \$339,530 to Residential Options of Florida, Inc for Liberty Place and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$86,000 and assign the site acquisition portion of the loan to a credit underwriter.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for McCurdy Senior Housing Corporation, a not-for-profit entity, for Quiet Meadows (2018-004P-09)

DEVELOPMENT NAME (“Development”):	Quiet Meadows
APPLICANT/DEVELOPER (“Developer”):	McCurdy Senior Housing Corporation
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	120 Rental
LOCATION (“County”):	Palm Beach County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	

1. Background

- a) On May 16, 2018, the Developer submitted a PLP application for Quiet Meadows.
- b) On May 16, 2018, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On July 3, 2018, staff received a development plan and a letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$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 McCurdy Senior Housing Corporation for Quiet Meadows and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of PLP Loan for Saving Mercy Corporation, a not-for-profit entity, for Mercy Oaks Phase 1 (2018-001P-09)

DEVELOPMENT NAME (“Development”):	Mercy Oaks Phase 1
APPLICANT/DEVELOPER (“Developer”):	Saving Mercy Corporation
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	30 Rental
LOCATION (“County”):	Marion
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	

1. Background

- a) On March 29, 2018, the Developer submitted a PLP application for Mercy Oaks Phase 1.
- b) On April 9, 2018, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On July 5, 2018, staff received a development plan and a letter ([Exhibit C](#)) 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 Saving Mercy Corporation for Mercy Oaks Phase 1 and allow staff to commence with the loan closing process.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

VIII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Single Source Procurement for a Hardest Hit Fund (HHF) Program Manager

1. Background

- a) Starting in September 2010, Florida Housing has entered into an annual single source contract with Lainie Lowery, President of RCL Consulting and Management, Inc. to act as Program Manager for the HHF Program. Ms. Lowery's experience and knowledge in this field cannot be readily obtained through the competitive solicitation process, and has greatly assisted both the implementation and the continued management of the Program.

2. Present Situation

- a) On September 21, 2018, the term for Florida Housing's current contract with RCL Consulting and Management, Inc. will expire.
- b) Florida Housing has a continuing need for a HHF Program Manager to assist and advise Florida Housing with the management and wind-down of the Hardest Hit Fund program.

3. Recommendation

- a) Staff believes that it is in the best interests of Florida Housing to proceed with a new contract for these services. Staff requests authorization to enter into a single source contract with Lainie Lowery, President of RCL Consulting and Management, Inc.

PROFESSIONAL SERVICES SELECTION (PSS)

Consent

B. Contract Renewal – Special Counsel Services

1. Background

- a) At the October 2015 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with four firms to provide special counsel services.
- b) Current contract information is as follows:

Contract Number	Vendor	Initial Term Start Date	Current Expiration Date
033-2015	Weiss Serota Helfman Cole & Bierman, P.L.	1/21/2016	1/20/2019
030-2015	Bryant Miller Olive	1/25/2016	1/24/2019
031-2015	Latham Shuker Eden & Beaudine, LLP	1/27/2016	1/26/2019
032-2015	Nabors, Giblin & Nickerson, P.A.	2/3/2016	2/2/2019

- c) Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed once for an additional three-year period.

2. Present Situation

- a) Florida Housing staff supports using the three-year renewal option for all four contracts.

3. Recommendation

- a) Staff recommends the Board direct staff to proceed with the three-year renewal option.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Applicant Entity Change for The Addison (2017-251CS)

Development Name: The Addison	Location: Manatee County
Applicant/Borrower: HTG Addison, LLC	Set-Aside(s): 10% @ 35% & 75% @ 60% AMI
Developer/Principal: HTG Addison Developer, LLC	Demographic/Number of Units: Family/90
Requested Amounts: SAIL \$2,000,000 Annual 9% HC \$1,510,000	Development Category/Type: New Construction/ Mid-Rise

1. Background/Present Situation

- a) On February 22, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-102 for Housing Credit and SAIL Financing to Provide Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives.
- b) On May 5, 2017, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. On May 25, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to HTG Addison, 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 May 25, 2017, giving them a firm loan commitment issuance deadline of February 26, 2018. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment. On January 26, 2018, the Board approved a request to extend the firm loan commitment deadline from February 26, 2018 to August 26, 2018.
- c) On March 16, 2018, the Board approved a final credit underwriting report with a positive recommendation for funding. Staff issued a firm commitment to the Applicant on March 19, 2018. The SAIL loan closed on May 16, 2018.
- d) On May 22, 2018, staff received a request from the Applicant to make a change to the Applicant entity, HTG Addison, LLC ([Exhibit A](#)). The Applicant entity changes are adding a single purpose entity, HTG Addison Manger, LLC, due to the investor and lender requirements. The addition of the manager entity has no ownership impact. Per the RFA, the Applicant entity shall be the recipient of the Housing Credits and the borrowing entity for the SAIL loan and cannot be changed in any way (materially or non-materially) until after the SAIL loan closing. After loan closing, any change (material or non-material) will require Board approval prior to the change. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the request to change the Applicant Entity as described above.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Additional Subordinate Debt 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: SAIL \$6,500,000 ELI \$600,000 Annual 4% HC \$1,806,809	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- 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 Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On 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.
- d) On March 31, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Coral Bay Cove, LLC with a firm loan commitment issuance deadline of January 2, 2018.
- e) On December 8, 2017, the Board approved a request to extend the January 2, 2018 firm loan commitment issuance deadline to July 2, 2018. The Board also approved a waiver to allow the use of bonds issued by Miami-Dade County instead of Corporation issued-issued bonds.
- f) On June 15, 2018, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm commitment letter and closing activities.
- g) On June 18, 2018, 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 December 17, 2018.
- h) On June 27, 2018, staff received a request from the Applicant for additional subordinate debt on the Development ([Exhibit B](#)). Staff received a credit underwriting update letter ([Exhibit C](#)) with a positive recommendation for additional subordinate debt. Staff has reviewed this letter and finds that it meets all requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. **Recommendation**

- a) Approve the credit underwriting update letter and direct staff to proceed with closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Credit Underwriting Report and to Exceed 20% Subcontractor Limitation for Le Jeune Gardens (2015-224S)

Development Name: Le Jeune Gardens	Location: Miami-Dade County
Applicant/Borrower: Spinal Cord Living-Assistance Development, Inc. (SCLAD)	Set-Aside(s): 25% @ 33% AMI & 75% @ 60% AMI
Developer/Principal: Spinal Cord Living-Assistance Development, Inc. (SCLAD)	Demographic/Number of Units: Persons with Special Needs /18
Requested Amounts: SAIL \$3,420,000 ELI \$352,600	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On January 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-101 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs.
- b) On March 20, 2015, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 19, 2015, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- d) On June 22, 2015, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Spinal Cord Living-Assistance Development, Inc. (SCLAD) with a closing deadline of June 22, 2016. Per the RFA, the loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months related to the loan closing.
- e) On May 6, 2016, the Board approved a request to extend the loan closing deadline from June 22, 2016 to June 22, 2017.
- f) On June 16, 2017, the Board approved a petition for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code to extend the loan closing deadline from June 22, 2017 to March 31, 2018.
- g) On March 16, 2018, the Board approved a petition for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code to extend the loan closing deadline from March 31, 2018 to September 14, 2018.
- h) On July 11, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit D](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- i) Rule Chapter 67-48.0072(17)(f), requires that no more than 20 percent of the construction cost be subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development. Staff received a recommendation letter from the credit underwriter recommending approval to allow for a single subcontractor entity to work in excess of 20% of total construction cost ([Exhibit E](#)).

2. **Recommendation**

- a) Approve the final credit underwriting report, permit a single subcontractor entity to work in excess of 20% of total construction cost and direct staff to proceed with the closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Credit Underwriting Report for The Renaissance at West River f/k/a Bethune Residences I at West River (2016-376S)

Development Name: The Renaissance at West River f/k/a Bethune Residences I at West River	Location: Hillsborough County
Applicant/Borrower: West River Phase 1 A, LP	Set-Aside(s): 10% @ 40% AMI & 90% @ 60% AMI
Developer/Principal: WRDG Bethune I, LLC	Demographic/Number of Units: Elderly/160
Requested Amounts: SAIL \$7,000,000 ELI \$600,000 Annual 4% HC \$1,771,131	Development Category/Type: New Construction/Mid-Rise (5 to 6 stories)

1. Background/Present Situation

- 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 Bond Financing and Non-Competitive Housing Credits.
- b) On December 9, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On 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.
- d) On March 31, 2017, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to West River Phase 1 A, LP with a firm loan commitment issuance deadline of January 4, 2018.
- e) On December 8, 2017, the Board approved a request to extend the January 4, 2018 firm loan commitment issuance deadline to July 5, 2018.
- f) On June 15, 2018, the Board approved a request to extend the July 5, 2018 firm loan commitment deadline to August 15, 2018.
- g) On July 11, 2018, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit F](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

SPECIAL ASSETS

Consent

X. SPECIAL ASSETS

A. Request Approval for Renegotiation, Extension and Subordination of the SAIL Loan, and First Mortgage Restructuring for Emerald Palms Venture, LP, a Florida Limited Partnership, for Emerald Palms (2001-074S/2001-520C)

Development Name: Emerald Palms (“Development”)	Location: Broward County
Developer/Principal: Housing Trust Group of Florida, LLC (“Developer”)/ Emerald Palms Venture, LP (“Borrower”)	Set-Aside: SAIL 100% @ 60%; HC 100% @ 60% AMI; LURA: 50 years; EUA: 30 years
Number of Units: 318	Allocated Amount: SAIL \$2,500,000; HC \$705,917
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) During the 2001/2002 State Apartment Incentive Loan (“SAIL”) Cycle XIII, Florida Housing awarded a \$2,500,000 construction/permanent loan to Emerald Palms Apartments Limited Partnership (“Borrower”), a Florida limited partnership, for the construction of a 318-unit development in Broward County. The SAIL loan closed on August 16, 2002, and will mature on December 1, 2033. Other funding sources included Broward County bonds. The Development also received a 2001 allocation of low-income housing tax credits (“HC”) of \$705,917. In May 2017, the Board approved a transfer of ownership and the refinancing of the existing first mortgage with a bridge loan in exchange for a SAIL principal payment of \$1,250,000 and payment of all accrued and deferred 3% base interest on the SAIL Note. The Board also approved the assumption and subordination of the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), and Low-Income Housing Tax Credit Extended Use Agreement (“EUA”) to the new first mortgage.

2. Present Situation

- a) The Borrower requests consent from the Board to allow for the refinancing of the first mortgage bridge loan with a permanent mortgage loan issued under Freddie Mac Multifamily Direct Purchase of Tax Exempt Loan Program and Jones LaSalle Multifamily, LLC, and to renegotiate the SAIL terms. The first mortgage refinancing will require the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), and Low-Income Housing Tax Credit Extended Use Agreement (“EUA”) to be subordinated to the new first mortgage.
- b) The Borrower also requests approval of the extension of the terms of the SAIL loan to meet the requirements of the new first mortgage lender.

SPECIAL ASSETS

Consent

- c) Staff received a credit underwriting report from Seltzer Management Group ([Exhibit A](#)) with a positive recommendation for approval of the new financing, renegotiation, extension and subordination of the SAIL loan documents, SAIL LURA, and the HC EUA to the new first mortgage.

3. **Recommendation**

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

SPECIAL ASSETS

Consent

B. Request Approval of the Extension of the SAIL Loan for Summerlake Apartments, Ltd., a Florida Limited Partnership, for Summerlake Apartments (2000-019S/2001-508C)

Development Name: Summerlake Apartments (“Development”)	Location: Broward County
Developer/Principal: Carlisle Development Group (“Developer”)/ Summerlake Apartments, Ltd. (“Borrower”)	Set-Aside: SAIL 15.74% @ 25% & 84.26% @ 60% AMI; HC 100% @ 60% AMI; LURA: 52 years; EUA 50 years
Number of Units: 108	Allocated Amount: SAIL \$1,100,000; HC \$319,358
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2000 funding cycle, Florida Housing Finance Corporation awarded a \$1,100,000 State Apartment Incentive Loan (“SAIL”) to Summerlake Apartments, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 108-unit development in Broward County, Florida. The SAIL loan closed on July 6, 2001 and originally matured on July 6, 2016. The Development also received a 2001 allocation of low-income housing tax credits (“HC”) of \$319,358. The Board previously approved loan extensions to July 6, 2018.

2. Present Situation

- a) The Borrower has requested approval to extend the SAIL loan maturity date to July 6, 2019. The Borrower needs the additional time to pay off or renegotiate the loan. The Borrower has agreed to an extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding one year to the current 52 years).

3. Recommendation

- a) Approve the extension of the SAIL loan maturity date to July 6, 2019, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities, as needed.