

FLORIDA HOUSING FINANCE CORPORATION

Board Meeting

August 2, 2019

Consent Items



HOUSING CREDITS

Consent

I. HOUSING CREDITS

A. Request Approval of RFA Waiver to Allow 8 Units to be Exempt from the Water Sense Certified Dual Flush Toilets Requirement for Isles of Pahokee Phase II (RFA 2015-111/2016-281C/2018-353C)

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| Development Name: Isles of Pahokee Phase II | Location: Palm Beach County |
| Applicant/Borrower: Isles of Pahokee II, LLC | Set Aside(s): 20% @ 33% AMI and 80% @ 60% AMI |
| Developer/Principal: HTG Isles of Pahokee II Developer, LLC / Matthew Rieger | Demographic/Number of units: Elderly Non-ALF / 129 |
| Requested Amounts: \$1,209,190 Housing Credits | Development Category/Type: Acquisition and Preservation / Quadrplexes |

1. Background/Present Situation

- a) Isles of Pahokee Phase II (RFA 2015-111/2016-281C/2018-353C) is a Competitive Housing Credit, Preservation Development providing 129 set-aside units in Palm Beach County, Florida. The Applicant was invited to enter credit underwriting on October 28, 2016, and Florida Housing issued an allocation of \$1,209,190 in Housing Credits on December 21, 2016. Subsequently, the Applicant petitioned and the Board granted a request to allow the Applicant to exchange their 2016 credits for 2018 credits at the June 2018 board meeting after which Florida Housing issued a new 2018 Carryover for the Development.
- b) As part of the application, Applicants must select enough Green Building Features (as outlined in the Application) so that the total point value of the features selected equals at least 10. At the time of application, Isles of Pahokee II, LLC chose Programmable thermostat in each unit (2 points), Energy Star qualified roofing materials (3 points), Energy efficient windows in each unit (3 points), and Florida Yards and Neighborhoods certification on all landscaping (2 points) for a total of 10 points. In November 2018, the Applicant requested and staff approved a request to swap out (1) Energy efficient windows in each unit (3 points) for Humidistat in each unit (2 points) and Water sense certified dual flush toilets in all bathrooms (2 points) and (2) Florida Yards and Neighborhoods Certification on all landscaping for Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings (2 points). After this swap, the total point value amounted to 11 points.
- c) On July 8, 2019, the Applicant submitted a letter indicating that eight of the development's 129 units would not be able to provide water sense certified dual flush toilets. See [Exhibit A](#) for Applicant's Request. In order to accommodate the toilets, a vent stack and drain line would have to be run from the back of the toilets and through the existing beam of the building foundation. However, it was discovered that there is existing structural steel in the area of the grade beam in eight (8) of the units (Padgett Island C Buildings). Core drilling in these areas would compromise the existing grade beam and therefore the installation of Water Sense certified dual flush toilets in the Padgett Island C Buildings is not feasible. Therefore, the Applicant requests that the requirement for Water Sense certified dual flush toilets be waived for these eight (8) units. The alternative proposed by the architect is to install a back flow drained toilet

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in place of a bottom flow drained toilet, which will be either dual flush or Water Sense certified but will not contain both features.

2. **Recommendation**

- a) Approve the RFA Waiver to allow the 8 units in the Padgett Island C Buildings be exempt from the Water Sense certified dual flush toilets requirement.

HOME RENTAL

Consent

II. HOME RENTAL

A. Request Approval of the Funding of an AHP Grant in the Financing of St. John Paul II Villas (2016-319H)

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| Development Name: St. John Paul II Villas (“Development”) | Location: DeSoto County |
| Developer: National Development of America, Inc. (“Developer”) | Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 32 HOME Units |
| Type: New Construction/Quadplexes | HOME: \$3,520,000 |
| Total Number of Units: 32 | Demographics: Elderly |

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2016-101, seeking an allocation of HOME Financing to be Used for Rental Developments in Rural Areas. On August 5, 2016, the Board approved the selection of six (6) Applications, including St. John Paul Villas, for funding and invitation to credit underwriting.
- b) On August 10, 2016, the Corporation issued a preliminary commitment letter. In accordance with Rule 67-48, the Developer had a May 5, 2017 deadline to complete the credit underwriting report. At the May 5, 2017 Board Meeting the developer requested and the Board approved an extension of the credit underwriting deadline from May 5, 2017 until July 28, 2017.
- c) On July 10, 2017, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$3,520,000. The Board approved an extension of the closing deadline from July 28, 2017 until August 10, 2018 and the HOME loan closed on July 31, 2018.
- d) On July 2, 2019, the Developer notified the Corporation ([Exhibit A](#)) that the Development had been awarded an AHP grant from the Federal HOME Loan Bank of Atlanta in the amount of \$115,000. Rule Chapter 67-48.020(13), F.A.C. states the “Applicant shall not alter any terms or conditions of any mortgage superior or inferior to the HOME mortgage without prior approval of the Corporation’s Board of Directors.
- e) On July 18, 2019, staff received a credit underwriting letter with a positive recommendation for the funding of the AHP grant in the financing of the St. John Paul II Villas ([Exhibit B](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

2. Recommendation

- a) On July 18, 2019, staff received a credit underwriting letter with a positive recommendation for the funding of the AHP grant in the financing of the St. John Paul II Villas ([Exhibit B](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C..

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III. LEGAL

A. In Re: SP Park LLC – FHFC Case No. 2019-057VW

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| Development Name: (“Development”): | Cedar Park Apartments |
| Developer/Principal: (“Developer”): | Southport Development, Inc. David Page |
| Number of Units: 72 | Location: Columbia County |
| Type: Acq/Rehab / Garden | Set Asides: 30% at 45% AMI 70% at 60% AMI |
| Demographics: Family | SAIL: \$3,200,000 ELI: \$272,300 4% HC: \$392,012 MMRB: \$6,000,000 |

1. Background

- a) Petitioner was selected to receive SAIL funding in conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits under RFA 2016-109 to assist in the acquisition and rehabilitation of a development serving low income families in Columbia County, Florida. On July 2, 2019, Florida Housing received a Petition for Waiver of Rule 67-21.027(6), Fla. Admin. Code, to allow a certified public accountant to confirm items with the fourth largest dollar subcontractor. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-21.027(6), Fla. Admin. Code, incorporates by reference the Final Cost Certification Application Package (“Form FCCAP”). As a condition for receiving housing credits, each applicant must use the Form FCCAP to itemize all expenses incurred in association with construction or rehabilitation of a housing credit development, including expenses associated with the general contractor's use of subcontractors. As part of the Form FCCAP, each applicant must submit, among other things, a General Contractor Cost Certification and an unqualified audit report prepared by an independent certified public accountant for the General Contractor Cost Certification. To assist the certified public accountant in completing an audit of the General Contractor Cost Certification, each applicant's general contractor must provide a list of all subcontractors to be used on the job, with amounts paid or to be paid. The certified public accountant must ask the three largest dollar subcontractors to confirm certain information, and must also review documentation from at least five other subcontractors.
- b) Petitioner has demonstrated that one of the three largest dollar subcontractors proposed to be used for the development, Green Lantern Services, is no longer in business and cannot be contacted. Petitioner has requested approval from the Corporation to send these confirmation requests instead to the fourth largest dollar subcontractor, ACE Electrical Service of N. Florida. Petitioner asserts that the certified public accountant will include Green Lantern Services in her documentation review along with at least four other subcontractors.

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- c) On July 5, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 130. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120. 542(2), Florida Statutes provides in pertinent part:

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

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-21.027(6), Fla. Admin. Code, and Form FCCAP incorporated therein, so that the certified public accountant auditing the General Contractor Cost Certification may confirm information from the fourth largest dollar subcontractor instead of the third largest dollar subcontractor. As a condition of this waiver, Petitioner must assure that the third largest dollar subcontractor is included in the certified public accountant’s documentation review.

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B. In Re: Springhill Apartments, LLC – FHFC Case No. 2019-060VW

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| Development Name: (“Development”): | Springhill Apartments |
| Developer/Principal: (“Developer”): | AMCS Development, LLC SCG Development Partners, LLC James J. Kerr |
| Number of Units: 76 | Location: Madison County |
| Type: Garden Apartments | Set Asides: 10% at 45% AMI 90% at 60% AMI |
| Demographics: Family | SAIL: \$3,064,400 ELI: \$251,600 4%: \$318,769 |

1. Background

- a) Petitioner was selected to receive State Apartment Incentive Loan (“SAIL”) financing, 4% housing credits, and an Extremely Low Income (ELI) loan under RFA 2017-108 to assist in the development of Springhill Apartments, a 76-unit family housing development in Madison, Florida. On July 8, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.0072(4)(c) and (21)(b), F.A.C., to extend the time allowed for the issuance of a firm loan commitment. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.0072(4), Fla. Admin. Code, (2017) provides in relevant part:

(4) If the invitation to enter credit underwriting is accepted:...

(c) For SAIL, EHCL, and HOME that is not in conjunction with Competitive HC, the credit underwriting process must be completed within the time frame outlined in subsection 67-48.0072(21), F.A.C., below and the loan must close within the time frame outlined in subsection 67-48.0072(26), F.A.C., below. For SAIL and HOME that is in conjunction with Competitive HC, the credit underwriting process and loan closing must be accomplished within the time frames outlined in the competitive solicitation.

(21) Information required by the Credit Underwriter shall be provided as follows:...

(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

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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 Corporation 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.

- b) On May 10, 2018, Florida Housing issued an invitation to enter credit underwriting to Springhill which stated that the firm loan commitment had to be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 10, 2018, which gave Springhill a firm loan commitment issuance deadline of February 10, 2019. Per the Rule, applicants were permitted to request one extension of up to six months to secure a firm loan commitment. Springhill requested that extension, which was granted by the Board on February 10, 2019 and extended the deadline to August 10, 2019.
- c) Springhill requires additional time to secure its firm loan commitment, which will allow the credit underwriting process to be completed. Springhill asserts that the additional time is necessary due to unforeseen delays in the preparation and third-party review of project specific engineering drawings and plans to meet Development requirements. Springhill anticipates that the firm loan commitment will issue in early September followed by a closing in October of 2019. Springhill requests a six-month extension of the firm loan commitment deadline through and including February 10, 2020, in order to allow more time for the firm loan commitment to issue and the credit underwriting report to be approved.
- d) On July 9, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 132. 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.

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- f) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact 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 Rules 67-48.0072(4)(c) and (21)(b), Fla. Admin. Code (2017), to extend Petitioner’s firm loan commitment deadline from August 10, 2019 to until February 10, 2020.

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C. In Re: BDG Hibiscus Apartments, LP - FHFC Case No. 2019-059VW

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| Development Name: (“Development”): | Hibiscus Apartments |
| Developer/Principal: (“Developer”): | BDG Hibiscus Apartments, LLP Judd Roth Real Estate Development, Inc. Alexander Kiss Judd K. Roth |
| Number of Units: 96 | Location: Lee County |
| Type: Garden Apartments | Set Asides: 10% at 40% AMI 90% at 60% AMI |
| Demographics: Family | SAIL: \$5,125,000 ELI: \$510,800 4%: \$689,594 MMRB: \$9,400,000 |

1. Background

- a) Petitioner was selected to receive State Apartment Incentive Loan (“SAIL”) financing, 4% housing credits, Multifamily Mortgage Revenue Bonds (“MMRB”), and an Extremely Low Income (ELI) loan under RFA 2017-108 to assist in the development of Hibiscus Apartments, a 96-unit family housing development in Fort Myers, Florida. On July 3, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), F.A.C., to extend the time allowed for the issuance of a firm loan commitment. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-48.0072(21), Fla. Admin. Code, (2017) provides in relevant part:

(21) Information required by the Credit Underwriter shall be provided as follows:...

(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 Corporation 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

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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.

- b) On May 9, 2018, Florida Housing issued an invitation to enter credit underwriting to Hibiscus. The acceptance was acknowledged on May 14, 2018, which gave Hibiscus a firm loan commitment issuance deadline of February 14, 2019. Per the Rule, applicants were permitted to request one extension of up to six months to secure a firm loan commitment. Hibiscus requested that extension, which was granted by the Board on February 1, 2019 and extended the deadline to August 14, 2019.
- c) Hibiscus is requesting a waiver of the Rule to extend the deadline to receive a firm loan commitment from August 14, 2019 to December 31, 2019. Hibiscus requires the extension due to extended delays in obtaining site plan/site permit approval and plat approval from the local government. Hibiscus asserts that it has timely submitted all requests and information and the delays are outside of its control.
- d) On July 8, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, 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 would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2017), to extend Petitioner’s firm loan commitment deadline from August 14, 2019 to until December 31, 2019.

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D. In Re: Sailboat Bend II, Ltd. - FHFC Case No. 2019-061VW

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| Development Name: (“Development”): | Sailboat Bend Apartments II |
| Developer/Principal: (“Developer”): | APC Sailboat Bend II Development, LLC Howard D. Cohen / HEF Development, LLC Tam English |
| Number of Units: 110 | Location: Broward County |
| Type: High Rise | Set Asides: 10% at 28% AMI 81% at 60% AMI 9% at MR |
| Demographics: Elderly | 9%: \$2,561,000 |

1. Background

- a) Petitioner was selected to receive an allocation of competitive, 9% housing credits under RFA 2017-113 to assist in the development of Sailboat Bend Apartments II, a 110-unit elderly housing development in Ft. Lauderdale, Florida. On July 10, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.0072(17)(h), Florida Administrative Code, so that a subcontractor affiliated with Sailboat Bend Apartment II’s (“Sailboat”) Developer may serve as the cabinet manufacturer and installer. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-48.0072(17), Fla. Admin. Code, provides in relevant part:

(17) The General Contractor must meet the following conditions:

(h) Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-48.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”

- b) Florida Housing invited Sailboat Bend II into credit underwriting and Sailboat Bend II accepted on September 24, 2018. The Co-Developer of Sailboat, HEF Development LLC and its sole member, Housing Enterprises of Florida, Inc., is affiliated with the Housing Authority of the City of Fort Lauderdale (“HACFL”). According to Petitioner, HACFL operates a state-certified Step-Up Apprenticeship Program that handles the facilities maintenance for HACFL’s housing portfolio and operates as the cabinet manufacturing and installation subcontractor for HACFL’s new developments. Step-Up’s mission is to provide a job training program designed to enhance vocational and educational skills resulting in employment opportunities for residents of low-income housing. Application of the Rule 67-48.0072(17)(h), Fla. Admin. Code, prohibits Sailboat Bend II from using Step-Up for the cabinet manufacturing and installation subcontractor because it is affiliated with the Co-Developer for Sailboat.

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- c) Sailboat solicited bids from Step-Up and two other subcontractors. Although Step-Up was not the low bidder, Step-Up agreed to match the bid of the next lowest bidder. Sailboat asserts that the General Contract has also agreed not to charge a general contractor fee on the scope of work to be performed by Step-Up.
- d) On July 11, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 134. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120. 542(2), Florida Statutes provides in pertinent part:

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

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(17)(h), Fla. Admin. Code, to allow Petitioner to use an Affiliate subcontractor, Step-Up, for the cabinet manufacturer and installer since Step-Up agreed to match the bid of the next lowest bidder and provided that the General Contractor does not charge a general contractor fee on the scope of work performed by Step-Up.

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E. In Re: Federation Gardens Preservation LP - FHFC Case No. 2019-062VW (Application No. 2018-102B)

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| Development Name: (“Development”): | Federation Gardens I and II |
| Developer/Principal: (“Developer”): | Federation Gardens Preservation LP |
| Number of Units: 36 | Location: Miami-Dade County |
| Type: Mid-Rise 4-Stories | Set Asides: MMRB: 100% @ 60% AMI or less 4% HC: 100% @ 60% AMI or less |
| Demographics: Elderly Non-Assisted Living Facility (non-ALF) | Funding: MMRB: \$40,270,000 4% HC: \$1,759,500 |

1. Background

- a) Federation Gardens Preservation LP, (“Petitioner”) successfully applied for an award of non-competitive corporation issued Multifamily Mortgage Revenue Bonds and non-competitive 4% Housing Credits under the 2018 Non-Competitive Application process to assist with acquiring and rehabilitating Federation Gardens I and Federation Gardens II (“Development”).
- b) On July 12, 2019, Florida Housing received a Petition for Waiver Rule 67-21.003(8)(g), F.A.C. from Petitioner in order to correct the Development Type indicated in its Application. A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-21.003(8)(g) Fla. Admin. Code, effective July 8, 2018, provides, in pertinent part:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:

(g) Development Type;

- b) Petitioner requests a waiver of the above Rule to allow it to correct the Development Type listed in its Application from “High Rise” to “Mid-Rise, 4-stories.” Petitioner inadvertently selected “High Rise” on its Application and requests the change in Development Type in order to accurately reflect its proposed acquisition and rehabilitation of a pre-existing 4 story building.
- c) On July 15, 2019, the Notice of Petition was published in the Florida Administrative Register in Volume 45, Number 136. To date, Florida Housing has received no comments concerning the Petition.

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

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

- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship and violate the principles of fairness. Petitioner has also demonstrated that the purpose of the underlying statute, Section 420.5099, Fla. Stat., to “encourage development of low-income housing in the state” 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 “High Rise” to “Mid-Rise, 4-stories.”

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F. **In Re: Society of St. Vincent De Paul South Pinellas, Inc. - FHFC Case No. 2019-066VW (Application Number 2017-169S)**

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| Development Name: (“Development”): | Ozanam Village III |
| Developer/Principal: (“Developer”): | Society of St. Vincent De Paul South Pinellas, Inc./Michael J. Raposa, Executive Director |
| Number of Units: 30 | Location: Pasco County |
| Type: Garden | Set Asides: 75% PSN units 20% @ 40% ELI 100% @ 60% AMI |
| Demographics: Persons with Special Needs (SSDI) | SAIL: \$5,000,000 |

1. **Background**

- a) Petitioner was selected to receive State Apartment Incentive Loan (“SAIL”) funding under RFA 2016-115 (SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs) to assist in the construction of Ozanam Village III (the “Development”).
- b) On July 17, 2019, Florida Housing received a Petition for Waiver of Florida Administrative Code Rule 67-48.0072(21)(b) (2016), to extend the SAIL firm loan commitment deadline 90-days from August 11, 2019 to November 9, 2019, a copy of which is attached as [Exhibit F](#).

2. **Present Situation**

- a) Rule 67-48.0072(21)(b) (2016), Fla. Admin. Code, 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) In January 2018, Petitioner received a 6-month extension on its SAIL firm loan commitment date until August 12, 2018. Petitioner received an additional extension in July 2018 to set a SAIL firm loan commitment deadline of June 12, 2019. After additional delays beyond its control, Petitioner was granted an additional extension to August 11, 2019.
- c) Petitioner now requests a waiver of the above Rule to extend the SAIL firm commitment loan deadline by 90-days to November 9, 2019. In support of this request, Petitioner asserts that redesign of the Development, related negotiations of construction costs and an extended personal emergency of the General Contractor caused delays that prevent it from meeting the August 11, 2019 deadline. The redesign is now complete and Pasco County is currently reviewing the related permits. The General Contractor's contract was provided to the Credit Underwriter on July 2, 2019. The Petitioner has committed extensive time and resources to ensure the Development would come to fruition and continues to be committed to see that the Development is completed to provide much needed affordable housing for persons with very low income. Additionally, completion of the Development compliments its adjacent sister development, Ozanam II, and the locale will allow for more efficient and cost-effective management and delivery of services to both facilities. Accordingly, Petitioner asks for a 90-day extension in order for credit underwriting to be completed so that Petitioner may submit the Credit Underwriting Report for consideration by the Board at its September 2019 meeting.
- d) On July 18, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 139. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. 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 statutes, Sections 420.501-420.55, Fla. Stat., to encourage private sector participation in providing affordable housing would be better achieved if the waiver is granted.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code, so that the SAIL firm commitment loan deadline may be extended from August 11, 2019 to November 9, 2019.

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Consent

G. In Re: Citadelle Village, LLC - FHFC Case No. 2019-065VW

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| Development Name: (“Development”): | Citadelle Village |
| Developer/Principal: (“Developer”): | Royal American Development Jeannette Chapman |
| Number of Units: 96 | Location: Miami-Dade County |
| Type: New Construction/High Rise | Set Asides: 10% at 28% AMI 90% at 60% AMI |
| Demographics: Family | SAIL: \$3,600,000 ELI: \$600,000 Annual 4% HC: \$754,301 MMRB: \$12,050,000 |

1. Background

- a) Petitioner Citadelle Village, LLC was selected to receive State Apartment Incentive Loan (SAIL) and Extremely Low Income (ELI) funding under Request for Applications (RFA) 2017-108, to assist in the construction of a Development serving low-income families in Miami-Dade County, Florida. On July 17, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2017) (the “Petition”) requesting to extend the SAIL/ELI firm loan commitment issuance deadline from August 4, 2019 to January 31, 2020. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation

- a) Rule 67-48.0072(21), Fla. Admin. Code (2017), 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.
- b) Petitioner was invited to credit underwriting on May 4, 2018, and received a 6-month extension of firm loan commitment issuance deadline to August 4, 2019. Petitioner now requests a six-month extension of this deadline to January 31, 2020. Petitioner alleges that increased construction costs have required

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Consent

Petitioner to pursue financing from several local government sources and that more time is needed to confirm this financing.

- c) On July 18, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 139. To date, Florida Housing has received no comments concerning the Petition.

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

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

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

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2017), so that the firm loan commitment deadline may be extended from August 4, 2019 to January 31, 2020.

LEGAL

Consent

H. In Re: Society of St. Vincent De Paul South Pinellas, Inc. – FHFC Case No. 2019-064VW

| | |
|---|---|
| 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 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 2015-109 (the “RFA”) to assist in the construction of a development serving persons with special needs in Pasco County. On July 17, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.0072(4)(c), Fla. Admin. Code (2014), to extend the date for closing on the loan funding for an additional 90 days. A copy of the amended Petition is attached as [Exhibit H](#).

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) 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. On July 27, 2018, the Board approved a waiver of the above Rule to allow it to extend the closing deadline until August 8, 2019. On March 27, 2019, the Corporation issued a firm loan commitment to Petitioner. Petitioner asserts that additional time is necessary because it desires to close this loan simultaneously with the loan closing for Ozanam Village III, and that while it has completed nearly all items on the closing checklist, it is still awaiting certain approvals from Pasco County.
- c) On July 18, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 139. To date, Florida Housing has received no comments concerning the Petition.
- d) 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.

LEGAL

Consent

- 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. 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 from August 8, 2019 until August November 6, 2019.

MULTIFAMILY BONDS

Consent

IV. MULTIFAMILY BONDS

A. Request Approval of the Credit Underwriting Update Letter Increasing the Permanent Note Amount for Twin Lakes Estates – Phase I f/k/a West Lakes Apartments (2016-184BS)

| | |
|---|--|
| Development Name: Twin Lakes Estates – Phase I fka West Lake Apartments | Location: Polk County |
| Applicant/Borrower: West Lake I, Ltd. / Matthew Rieger | Set Aside(s): 40% @ 60% AMI (MMRN) 10% @ 45% AMI (SAIL & ELI) 90% @ 60% AMI (SAIL) 100% @ 60% AMI (4% HC) |
| Developer/Principal: HTG West Lake Developer, LLC | Demographic/Number of units: Elderly / 100 |
| Requested Amounts: \$9,000,000 Multifamily Mortgage Revenue Note (MMRN) \$5,000,000 State Apartment Incentive Loan (SAIL) \$294,000 Extremely Low Income (ELI) \$640,816 Housing Credits (4% HC) | Development Category/Type: New Construction / Garden Apartments |

1. Background/Present Situation

- a) On October 9, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-112 for the SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 18, 2016, the Board approved the Final Order allowing staff to proceed with invitations to credit underwriting and preliminary awards.
- c) On March 21, 2016, staff issued an invitation to enter credit underwriting to the Borrower.
- d) On May 5, 2017, the Board approved the final credit underwriting report containing a positive recommendation for MMRN, SAIL, and ELI Funding.
- e) On March 20, 2018, the Borrower closed on the MMRN, SAIL, and ELI loans.
- f) On April 5, 2019, the Borrower requested Florida Housing’s consent to increase the permanent first mortgage tax-exempt loan provided by Walker & Dunlap, LLC from \$3,000,000 to \$4,000,000. This request will reduce the paydown of the Notes at conversion to permanent financing by \$300,000. Interest rates have decreased and rents have increased since underwriting, allowing the Development to support an increase in the permanent first mortgage. AmeriNat has reviewed this request and provided a positive recommendation ([Exhibit A](#)).

MULTIFAMILY BONDS

Consent

2. Recommendation

- a) Approve the credit underwriting update letter increasing the permanent Note amount and direct staff to proceed with amending the loan documents, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of the Credit Underwriting Update Letter Increasing the Permanent Bond Amount and Change in Ownership Structure for Freedom Gardens II f/k/a Liberty Gardens (2016-368BS)

| | |
|---|--|
| Development Name: Freedom Gardens II f/k/a Liberty Gardens | Location: Hernando County |
| Applicant/Borrower: HTG Liberty, LLC | Set Aside(s): 100% @ 60% AMI (MMRN and 4% HC) 10% @ 40% AMI (SAIL and ELI) 90% @ 60% AMI (SAIL) |
| Developer/Principal: HTG Liberty Developer, LLC / Matthew Rieger | Demographic/Number of units: Family / 94 |
| Requested Amounts: \$8,600,000 Multifamily Mortgage Revenue Note (MMRN) \$5,500,000 State Apartment Incentive Loan (SAIL) \$493,400 Extremely Low Income (ELI) \$646,891 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 the SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On 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 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 Borrower.
- e) On December 8, 2017, the Board approved the final credit underwriting report containing a positive recommendation for MMRN, SAIL, and ELI Funding.
- f) On May 22, 2018, the Borrower closed on the MMRN, SAIL, and ELI loans.
- g) On April 5, 2019, the Borrower requested Florida Housing's consent to increase the permanent first mortgage tax-exempt loan provided by Citibank National Association from \$4,405,000 to \$5,200,000. This request will reduce the paydown of the Notes at conversion to permanent financing by \$795,000. Interest rates have decreased and rents have increased since underwriting, allowing the Development to support an increase in the permanent first mortgage. In addition, HTG Liberty, LLC request approval of change of the managers of the Borrower, to add a sole manager entity in between the current managers who are natural persons to be called HTG Liberty Manager, LLC. AmeriNat has reviewed both requests and provided a positive recommendation ([Exhibit B](#)).

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the credit underwriting update letter increasing the permanent Note amount, change to ownership structure and direct staff to proceed with amending the loan documents, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval of Credit Underwriting Report for Brisas del Rio Apartments (2018-030BS)

| | |
|---|--|
| Development Name: Brisas del Rio Apartments | Location: Miami-Dade County |
| Applicant/Borrower: Brisas del Rio Apartments, LLC | Set Aside(s): 10% @ 28% AMI (MMRN, SAIL, ELI & 4% HC) 90% @ 60% AMI (MMRN, SAIL, ELI & 4 HC) 3.571% @ 22% AMI (NHTF) |
| Developer/Principal: Brisas del Rio Apartments Developer, LLC / Alberto Milo | Demographic/Number of units: Elderly / 168 |
| Requested Amounts: \$19,500,000 Multifamily Mortgage Revenue Note (MMRN) \$4,346,770 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,257,475.06 National Housing Trust Fund (NHTF) \$1,480,934 Housing Credits (4% HC) | Development Category/Type: New Construction / Highrise |

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a 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. National Housing Trust Funds were also awarded to the proposed Development for funding.
- b) On December 8, 2017, the Board approved the final scores and recommendations for RFA 2017-108 and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order allowing staff to proceed with invitations to credit underwriting and closing activities.
- d) On May 4, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On July 18, 2019, staff received a final credit underwriting report with a positive recommendation for MMRN, SAIL, ELI, and NHTF funding ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2017-108.

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, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

D. Request Approval of Credit Underwriting Report for Twin Lakes Estates - Phase II (2016-369BS)

| | |
|---|---|
| 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 (MMRN 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: \$12,100,000 Multifamily Mortgage Revenue Notes (MMRN) \$6,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$934,392 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 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) On July 18, 2019, staff received a final credit underwriting report with a positive recommendation for MMRN, SAIL, and ELI Funding ([Exhibit D](#)). 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, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

E. Request Approval of Credit Underwriting Report for Providence Reserve Seniors (2018-032BS)

| | |
|--|--|
| Development Name: Providence Reserve Seniors | Location: Polk County |
| Applicant/Borrower: BDG Providence Reserve Seniors, LP | Set Aside(s): 10% @ 45% AMI (MMRN, SAIL & ELI) 70% @ 60% AMI (MMRN) 90% @ 60% AMI (SAIL) 2.16% @ 22% AMI (NHTF) 100% @ 60% AMI(4% HC) |
| Developer/Principal: BDG Providence Reserve Seniors Developer, LLC and Judd Roth Real Estate Development, Inc. / Scott Zimmerman | Demographic/Number of units: Elderly / 139 |
| Requested Amounts: \$12,000,000 Multifamily Mortgage Revenue Note (MMRN) \$6,000,000 State Apartment Incentive Loan (SAIL) \$429,800 Extremely Low Income (ELI) \$438,340.87 National Housing Trust Fund (NHTF) \$929,780 Housing Credits (4% HC) | Development Category/Type: New Construction / Garden Apartments |

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a 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. National Housing Trust Funds were also awarded to the proposed Development for funding.
- b) On December 8, 2017, the Board approved the final scores and recommendations for RFA 2017-108 and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order allowing staff to proceed with invitations to credit underwriting and closing activities.
- d) On May 9, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On July 18, 2019, staff received a final credit underwriting report with a positive recommendation for MMRN, SAIL, ELI and NHTF funding ([Exhibit E](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2017-108.

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, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

F. Request Approval of Credit Underwriting Report for Water’s Edge Apartments (2018-025BS)

| | |
|--|--|
| Development Name: Water’s Edge Apartments | Location: Miami-Dade County |
| Applicant/Borrower: Water’s Edge Associates, Ltd. | Set Aside(s): 40% @ 60% AMI (MMRB) 15.625% @ 30% AMI (SAIL, ELI & 4% HC) 0.781% @ 40% AMI (SAIL & 4% HC) 35.156% @ 60% AMI (SAIL & 4% HC) 48.438 @ 70% AMI (SAIL & 4% HC) |
| Developer/Principal: Cornerstone Group Partners, LLC / Jorge Lopez | Demographic/Number of units: Family / 128 |
| Requested Amounts: \$14,000,000 Multifamily Mortgage Revenue Bond (MMRB) \$3,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,092,118 Housing Credits (4% HC) | Development Category/Type: New Construction / Garden Apartments |

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a 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.
- b) On December 8, 2017, the Board approved the final scores and recommendations for RFA 2017-108 and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order allowing staff to proceed with invitations to credit underwriting and closing activities.
- d) On May 4, 2018, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On July 18, 2019, staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL and ELI funding ([Exhibit F](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2017-108.

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

G. Request Approval of Credit Underwriting Report and Affiliated Subcontractor for Suncrest Court (2016-378BS)

| | |
|---|---|
| Development Name: Suncrest Court | Location: Broward County |
| Applicant/Borrower: Suncrest Court Redevelopment, LLC | Set Aside(s): 10% @ 30% AMI (MMRB, SAIL, ELI and 4% HC) 90% @ 60% AMI (MMRB, SAIL and 4% HC) |
| Developer/Principal: HEF Development, LLC / Tam English | Demographic/Number of units: Family / 116 |
| Requested Amounts: \$16,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$6,500,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,304,553 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 staff to issue Administrative Complaints and Orders of Ineligibility against Pinnacle Housing Group, LLC (PHG), PHG Builders, LLC, and several Principals of PHG. The Administrative Complaint was issued by the Corporation's Counsel on May 1, 2017. Subsequently, the Board approved a Settlement Agreement with PHG on September 8, 2017.
- d) On July 28, 2017, the Board approved the request of a waiver of the RFA to allow for (i) a change in the Principals of the Applicant, (ii) a change in one of the two Developer entities listed in the Application, and (iii) a change in the Management Company listed in the Application to remove Pinnacle Housing Group (PHG) and its principals to allow this Development to move forward with its allocation.
- e) On August 7, 2017, staff issued an invitation to enter credit underwriting to the Applicant. The Board approved two firm loan commitment issuance deadline extension requests extending the deadline from May 8, 2018 to December 7, 2019.
- f) On December 14, 2018, the Board approved a change to the Applicant entity to amend the name of the non-profit entity to Housing Enterprises of Florida, Inc. and a change to the Developer entity to amend the name of the developer to HEF Development LLC.

MULTIFAMILY BONDS

Consent

- g) On February 1, 2019, the Board approved the final credit underwriting report containing a positive recommendation for MMRB, SAIL, and ELI Funding.
- h) On February 4, 2019, staff issued a firm commitment to the Applicant which states the loan must close within 180 calendar days of the firm commitment, giving them a loan closing deadline of August 5, 2019.
- i) Applicants may request one (1) extension of up to 90 calendar days to close the loan. On June 21, 2019, the Board approved a request to extend the loan closing deadline to November 3, 2019.
- j) Subsequent to the Board approving the final credit underwriting report, the Borrower changed the structure of the bonds and construction plans, requiring a new recommendation. On July 19, 2019, staff received a new final credit underwriting report with a positive recommendation for MMRB, SAIL and ELI funding (Exhibit G). Staff has reviewed this report and finds that the Development meets all of the requirements of RFA 2016-109.
- k) On February 11, 2019 the Borrower requested approval of an affiliated subcontractor (Exhibit H). Rule Chapters 67-48.0072(17)(g) and 67-21.014(2)(r)(7) (“Rule”) require that no construction cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board 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 ownership interest in the Development.
- l) A developer of Suncrest Court, HEF Development LLC and its sole member, Housing Enterprises of Florida, Inc., is affiliated with the Housing Authority of the City of Fort Lauderdale (“HACFL”). According to Petitioner, HACFL operates a state-certified Step-Up Apprenticeship Program that handles the facilities maintenance for HACFL’s housing portfolio and operates as the cabinet manufacturing and installation subcontractor for HACFL’s new developments. Step-Up’s mission is to provide a job training program designed to enhance vocational and educational skills resulting in employment opportunities for residents of low-income housing. Application of the Rule prohibits Suncrest Court from using Step-Up for the cabinet manufacturing and installation subcontractor because it is affiliated with a developer for Suncrest Court unless otherwise approved by the Board.
- m) Sailboat solicited bids from Step-Up and two other subcontractors. Although Step-Up was not the low bidder, Step-Up agreed to match the bid of the next lowest bidder. Suncrest Court asserts that the General Contract has also agreed not to charge a general contractor fee on the scope of work to be performed by Step-Up. The underwriter has reviewed the HACFL subcontract and competitive bids and agrees that accepting the HACFL subcontract under the approved terms by FHFC should not negatively impact the financing structure of this development as stated in the credit underwriting report attached as [Exhibit G](#).

MULTIFAMILY BONDS

Consent

2. **Recommendation**

- a) Approve the final credit underwriting report, permit a subcontractor that has common ownership with the General Contractor 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

H. Request Approval of Credit Underwriting Report for Azure Estates (2016-101B)

| | |
|--|---|
| Development Name: Azure Estates | Location: Palm Beach County |
| Applicant/Borrower: Azure Estates FL TC, LP | Set Aside(s): 40% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC) |
| Developer/Principal: Millennia Housing Development, Ltd. / Frank Sinito | Demographic/Number of units: Family / 216 |
| Requested Amounts: \$40,030,000 Multifamily Mortgage Revenue Bonds (MMRB) \$2,626,968 Housing Credits (4% HC) | Development Category/Type: Acquisition and Preservation / Garden Apartments |

1. Background/Present Situation

- a) On September 5, 2017, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$41,993,000 and non-competitive Housing Credits in the amount of \$2,632,404. The Applicant subsequently requested to decrease the MMRB request amount to \$40,030,000.
- b) On September 15, 2017, staff issued a letter at the Applicant's request extending the opportunity to begin the credit underwriting process to the Applicant.
- c) On July 18, 2019, staff received a final credit underwriting report with a positive recommendation for a MMRB loan ([Exhibit I](#)). Staff has reviewed this report and finds that the development meets all of the requirements of the Non-Competitive Application.

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 appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

I. Request Approval of Credit Underwriting Report for Jordan Park (2018-101B / 2000-082C)

| | |
|--|--|
| Development Name: Jordan Park | Location: Pinellas County |
| Applicant/Borrower: Jordan Park, LLC | Set Aside(s): 40% @ 60% AMI (MMRN) 15% @ 30% AMI (4% HC) 85% @ 60% AMI (4% HC) |
| Developer/Principal: Norstar Development USA, LP / Richard Higgins | Demographic/Number of units: Family / 266 |
| Requested Amounts: \$27,400,000 Multifamily Mortgage Revenue Notes (MMRN) \$1,941,910 Housing Credits (4% HC) | Development Category/Type: Acquisition and Rehabilitation / Garden Apartments |

1. Background/Present Situation

- a) On November 9, 2018, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRN in the amount of \$23,500,000 and non-competitive Housing Credits in the amount of \$1,928,458. The Applicant subsequently requested to increase the MMRN request amount to \$27,400,000.
- b) On December 28, 2018, staff issued a letter at the Applicant's request extending the opportunity to begin the credit underwriting process to the Applicant.
- c) On July 18, 2019, staff received a final credit underwriting report with a positive recommendation for a MMRN loan ([Exhibit J](#)). Staff has reviewed this report and finds that the development meets all of the requirements of the Non-Competitive Application.

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, Note Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

J. 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/notes to finance the construction/rehabilitation 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 methods of sale. A brief description of the Developments are detailed below, along with staff's recommendations.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the methods of bond/note sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the methods of bond/note sale for the Developments. The recommendation letters are attached as Exhibit K through Q.

2. Present Situation

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

MULTIFAMILY BONDS

Consent

3. Recommendation

- a) Approve the assignment of the recommended professionals and the Independent Registered Municipal Advisor’s recommendations for the methods of bond/note 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 |
|-------------------------------|--------------------------------|------------------------|------------------------------|---------------------------------|---------------------------|
| Brisas del Rio Apartments | Miami-Dade County | 168 | Negotiated Private Placement | RBC Capital Markets, LLC | Exhibit K |
| Twin Lakes Estates – Phase II | Polk County | 132 | Negotiated Private Placement | RBC Capital Markets, LLC | Exhibit L |
| Providence Reserve Seniors | Polk County | 139 | Negotiated Private Placement | RBC Capital Markets, LLC | Exhibit M |
| Water’s Edge Apartments | Miami-Dade County | 128 | Negotiated Private Placement | RBC Capital Markets, LLC | Exhibit N |
| Suncrest Court | Broward County | 116 | Negotiated Private Placement | RBC Capital Markets, LLC | Exhibit O |
| Azure Estates | Palm Beach County | 216 | Negotiated Public Offering | RBC Capital Markets, LLC | Exhibit P |
| Jordan Park | Pinellas County | 266 | Negotiated Private Placement | RBC Capital Markets, LLC | Exhibit Q |

MULTIFAMILY BONDS

Consent

K. Request Approval of the Transfer of Partnership Interest for Lincoln Fields (2009 Series L / 2009-529C)

| | |
|---|--|
| Development Name: Lincoln Fields | Location: Miami-Dade County |
| Applicant/Borrower: SP Lincoln Fields LP | Set Aside(s): 85% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC) |
| Developer/Principal: Southport Financial Services, Inc. / J. David Page | Demographic/Number of units: Family / 214 |
| \$12,950,000 Tax Exempt Multifamily Mortgage Revenue Bond (MMRB) \$944,083 Non-Competitive 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 2009 with \$12,950,000 in tax exempt MMRB designated as 2009 Series L. In addition, the Development received an allocation of 2009 4% Housing Credits (HC) in the amount of \$944,083.
- b) SP Lincoln Fields LP has requested Florida Housing's consent for the transfer of the General Partner interest from SP Lincoln Fields, Inc., to Lincoln Fields Developers, LLC, an entity affiliated with Omni America LLC and Omni Holding Company LLC. In addition, the Borrower requests approval of the release and replacement of the existing Guarantor. First Housing has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption of the MMRB loan documents and HC Extended Low-Income Housing Agreement (ELIHA), and the release and replacement of the existing Guarantor ([Exhibit R](#)).

2. Recommendation

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

MULTIFAMILY BONDS

Consent

L. Request Approval of Transfer of Ownership for Northbridge Apartment Homes on Millenia Lake I and II (2007 Series G-1 and G-2)

| | |
|---|--|
| Development Name: Northbridge Apartment Homes on Millenia Lake I and Northbridge Apartment Homes on Millenia Lake II | Location: Orange County |
| Applicant/Borrower: Northbridge at Millenia Partners, Ltd. and Northbridge at Millenia Partners II, Ltd. | Set Aside(s): 20% @ 50% AMI (MMRB) 20% @ 50% AMI (SAIL) |
| Developer/Principal: Waterton Associates, LLC/Erin Ankin | Demographic/Number of units: Family / 396 and 211 |
| \$48,500,000 Tax Exempt Multifamily Mortgage Revenue Bond (MMRB) \$21,500,000 Taxable MMRB \$2,000,000 State Apartment Incentive Loan (SAIL) | Development Category / Type: Rehabilitation / Garden Apartments |

1. Background/Present Situation

- a) Florida Housing issued bonds for Northbridge Apartment Homes on Millenia Lake I fka Northbridge at Millenia (Phase I) in 2003 in the amount of \$30,020,000 in Tax Exempt Multifamily Mortgage Revenue Bonds designated as 2003 Series V-1 and \$3,300,000 of Taxable Multifamily Mortgage Revenue Bonds designated as 2003 Series V-2. In addition, a \$2,000,000 State Apartment Incentive Loan was issued for this development.
- b) Northbridge Apartment Homes on Millenia Lake II fka Northbridge at Millenia II (Phase II) was financed with \$16,500,000 of Orange County Housing Finance Authority Tax Exempt Multifamily Housing Revenue Bonds designated as 2003 Series A and \$2,320,000 of Orange County Housing Finance Authority Taxable Multifamily Housing Revenue Bonds designated as 2003 Series B.
- c) In 2007, both Phase I and Phase II were refunded through one Florida Housing Bond Issuance. The refunding consisted of \$70,000,000 in tax-exempt/taxable bonds that included: \$48,500,000 in tax-exempt bonds (2007 Series G-1) and \$21,500,000 in taxable bonds (2007 Series G-2). An existing SAIL loan on Phase I, in the amount of \$2,000,000, was subordinated at the time of the refunding, and both Phase I and Phase II serve as collateral for the SAIL loan. This change provided additional security to the existing SAIL mortgage. Although both Developments were refunded through one Bond Issue, separate Bond and SAIL LURAs have remained intact.
- d) At the June 21, 2013 Board meeting, the Florida Housing Board approved the merger of the Phase II ownership into the Phase I ownership.
- e) At the January 31, 2014 Board meeting, the Board approved the transfer of General and Limited Partnership interest from CED Capital Holdings to Waterton Associates, LLC.
- f) At the May 10, 2019 Board meeting the Borrower's request to extend the reset period stated in the Supplemental Trust Indenture for up to one year was approved.

MULTIFAMILY BONDS

Consent

- g) The Borrower has requested Florida Housing's approval to transfer the Development to VR General Partner, LLC an affiliate of Ventura Realty Management Company, Inc. The MMRB and the SAIL loan will be paid off through refinancing of the Development. First Housing has reviewed the request and provided a positive recommendation for the transfer, the assignment and assumption of the Land Use Restriction Agreement (LURA) and the Extended Low-Income Housing Agreement (ELIHA), and the subordination of the LURA and ELIHA to the new first mortgage lender ([Exhibit S](#)).

2. **Recommendation**

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

MULTIFAMILY PROGRAMS

Consent

V. MULTIFAMILY PROGRAMS

A. Request Approval of the Update to the Credit Underwriting Report for Bessie Dix Residential Community Group Home (2014-395G)

| | |
|--|---|
| Development Name: Bessie Dix Residential Community Group Home | Location: Hillsborough County |
| Applicant/Borrower: Human Development Center, Inc./Kim Church | Set-Aside(s): 33% @ 40% AMI 67% @ 60% AMI |
| Developer/Principal: N/A | Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents |
| Requested Amounts: Grant \$72,000.00 | Development Category/Type: Rehabilitation/Retrofit/CRH |

1. Background

- a) Bessie Dix Residential Community Group Home was awarded a \$72,000 grant to rehabilitate/retrofit a community residential home in 2014 (RFA 2014-105). The Grantee was allowed to draw down \$10,227.50 in grant funding without obtaining necessary permits. No further corrective actions were taken, and on February 18, 2019, Florida Housing notified the Grantee that they were in default of the Restrictive Covenant and Grant Agreement. Subsequently on March 29, 2019, Florida Housing requested the appearance of the Grantee, or a representative of the Grantee, at the May 10, 2019 Board meeting to discuss the lengthy delays and lack of substantive details, or appropriate documentation, in response to multiple requests dating back to August 5, 2015.
- b) On May 10, 2019, the Florida Housing Board of Directors considered statements made by Jesus “Jesse” Leon, Director of Multifamily Development, Mark Fredericks, Senior Vice-President of Multifamily Services with AmeriNat, and Adam Bild, attorney for the Grantee. The Board voted to deny staff’s recommendation for repayment of funds disbursed to date, de-obligation of remaining grant funding, and termination of the Restrictive Covenant and Grant Agreement. Staff made a subsequent recommendation for AmeriNat and the Grantee to revisit any updated required documents by the Grantee that are necessary to move the development forward. The Board approved this recommendation with the contingency that all due diligence be submitted to AmeriNat by May 16, 2019.
- c) On May 16, 2019, the Applicant provided requested due diligence items to AmeriNat. AmeriNat conducted a review and found all documentation to be in order with only a few minor exceptions that were remedied. At the June 21, 2019 Board of Director’s Meeting, staff recommended and the Board approved the Applicant to proceed with an update to the credit underwriting report to be presented at the August 2, 2019 Board of Director’s Meeting.

MULTIFAMILY PROGRAMS

Consent

2. **Present Situation**

- a) On July 17, 2019, staff received a positive recommendation demonstrating the Applicant has maintained the prerequisite financial strength to successfully own and operate the Development and the Grant funds are sufficient to complete the proposed improvements as committed to in the original application ([Exhibit A](#)).

3. **Recommendation**

- a) Staff recommends that the Board approve the update to the credit underwriting report and direct staff to proceed with an amendment to the Restrictive Covenant and Grant Agreement with a new completion date and draw schedule.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of the Update to the Credit Underwriting Report for Flora Residential Community Group Home (2014-396G)

| | |
|--|---|
| Development Name: Flora Residential Community Group Home | Location: Hillsborough County |
| Applicant/Borrower: Human Development Center, Inc./Kim Church | Set-Aside(s): 33% @ 40% AMI 67% @ 60% AMI |
| Developer/Principal: N/A | Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents |
| Requested Amounts: Grant \$69,400.00 | Development Category/Type: Rehabilitation/Retrofit/CRH |

1. Background

- a) Flora Residential Community Group Home was awarded a \$69,400 grant to rehabilitate/retrofit a community residential home in 2014 (RFA 2014-105). The Grantee was allowed to draw down \$7,036.50 in grant funding without obtaining necessary permits. No further corrective actions were taken, and on February 18, 2019, Florida Housing notified the Grantee that they were in default of the Restrictive Covenant and Grant Agreement. Subsequently on March 29, 2019, Florida Housing requested the appearance of the Grantee, or a representative of the Grantee, at the May 10, 2019 Board meeting to discuss the lengthy delays and lack of substantive details, or appropriate documentation, in response to multiple requests dating back to August 5, 2015.
- b) On May 10, 2019, the Florida Housing Board of Directors considered statements made by Jesus "Jesse" Leon, Director of Multifamily Development, Mark Fredericks, Senior Vice-President of Multifamily Services with AmeriNat, and Adam Bild, attorney for the Grantee. The Board voted to deny staff's recommendation for repayment of funds disbursed to date, de-obligation of remaining grant funding, and termination of the Restrictive Covenant and Grant Agreement. Staff made a subsequent recommendation for AmeriNat and the Grantee to revisit any updated required documents by the Grantee that are necessary to move the development forward. The Board approved this recommendation with the contingency that all due diligence be submitted to AmeriNat by May 16, 2019.
- c) On May 16, 2019, the Applicant provided requested due diligence items to AmeriNat. AmeriNat conducted a review and found all documentation to be in order with only a few minor exceptions that were remedied. At the June 21, 2019 Board of Director's Meeting, staff recommended and the Board approved the Applicant to proceed with an update to the credit underwriting report to be presented at the August 2, 2019 Board of Director's Meeting.

2. Present Situation

- a) On July 17, 2019, staff received a positive recommendation demonstrating the Applicant has maintained the prerequisite financial strength to successfully own and operate the Development and the Grant funds are sufficient to complete the proposed improvements as committed to in the original application ([Exhibit B](#)).

MULTIFAMILY PROGRAMS

Consent

3. **Recommendation**

- a) Staff recommends that the Board approve the update to the credit underwriting report and direct staff to proceed with an amendment to the Restrictive Covenant and Grant Agreement with a new completion date and draw schedule.

MULTIFAMILY PROGRAMS

Consent

C. Request Approval of an RFA Waiver for Melrose Group Home (2016-416G)

| | |
|--|---|
| Development Name: Melrose Group Home | Location: Broward County |
| Applicant/Borrower: Ann Storck Center, Inc. | Set-Aside(s): 33% @ 30% AMI 67% @ 60% AMI |
| Developer/Principal: N/A | Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents |
| Requested Amounts: Grant \$126,000.00 | Development Category/Type: Renovation/CRH |

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 March 31, 2017, staff issued an invitation to enter credit underwriting to The Ann Storck Center, Inc.
- d) On February 28, 2018, staff received a positive recommendation for a grant amount of \$126,000 to be allocated to the Development and subsequently, on March 21, 2018, staff issued a firm commitment.
- e) On July 13, 2018, a Restrictive Covenant and Grant Agreement was recorded in Broward County, Florida.
- f) On July 10, 2019, staff received a request from the Applicant to waive a requirement of the Accessibility, Adaptability, Universal Design and Visitability features of the RFA. See [Exhibit C](#) for the Applicant's request. The RFA requires developments that are renovating existing units that are occupied by persons with a physical disability to provide interior doorways with a clear opening of not less than 32 inches. During the renovation, it was discovered that two of the six bedroom doors in the Development were only 31 inches and could not be widened due to the location of an existing electrical panel adjacent to the door opening and configuration of the bedroom door and closet walls. The remaining four bedroom doors meet the 32-inch requirement of the RFA. GLE, the Plan and Cost Review provider, agreed that it would not be feasible to widen the two bedroom doors. Therefore, the applicant requests a waiver of this requirement on two of the doors.

2. Recommendation

- a) Staff recommends that the Board approve the waiver and approve staff to amend the Restrictive Covenant and Grant Agreement.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

VI. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Loan Closing Extension for Ozanam Village II (2016-274S)

| | |
|---|--|
| Development Name: Ozanam Village II | Location: Pasco County |
| Applicant/Borrower: St. Vincent de Paul South Pinellas, Inc. | Set Aside(s): 25% @ 40% AMI and 75% at 60% AMI |
| Developer/Principal: St. Vincent de Paul South Pinellas, Inc./ Michael Raposa & Ability Housing, Inc./Shannon Nazworth | Demographic/Number of Units: Persons with Special Needs/30 |
| Requested Amounts: SAIL \$4,900,000, ELI \$100,000 | Development Category/Type: New Construction/Garden Apartments |

1. Background/Present Situation

- a) On September 8, 2015, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2015-109 for SAIL Financing for Smaller Permanent Supportive Housing Developments for Person with Special Needs.
- b) On January 29, 2016, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. On February 8, 2016, staff issued an invitation to enter credit underwriting to the Applicant, with a 12-month closing deadline of February 8, 2017. On December 9, 2016, the Board approved a loan closing deadline extension from February 8, 2017 to February 8, 2018.
- c) On January 26, 2018, the Board approved a request from the Applicant to change the co-Developer, GHD Construction Services, Inc. to Ability Housing, Inc. The Board also approved a Rule waiver to allow a 6-month extension of the loan closing deadline, extending it from February 8, 2018 to August 8, 2018.
- d) On July 27, 2018, the Board approved a Rule waiver to allow a 12-month extension of the loan closing deadline, extending it from August 8, 2018 to August 8, 2019. The Board also approved a Rule waiver to allow the Applicant to change its demographic commitment to add an additional demographic population of “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 a person with a mental illness.”
- e) On March 22, 2019, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm commitment and closing activities. The Borrower was issued a firm commitment on March 27, 2019, giving them a loan closing deadline of July 25, 2019. A request for an extension of the loan closing deadline may be considered by the Board for an extension term of up to 90 Calendar Days. An extension fee of one-half of one percent of each loan amount will be required if the Board approves the extension request.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- f) On July 18, 2019, the Borrower requested a loan closing deadline extension from July 25, 2019 to October 23, 2019 ([Exhibit A](#)). The extension is needed to finalize all necessary approvals and documentation for loan closing due diligence. The extension fee of one-half of one percent of each loan totaling \$25,000.00 was paid prior to the 7/25/19 loan closing deadline. Staff has reviewed this request and finds that it meets all the requirements of the RFA.

2. **Recommendation**

- a) Approve the request for a loan closing deadline extension from July 25, 2019 to October 23, 2019.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Update to Final Credit Underwriting Report 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/Matthew Rieger | 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 July 27, 2018, the Board approved a request from the Applicant to make a change to the Applicant entity, HTG Addison, LLC.
- e) On July 18, 2019, staff received an update to the final credit underwriting report with a positive recommendation to increase the First Mortgage and change set asides due to Income Averaging ([Exhibit B](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the update to the final credit underwriting report and direct staff to amend necessary documents as applicable.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Final Credit Underwriting Report for Evergreen Village (2018-308S)

| | |
|--|---|
| Development Name: Evergreen Village | Location: Pinellas County |
| Applicant/Borrower: Pinellas Affordable Living, Inc. | Set-Aside(s): 20% at 40 AMI, 80% at 60% AMI |
| Developer/Principal: Pinellas Affordable Living, Inc./ Jack Humburg | Demographic/Number of Units: PSN/21 |
| Requested Amounts: SAIL: \$4,305,000.00 ELI: \$235,300.00 | Development Category/Type: New Construction/Duplexes |

1. Background/Present Situation

- a) On February 1, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-101 for SAIL Financing for Smaller Developments for Persons with Special Needs and Homeless Households.
- b) On May 4, 2018, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 16, 2018, staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant, 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 21, 2018, giving them a firm loan commitment issuance deadline of February 21, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On February 1, 2019, the Board approved a request from the applicant which would allow additional time to complete further analysis required due to the Development receiving an award of project-based vouchers.
- e) On July 18, 2019, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit C](#)). 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 loan commitment and closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Final Credit Underwriting Report for Ritz Reserve, Phase II (2018-311S)

| | |
|--|--|
| Development Name: Ritz Reserve, Phase II | Location: Marion |
| Applicant/Borrower: Volunteers of America of Florida, Inc. | Set-Aside(s): 20% @ 45% AMI, 80% @ 60% AMI |
| Developer/Principal: Volunteers of America of Florida, Inc./ Travis Brown | Demographic/Number of Units: PSN/27 |
| Requested Amounts: SAIL \$3,649,553.67 ELI \$177,400.00 | Development Category/Type: New Construction/Garden Apartments |

1. Background/Present Situation

- a) On February 1, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-101 for SAIL Financing for Smaller Developments for Persons with Special Needs and Homeless Households.
- b) On May 4, 2018, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 16, 2018, staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant, 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 22, 2018, giving them a firm loan commitment issuance deadline of February 22, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On February 1, 2019, the Board approved a request from the Applicant to extend the firm loan commitment issuance deadline from February 22, 2019 to August 22, 2019, which will allow additional time to provide a permit ready set of architectural plans. RFA.
- e) On July 18, 2019, 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.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval of Developer Structure Change for Southlake Towers (2019-176S)

| | |
|---|---|
| Development Name: Southlake Towers | Location: Brevard County |
| Applicant/Borrower: Southlake Towers, LLLP | Set-Aside(s): 13 units @ 30% AMI, 53 units @ 60% AMI, 19 units @ 80% AMI |
| Developer/Principal: Psalms 127, LLC/Celia C Watson, Rebuild America, Inc./Mark J Kemp, SHAG Development, LLC/Timothy Henzy, Mansermar, Inc. | Demographic/Number of Units: Elderly, Non-ALF/ 85 |
| Requested Amounts: SAIL \$3,500,000. ELI \$522,900. Annual 4% HC \$455,770. | Development Category/Type: Acquisition/Rehabilitation/Garden Apartments |

1. Background/Present Situation

- a) On October 19, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-116 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 March 22, 2019, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 10, 2019, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on May 13, 2019, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 14, 2019, giving them a firm loan commitment issuance deadline of May 14, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On June 12, 2019, staff received a request from Applicant to change the Developer Structure ([Exhibit E](#)). The current Developer Organizational Chart includes four co-Developers: Psalms 127 LLC, Mansermar, Inc., ReBuild America, Inc., and SHAG Development, LLC. The proposed Developer Organizational Chart removes Mansermar, Inc. as co-Developer. Per the RFA, the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. Staff has reviewed this request and finds that it meets all the requirements of the RFA.

2. Recommendation

- a) Approve the request to change the Developer Structure as described above.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

F. Request Approval of Final Credit Underwriting Report for Gannet Pointe (2018-345CS)

| | |
|--|--|
| Development Name: Gannet Pointe | Location: Osceola County |
| Applicant/Borrower: Gannet Pointe, Ltd. | Set-Aside(s): 15% @ 40% AMI and 85% @ 60% AMI |
| Developer/Principal: DDER Development, LLC / Deion R. Lowery & Ability Housing, Inc. / Shannon Nazworth | Demographic/Number of Units: Homeless/80 |
| Requested Amounts: SAIL \$4,318,000 ELI \$182,000 Annual 9% HC \$1,510,000 | Development Category/Type: New Construction/Garden Apartments |

1. Background/Present Situation

- a) On March 21, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-103 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties.
- b) On June 15, 2018, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 18, 2019, 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 loan commitment and closing activities.

SPECIAL ASSETS

Consent

VII. SPECIAL ASSETS

- A. **Request Approval of the Refinance of the First Mortgage, SAIL Renegotiation, Transfer of Ownership, Assumption of the SAIL Loan, and Release of Guarantors for Heron Pond Apartments, Ltd., a Florida Limited Partnership, for Heron Pond Apartments (2002-054S/2002-538C)**

| | |
|--|---|
| Development Name: Heron Pond Apartments (“Development”) | Location: Lee County |
| Developer/Principal: The Carlisle Group (“Developer”); Heron Pond Apartments, Ltd. (“Borrower”) | Set-Aside: SAIL 4.49% @ 35%, 95.51% @ 60%; HC 100% @ 60% AMI; SAIL 50 years; HC 30 years |
| Number of Units: 156 | Allocated Amount: SAIL \$1,500,000; HC \$331,452 |
| Demographics: Elderly | Servicer: Seltzer Management Group, Inc. |

1. **Background**

- a) During the 2002 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a \$1,500,000 State Apartment Incentive Loan (“SAIL”) to Heron Pond Apartments, Ltd., a Florida limited partnership (“Borrower”), for the development of a 156-unit apartment complex in Lee County, Florida. The SAIL loan closed on May 9, 2003 and matures on December 1, 2043. The Development also received a 2002 allocation of low-income housing tax credits (“HC”) of \$331,452.

2. **Present Situation**

- a) The Borrower requests approval to transfer the ownership of the Development from Heron Pond Apartments, Ltd. to MRK Partners, Inc. (“Buyer”) or an affiliate entity.
- b) The Borrower also requests the release of the Developer, its affiliates and principals, as current guarantors, and the substitution of Buyer, or its affiliates and principals, as the replacement guarantors.
- c) The Buyer requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage.
- d) The Buyer also requests consent from the Board to assume and subordinate the SAIL loan, the SAIL Land Use Restriction Agreement (“LURA”), and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The Buyer also agrees to pay all outstanding accrued SAIL interest. A principal payment of \$205,000 will also be made.
- e) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, assumption and subordination of the SAIL loan, the SAIL LURA, and the ELIHA, transfer of ownership, and the release and substitution of the guarantors.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the refinance of the first mortgage, assumption and subordination of the SAIL loan, the SAIL LURA, and the ELIHA to the new first mortgage, transfer of ownership, and the release and substitution of guarantors, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

B. Request Approval of Partial Release of Land for Partnership in Housing, Inc., a Florida Corporation for Pueblo Bonito (97HR-001/99HR-026)

| | |
|--|---|
| Development Name: Pueblo Bonito (“Development”) | Location: Lee County |
| Developer/Principal: Partnership in Housing, Inc. (“Owner”) | Set-Aside: 100% @ 50% AMI; |
| Number of Units: 80 | Allocated Amount: \$4,067,853 |
| Demographics: Farmworker | Servicer: Seltzer Management Group, Inc. |

1. Background

- a) During the 1997 and 1999 funding cycles, Florida Housing Finance Corporation awarded a \$3,500,000 and a \$567,853 Home Investment Partnership Program Loan (“HOME”) to Partnership in Housing, Inc., a Florida not-for-profit Corporation (“Borrower”), for the construction of an 80-unit development in Lee County. The HOME loan closed on March 26, 1998 and 4/28/2000 and both loans mature on December 1, 2028.

2. Present Situation

- a) The Owner requests approval of the Board to release approximately 7.7 acres of vacant land from the Development to donate to the City of Bonita Springs for the development of a linear park along power lines at the outer edge of the subject development. The parcel is also encumbered by a Florida Power and Light easement which will remain in place.
- b) Staff received a credit underwriting report ([Exhibit B](#)) from Seltzer Management Group with a positive recommendation for the partial release of land.

3. Recommendation

- a) Approve the partial release of land, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

C. Request Approval of the Renegotiation and Extension of the HOME Loan for Alliance Tax Credit I Limited Partnership, a Florida Limited Partnership, for Portillo Apartments (97HR-004/97L-051)

| | |
|---|---|
| Development Name: Portillo (“Development”) | Location: Hernando County |
| Developer/Principal: Southwind Management Services, Inc. (“Developer”); Alliance Tax Credit I Limited Partnership (“Borrower”) | Set-Aside: HOME 50% @ 50%, 50% @ 60% AMI; HC 16.67% @ 35%, 33.33% @ 50% & 50% @ 60% AMI LURA & EUA: 50 years |
| Number of Units: 24 | Allocated Amount: HOME \$539,500; HC \$109,221 |
| Demographics: Elderly | Servicer: First Housing Development Corporation |

1. Background

- a) During the 1997 funding cycle, Florida Housing Finance Corporation awarded a \$539,500 Home Investment Partnership Program Loan (“HOME”) to Alliance Tax Credit I Limited Partnership, a Florida limited partnership (“Borrower”), for the construction of a 24-unit development in Hernando County. The HOME loan closed on February 11, 1998 and matured on February 11, 2018. The Development also received a 1997 allocation of low-income housing tax credits (“HC”) of \$109,221. At the March 16, 2018 Board meeting the Board approve a one-year extension of the loan.

2. Present Situation

- a) The Borrower has requested approval to renegotiate the terms of the HOME loan from an interest only to a hardpay of principal and interest at a 1% interest rate for ten years. The Borrower has agreed to pay the loan renegotiation fee, and to an extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension of ten years.
- b) Staff received a credit underwriting report ([Exhibit C](#)) from First Housing Development Corporation with a positive recommendation for approval of the renegotiation of the HOME loan.

3. Recommendation

- a) Approve the renegotiation and extension of the HOME loan and extension of the HOME LURA for ten years, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

- D. **Request Approval of the Refinance of the First Mortgage, Transfer of General Partnership, Assumption and Subordination of the Supplemental Loan and TCEP Documents, and Release of Guarantors for Carlisle Group IV, Ltd., a Florida Limited Partnership, for Everett Stewart Senior Village Apartments (RFP 2009-04/2009-040X/Supplemental 2007-122C)**

| | |
|--|---|
| Development Name: Everett Stewart Sr. Village Apartments (“Development”) | Location: Miami-Dade County |
| Developer/Principal: Carlisle Development Group (“Developer”); Carlisle Group IV, Ltd. (“Borrower”) | Set-Aside: TCEP 20% @ 33%, 80% @ 60%; Supplemental 10% @ 33% AMI; TCEP: 50 years; Supplemental: 15 years |
| Number of Units: 96 | Allocated Amount: TCEP \$21,768,500; Supplemental \$765,000 |
| Demographics: Family | Servicer: Seltzer Management Group |

1. **Background**

- a) During the 2009 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a Tax Credit Exchange Program (“TCEP”) loan in the original amount of \$21,768,500 to Carlisle Group IV, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 96-unit development in Miami-Dade County, Florida. The TCEP loan closed on May 21, 2010.
- b) The Borrower was awarded funds from the Supplemental Loan Program in the amount of \$765,000. The Supplemental loan closed on May 21, 2010 and matures on May 21, 2025 with an option for an automatic extension to June 1, 2028.

2. **Present Situation**

- a) The Borrower requests approval to transfer the general and limited partnership interests of the Development to Lincoln Capital Acquisition, LLC, or an entity affiliated with Lincoln Avenue Capital (“Buyer”).
- b) The Borrower also requests the release of the current Guarantors, and the substitution of approved individuals, subsidiaries, and/or affiliates as the replacement guarantors.
- c) The Buyer requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage.
- d) The Buyer also requests consent from the Board to assume and subordinate the TCEP and Supplemental loan documents, and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The Supplemental loan will also be extended to be co-terminus with the new first mortgage loan. The ELIHA affordability period will also be extended.

SPECIAL ASSETS

Consent

- e) Staff received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, assumption and subordination of the TCEP and Supplemental loan documents, and the ELIHA, extension of the Supplemental loan, extension of the ELIHA affordability period, transfer of general and limited partnerships, and the release and substitution of the guarantors.

3. **Recommendation**

- a) Approve the refinance of the first mortgage, assumption and subordination of the TCEP documents and Supplemental loan documents, and the ELIHA to the new first mortgage, extension of the Supplemental loan, extension of the ELIHA affordability period, transfer of general and limited partnerships, and the release and substitution of the guarantors, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

- E. **Request Approval of the Refinance of the First Mortgage, Transfer of General Partnership, Assumption and Subordination of the TCEP Documents, and Release of Guarantors for Brownsville Village II, Ltd., a Florida Limited Partnership, for Brownsville Transit Village II Apartments (RFP 2009-04/2009-056X)**

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|---|---|
| Development Name: Brownsville Transit Village II Apartments (“Development”) | Location: Miami-Dade County |
| Developer/Principal: Carlisle Development Group (“Developer”); Brownsville Village II, Ltd. (“Borrower”) | Set-Aside: TCEP 10% @ 33%, 90% @ 60% AMI; TCEP: 50 years |
| Number of Units: 100 | Allocated Amount: TCEP \$21,768,500 |
| Demographics: Elderly, Family | Servicer: First Housing Development Corporation |

1. **Background**

- a) During the 2009 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a Tax Credit Exchange Program (“TCEP”) loan in the original amount of \$21,768,500 to Brownsville Village II, Ltd., a Florida limited partnership (“Borrower”), for the construction of a 100-unit development in Miami-Dade County, Florida. The TCEP loan closed on May 21, 2010.

2. **Present Situation**

- a) The Borrower requests approval to transfer the general and limited partnership interests of the Development to Lincoln Capital Acquisition, LLC, or an entity affiliated with Lincoln Avenue Capital (“Buyer”).
- b) The Borrower also requests the release of the current Guarantors, and the substitution of approved individuals, subsidiaries, and/or affiliates as the replacement guarantors.
- c) The Buyer requests consent from the Board to refinance the existing first mortgage, the proceeds of which will be used to satisfy the existing first mortgage.
- d) The Buyer also requests consent from the Board to assume and subordinate the TCEP loan documents, and the Extended Low-Income Housing Agreement (“ELIHA”) to the new first mortgage. The ELIHA affordability period will also be extended.
- e) Staff received a credit underwriting report ([Exhibit E](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage, assumption and subordination of the TCEP loan documents, and the ELIHA, extension of the ELIHA affordability period, transfer of general and limited partnerships, and the release and substitution of the guarantors.

SPECIAL ASSETS

Consent

3. **Recommendation**

- a) Approve the refinance of the first mortgage, assumption and subordination of the TCEP documents, and the ELIHA to the new first mortgage, extension of the ELIHA affordability period, transfer of general and limited partnerships, and the release and substitution of the guarantors, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed

SPECIAL ASSETS

Consent

F. Request Approval to Swap Four Single-Family Residential Units in Glozal Village (fka Rosemary) (1998-077C)

| | |
|---|---|
| Development Name: Glozal Village (fka Rosemary) (“Development”) | Location: Palm Beach County |
| Developer/Principal: Gatehouse Group (“Developer”) / Glozal Village LLC (“Borrower”) | Set-Aside: HC 15% @ 35%, 85% @ 60% AMI EUA: 50 years |
| Number of Units: 53 (scattered sites) | Allocated Amount: HC \$403,065 |
| Demographics: Family | Servicer: AmeriNat |

1. Background

- a) During the 1998 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) allocated low-income housing tax credits (“HC”) in the amount of \$403,065 to Rosemary Housing Limited Partnership (“Original Borrower”), a Florida limited partnership, for the development of a 53-unit scattered site property in Palm Beach County, Florida. In November 2015 the development transferred ownership interests to Glozal Village LLC (“Borrower”). On September 16, 2016, Florida Housing’s Board approved the swap of three single-family residential units between the Borrower and The City of West Palm Beach – Housing and Community Development.

2. Present Situation

- a) The Borrower and the West Palm Beach Community Development Agency requests approval to swap four additional Glozal Village single-family units with three-unit locations currently owned by West Palm Beach-Community Redevelopment Agency and one-unit location currently owned by Rebus Salus, LLC. Three of the four proposed swap locations are currently vacant land with the intention of constructing new units. The construction timeline includes a projected ground-breaking date of December 15, 2019 with an estimated completion date of June 15, 2020. The proposed locations are within 1.4 miles of the current Glozal locations. The proposed units are required to offer similar amenities, with some features exceeding those found in the current units including greater living square footage. The existing use restrictions will also be transferred in entirety; no modifications or waivers will be sought. All four Glozal units are currently occupied as of the latest Program Report dated June 19, 2019. Should any unit be occupied at the time of swaps, the tenants will be relocated at no cost and provided the required amenities as noted in the EUA.

3. Recommendation

- a) Approve the swap request subject to further approvals and verifications by FHFC counsel and appropriate Florida Housing staff, and direct staff to proceed with document modification activities, as needed.