

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
September 20, 2019  
Consent Items



# HOUSING CREDITS

## Consent

### I. HOUSING CREDITS

#### A. Request Approval to Exceed the 31% Subcontractor Limitation for Martin Fine Villas (2015-532C)

<b>Development Name: Martin Fine Villas</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Martin Fine Villas, LLC</b>	<b>Set Aside(s): 100% @ 60% AMI</b>
<b>Developer/Principal: Martin Fine Villas Developer, LLC/Tony Del Pozzo</b>	<b>Demographic/Number of units: Elderly Non-ALF/104 units</b>
<b>Requested Amounts: \$821,829 4% Housing Credits</b>	<b>Development Category/Type: Redevelopment/High Rise</b>

#### 1. Background/Present Situation

- a) Martin Fine Villas (2015-532C) is a Non-Competitive Housing Credit, Redevelopment development providing 104 set-aside units in Miami-Dade County, Florida. The Applicant was invited to enter credit underwriting on January 13, 2017. Subsequently, Florida Housing issued a preliminary determination of \$793,184.00 in Housing Credits on June 2, 2017. The Development is finalizing their cost certification with a final credit request amount of \$821,829.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 31% limitation in Rule 67-21.026(13)(e) F.A.C. See [Exhibit A](#) for Applicant's Request.
- c) Pursuant to Rule 67-21.026(13)(e) F.A.C., the General Contractor must meet the following conditions:
  - (1) "Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception for a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees."
- d) At the request of Florida Housing staff, AmeriNat reviewed the Applicant's request, GC contract, proposal from shell subcontractor, agreement between GC and shell subcontractor, change orders and the General Contractor Cost Certification. After review and analysis, AmeriNat, in conjunction with the Construction Consultant, On Solid Ground, LLC, found the proposed cost to be appropriate for the proposed scope of work. AmeriNat recommends that Florida Housing approve the General Contractor's use of a subcontractor which will deliver the building shell of a building of at least five (5) stories at a cost which exceeds 31 percent of the construction cost in a subcontract. See [Exhibit B](#) for AmeriNat's recommendation.

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- e) Since this information was first discovered by FHFC during review of the General Contractor's Cost Certification, after construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rule 67-21.026(13)(e) F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

### **2. Recommendation**

- a) Approve the request to exceed the 31% subcontractor limitation to deliver the shell of a building greater than five (5) stories under the workout scenario proposed above.

## HOUSING CREDITS

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**B. Request Approval of RFA Waiver to Allow a Decrease in the Number of Rental Assistance Units Committed to in Application for Isles of Pahokee Phase II (RFA 2015-111/2016-281C/2018-353C)**

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

**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) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to decrease the number of Rental Assistance units committed to in the Application. See [Exhibit C](#) for Applicant's Request.
- c) In order to secure a necessary additional funding source, the Applicant applied for and was awarded \$802,121 of HOME funding from Palm Beach County on January 15, 2019. Federal HOME rules require that the Applicant apply HOME funding to units not receiving funding from an Annual Contribution Contract (ACC). While the Applicant committed to a total of 129 units receiving ACC rental assistance within Attachment 7 to Exhibit A of the Low-Income Housing Tax Credit Application, Federal HOME rules would ultimately require the Applicant to remove ACC rental assistance from 8 units. This leaves a total of 121 units receiving ACC rental assistance post rehabilitation.
- d) Per RFA 2015-111, during credit underwriting, all funded Applications will be held to the number of RA units stated in the letter provided by the Applicant as Attachment 7 to Exhibit A. This requirement will apply throughout the entire Compliance Period, subject to Congressional appropriation and continuation of the rental assistance program.
- e) The decrease in the number of Rental Assistance units would not change the Application's Rental Assistance Level Classification and ultimately would not affect the selection of the Application for funding. This Preservation Development would still be providing 121 units with Rental Assistance, or 93.8% of total units.

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#### 2. Recommendation

- a) Approve the RFA waiver to allow a decrease in the number of Rental Assistance units by 8 for a total of 121 Rental Assistance units.

## HOUSING CREDITS

### *Consent*

C. **Request Approval of RFA Waiver to Required Accessibility Features for Orangemont Village Phase I (RFA 2017-111/2018-126C)**

<b>Development Name: Orangemont Village Phase I</b>	<b>Location: Polk County</b>
<b>Applicant/Borrower: Hallmark Orangemont I, LLC</b>	<b>Set-Asides: 10% @ 45% AMI and 90% @ 60% AMI</b>
<b>Developers/Principals: Hallmark Development Partners, LLC/Martin H. Petersen</b>	<b>Demographic/Number of Units: Family/34 units</b>
<b>Requested Amounts: \$349,976 Housing Credits (HC)</b>	<b>Development Category/Type: Acquisition &amp; Rehabilitation/Garden</b>

1. **Background/Present Situation**

- a) Hallmark Orangemont I, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-111 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties. The funds are being utilized to finance the acquisition and rehabilitation of a 34-unit Family development in Polk County. On September 19, 2018, staff issued an invitation to the Applicant to enter credit underwriting, and subsequently executed a Carryover Allocation Agreement on December 27, 2018.
- b) On August 5, 2019, staff received an RFA waiver request from the Applicant to allow an alternative in the following accessibility feature requirement for all units: “Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level.” See [Exhibit D](#) for Applicant's Request.
- c) The Development is a rehabilitation and lowering the light switches would be cost prohibitive for the project. As an alternative solution, the Applicant proposes to install a decora (rocker style) switch in the existing switch boxes in standard units, which will lower the actual switch surface when compared to a toggle switch. All Section 504 Units will be in compliance with the 48-inch requirement. In addition, all thermostats will be lowered to meet the 48-inch requirement. Staff has reviewed this request and finds that it is an acceptable alternative solution.

2. **Recommendation**

- a) Approve the RFA Waiver to Required Accessibility Features and allow the alternative use of a decora (rocker style) light switch in place of lowering all light switches to 48 inches, with the exception of the Section 504 Units, which will be required to provide all light switches at 48 inches.

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## II. LEGAL

### A. In Re: Villa Capri II Associates, Ltd. - FHFC Case No. 2019-068VW

<b>Development Name: (“Development”):</b>	<b>Villa Capri II</b>
<b>Developer/Principal: (“Developer”):</b>	<b>CSG Development Services, LLC / Mara Mades</b>
<b>Number of Units: 117</b>	<b>Location: Miami-Dade County</b>
<b>Type: Townhomes</b>	<b>Set Asides: 100% @ 60%</b>
<b>Demographics: Family</b>	<b>FHFC Funding: 4%HC - \$939,133</b>

#### 1. Background

- a) Petitioner was selected to receive an allocation of non-competitive, 4% housing credits to assist in the construction of Villa Capri II, a 117-unit family housing development in Homestead, Florida. On August 13, 2019, Florida Housing received a Petition for Waiver of Rule 67-21.026(10) to allow the use of a stipulated sum contract with the general contractor. On August 19, 2019, Petitioner submitted an amended Petition. Copies of the Petition and Amended Petition are attached as Exhibits [A](#) and [B](#).

#### 2. Present Situation

- a) Rule 67-21.026(10), (2015) Fla. Admin. Code, provides in relevant part:

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

- b) In December 2014, Petitioner asserts that it acquired and began construction on Villa Capri II (the “Development”). The financing included tax-exempt bond financing from the local bond issuer in Miami-Dade County. In October 2015, Petitioner submitted a non-competitive application for the allocation of four percent low-income housing tax credits. On May 28, 2014, Petitioner entered into a stipulated sum contract which was permissible under the 2014 version of Rule 67-21.026(10), Fla. Admin. Code. After execution of the stipulated sum contract, the Rule was revised to require a guaranteed maximum price contract. According to Petitioner, the work contracted for under the stipulated sum contract has been completed. A principal of the general contractor executed an affidavit, attached to the petition, that states that the general contractor’s fee was limited to a maximum of fourteen percent of the actual construction costs, no cost savings were billed or paid, and the only costs that have been or will be paid are actual costs incurred. Additionally, Petitioner asserts that the general contractor will not be paid more under the stipulated sum contract than if it had performed the work under a guaranteed maximum price contract.

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- c) On August 15, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 159. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120. 542(2), Florida Statutes provides in pertinent part:
  - (1) 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 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 67-21.026(10) (2015), Fla. Admin. Code, to allow the use of a stipulated sum contract with the general contractor.



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### B. In Re: Blue CASL II, LLC - FHFC Case No. 2019-067VW

<b>Development Name: (“Development”):</b>	<b>Cypress Village</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Blue CV Developer, LLC &amp; CASL Developer, LLC Shawn Wilson</b>
<b>Number of Units: 95</b>	<b>Location: Lee County</b>
<b>Type: New Construction, Mid-rise 4 stories</b>	<b>Set Asides: 15% at 35% AMI 85% at 60% AMI</b>
<b>Demographics: Homeless</b>	<b>9% HC \$1,510,000 SAIL \$5,000,000 ELI \$286,000</b>

#### 1. Background

- a) Petitioner was selected to receive 9% housing tax credits, SAIL, and ELI funding under Request for Applications (RFA) 2019-106, to assist in the construction of a Development serving homeless persons in Lee County, Florida. On July 30, 2019, Florida Housing received a petition for waiver of Rule 67-48.004(3)(g) (the “Petition”) requesting to change the Development Type in its application. On August 12, 2019, Petitioner submitted an Amended Petition. A copy of the Amended Petition is attached as [Exhibit C](#).

#### 2. Present Situation

- a) Rule 67-48.004(3)(g), Fla. Admin. Code, provides:

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

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(g) Development Type. . .

- b) In Petitioner’s response to the RFA (“Application”), Petitioner selected the Development Type of “Mid-Rise, 4-stories.” Petitioner alleges that due to a combination of local stormwater, parking, and setback requirements, the only viable way to maintain the size and number of apartment units contemplated in the Application is to add a 5<sup>th</sup> floor. Adding a 5<sup>th</sup> floor will also allow Petitioner to increase the amount of common space provided, including adding a swimming pool and more outside common areas. The Application’s scoring, ranking, and funding would not have been affected had Petitioner selected Mid-Rise 5 stories in its Application, nor would the Total Development Cost per unit have changed.
- c) On, August 2, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 150. 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. 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 67-48.004(3)(g), Fla. Admin. Code, so that the Development Type may be changed from Mid-Rise 4 stories, to Mid-Rise 5 stories.

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**C. In Re: Woodland Grove Apartments, LLC - FHFC Case No. 2019-063VW**

<b>Development Name: (“Development”):</b>	<b>Woodland Grove</b>
<b>Developer/Principal: (“Developer”):</b>	<b>RS Development Corp. Lewis Swezy</b>
<b>Number of Units: 190</b>	<b>Location: Miami-Dade County</b>
<b>Type: New, Garden</b>	<b>Set Asides: 10% at 28% AMI 90% at 60% AMI 100% at 60% AMI (MMRB)</b>
<b>Demographics: Family</b>	<b>4% HC      \$1,847,162 SAIL      \$7,000,000 ELI      \$600,000 MMRB      \$27,500,000</b>

**1. Background**

- a) Petitioner was selected to receive SAIL and ELI funding in conjunction non-competitive housing tax credits and tax-exempt bonds 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 15, 2019, Florida Housing received a petition for waiver of Rules 67-21.027(1), 67-21.003(1)(a), 67-21.003(8)(j), 67-48.004(3)(j), and 67-48.023(2) (the “Petition”) requesting to change various set-aside commitments in its application in order to take advantage of the average income test. A copy of the Petition is attached as [Exhibit D](#).

**2. Present Situation**

- a) Rule 67-21.003(8)(j), Fla. Admin. Code (2017) provides in relevant 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:

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(j) The Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application. . . .

- b) Rule 67-48.004(3)(j), Fla. Admin. Code (2017), provides in relevant part:

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

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(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application. . . .

- c) Rules 67-21.027(1), 67-21.003(1)(b) and 67-48.023(2), Fla. Admin. Code (2017) required that each Development comply with the minimum Housing Credit Set-Aside provisions as specified in the version of Section 42(g)(1) of the Internal Revenue Code (IRC) that was in effect at the time the rule was adopted. Prior to March 23, 2018, this Section of the IRC did not allow income averaging, and therefore Rules 67-21.027(1), 67-21.003(1)(b) and 67-48.023(2) also did not allow income averaging.
- d) In accordance with the terms of the RFA, Petitioner was required to set-aside 80% of the units at 60% AMI. Petitioner also indicated in its application for MMRB and 4% housing credits that it would commit to set aside 100% of the units at or below 60% AMI, and in its application for SAIL that it would set-aside 10% of the units at or below 28% AMI and 90% of units at or below 60% AMI. Petitioner now seeks to amend these set-aside commitments in order to use the average income test. Petitioner proposes that its set-aside commitments should be 18.4% (35 units) at 30% AMI, 40% (76 units) at 60% AMI, 27.8% (53 units) at 70% AMI, and 13.7% (26 units) at 80% AMI. These set-asides would be allowed using the average income test, and would include six additional units set aside at 30% AMI than would be required using the average income test.
- e) On, July 16, 2019, Notice of the Petition was published in the Florida Administrative Register in Volume 45, Number 137. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.
- g) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that strict application of the above Rule under these circumstances would violate principles of fairness. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.
- h) NOTE: In Resolution No. 2018-036A, the Board delegated its authority to issue waivers for applicants seeking to use the average income test. In this specific case, since Petitioner is also seeking to amend its total set-aside percentage for MMRB from 100% at 60% AMI to 40% at 60% AMI, staff is recommending that the Corporation issue a single order granting all waiver requests for administrative simplicity.

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#### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rules 67-21.027(1), 67-21.003(1)(b), and 67-48.0023(2) to allow for calculation of the minimum set aside percentage based on income averaging; **GRANT** Petitioner's request for a waiver of Rules 67-21.003(8)(j), 67-48.004(3)(j) to allow it to change the total set-aside percentages stated in its Application for MMRB and 4% housing credit from 100% at 60% AMI to 40% at 60% AMI; and **GRANT** Petitioner's request for a waiver of those provisions of the RFA requiring that applicants set aside at least 80% of the Development's total units at 60% AMI, and set aside at least 10% of the total units at 28% AMI.

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### D. In Re: Clermont Ridge, LTD. - FHFC Case No. 2019-0075VW (Application No. 2018-112C)

<b>Development Name: (“Development”):</b>	<b>Clermont Ridge Senior Villas</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Blue CR Developer, LLC Provident Housing Solutions, Inc. Shawn Wilson</b>
<b>Number of Units: 70</b>	<b>Location: Lake County</b>
<b>Type: New Construction / Garden Apartments</b>	<b>Set Asides: 10% @ 40% AMI 90% @ 60% AMI</b>
<b>Demographics: Elderly Non-ALF</b>	<b>Funding: 9% HC \$1,250,000</b>

#### 1. Background

- a) Clermont Ridge, Ltd. (“Petitioner”) successfully applied for an award of competitive housing credits under Request for Applications (RFA) 2017-111 to assist in financing the new construction of a development serving elderly persons in Lake County known as Clermont Ridge Senior Villas (the “Development”). On August 30, 2019, Florida Housing received a Petition for Waiver of Rule 67-48.002(83), F.A.C. (2017) and also a request to change the Petitioner’s ownership and development structure, pursuant to Rule 67-48.004(3)(b), F.A.C. (2017) and Section Four A.3.d.(3) of the RFA. A copy of the Petition is attached as [Exhibit E](#).

#### 2. Present Situation

- a) Rule 67-48.002(83), Fla. Admin. Code (2017), provides as follows:
- (83) “Non-Profit” means a qualified non-profit entity as defined in Section 42(h)(5)(C), subsection 501(c)(3) or 501(c)(4) of the IRC and organized under Chapter 617, F.S., if a Florida Corporation, or organized under similar state law if organized in a jurisdiction other than Florida, to provide housing and other services on a not-for-profit basis, which owns at least 51 percent of the ownership interest in the Development held by the general partner or managing member entity, which shall receive at least 25 percent of the Developer fee, and which entity is acceptable to federal and state agencies and financial institutions as a Sponsor for affordable housing, as further described in Rule 67-48.0075, F.A.C.
- b) In its Application for the RFA, Petitioner selected the “non-profit set aside” and listed New Beginnings Housing, Inc. (now known as Provident Housing Solutions, Inc. (“Provident”)) as the General Partner of the Applicant, having a 51% ownership interest in the Development. Provident met the definition of a “non-profit” entity under the rule, which included receiving at least 25% of the Developer fee. Petitioner now seeks to replace Provident with a different “non-profit” entity, TB Affordable Housing, Inc. (“TB Affordable”). Provident will serve as a Special Limited Partner to the Applicant and will continue to have 10% ownership interest, but will receive only 15% of the Developer fee. TB Affordable will meet the definition of a “non-profit” in the rule except that it will only receive 15% of the Developer fee. Petitioner thus seeks a waiver of Rule 67-48.002(83) so that TB Affordable can still be considered a “non-profit” entity and Petitioner can continue to meet the “non-profit set-aside” as stated in the Application.

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- c) In support of this request, Petitioner asserts that extenuating site challenges and rising construction costs has increased the hard costs budget, and without additional financing the Development may not be completed. TB Affordable has agreed to provide a soft loan to Petitioner, but only if it acquires rights in the ownership and management of Petitioner. A rule waiver is necessary to avoid economic hardship by allowing the requested changes in order to qualify for the loan. Additionally, Petitioner asserts that the purpose of Rule 67-48.002(83) would be met because both non-profit entities will materially and substantially participate in the development, management, and operation of the Development, and the non-profit entities, between them, will receive 30% of the Developer fee.
- d) Notice of the Petition was published in the Florida Administrative Register on September 4, 2019 in Volume 45, Number 172. 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 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.
- g) To effectuate the requested waiver of Rule 67-48.002(83) Petitioner is also requesting that it be allowed to change the Principals of each Developer, pursuant to Rule 67-48.004(3)(b), Fla. Admin. Code (2017), which provides in relevant part:
- (3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:
- ...
- (b) Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) 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.

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- h) Petitioner seeks permission to change the Developer entity by adding CR GC Developer, LLC (an entity affiliated with TB Affordable) as a Co-Developer, which would result in Blue CR Developer, LLC reducing its share of Developer Fee from 75% to 70% and Provident Housing Solutions, Inc. reducing its share of the Developer Fee from 25% to 15%. CR GC Developer, LLC will receive 15% of the Developer Fee.
- i) Additionally, to effectuate the requested waiver of Rule 67-48.002(83), Petitioner is also requesting that it be allowed to change the Applicant entity. Section Four A.3.d.(3) of the RFA provides, in relevant part:

The Applicant entity shall be the recipient of the Housing Credits and cannot be changed in any way (materially or non-materially) until after the Carryover Allocation Agreement is in effect. Once the Carryover Allocation Agreement has been executed by all parties, (a) replacement of the Applicant or a material change in the ownership structure of the named Applicant will require Board approval prior to the change.
- j) Petitioner seeks permission to change the Applicant entity by adding TB Affordable as the 51% General Partner; change Provident from a General Partner to a Special Limited Partner with 10% ownership interest, and reduce Blue Sky Clermont ALP, LLC's ownership interest to 39%.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.002(83), F.A.C. (2017), so that TB Affordable will be considered a non-profit entity; **GRANT** Petitioner's request to change the Principals of each Developer as specified above pursuant to Rule 67-48.004(3)(b), Fla. Admin. Code (2017); and **GRANT** Petitioner's request to change the Applicant entity as specified above.



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#### E. In re: Resolutions 2019-053 and 2019-054; Signature Authority

##### 1. Background

- a) During the ordinary course of business, situations arise wherein an authorized signature is needed by the Corporation on routine financial documents and to affect bond transactions. By a series of resolutions, the Board has previously delegated signature authority to the Executive Director, Chief Financial Officer, and Comptroller to execute corporation bonds and related documents, and has designated certain additional Corporation staff as Assistant Secretaries of the Corporation for purposes of attesting signatures on bond documents.

##### 2. Present Situation

- a) Draft Resolutions 2019-053 and 2019-054 ([Exhibit F](#)) and reflect changes in corporate structure, specifically:
- Resolution 2019-053 adds Kirstin Helms, Comptroller, as a Secretary for the purpose of executing all documents necessary to effectuate the issuance of Bonds and closing transactions. Additionally, the Resolution provides for an updated position title for Marisa Button, who had been previously designated an Assistant Secretary.
  - Resolution 2019-054 has been amended to reflect the consolidation of the two Multifamily Director positions into one.

##### 3. Recommendation

- a) Staff recommends that the Board adopt Resolutions 2019-053 and 2019-054, delegating signature authority and designating staff as described in the respective Resolutions.

## MULTIFAMILY BONDS

### *Consent*

### III. MULTIFAMILY BONDS

#### A. Request Approval of Credit Underwriting Report for Federation Gardens I & II (2018-102B)

<b>Development Name: Federation Gardens I &amp; II</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Federation Gardens Preservation LP</b>	<b>Set Aside(s): 100% @ 60% AMI (MMRN &amp; 4% HC)</b>
<b>Developer/Principal: FA Developer LP / Stuart Feldman</b>	<b>Demographic/Number of units: Elderly / 161</b>
<b>Requested Amounts: \$39,050,000 Multifamily Mortgage Revenue Notes (MMRN) \$1,475,345 Housing Credits (4% HC)</b>	<b>Development Category/Type: Acquisition and Rehabilitation / Mid-Rise (4 Stories)</b>

#### 1. Background/Present Situation

- a) On May 13, 2019, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRN in the amount of \$40,269,000 and non-competitive Housing Credits in the amount of \$1,759,500. Subsequently, the MMRN was decreased to \$39,050,000 during credit underwriting.
- b) On May 22, 2019, staff issued a letter at the Applicant's request extending the opportunity to begin the credit underwriting process at-risk to the Applicant.
- c) On September 5, 2019, staff received a final credit underwriting report with a positive recommendation for a MMRN loan ([Exhibit A](#)). 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*

#### B. Request Approval of Credit Underwriting Report for Federation Towers (2018-103B)

<b>Development Name: Federation Towers</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Federation Towers Preservation LP</b>	<b>Set Aside(s): 100% @ 60% AMI (MMRN &amp; 4% HC)</b>
<b>Developer/Principal: FA Developer LLC / Stuart Feldman</b>	<b>Demographic/Number of units: Elderly / 114</b>
<b>Requested Amounts: \$28,245,000 Multifamily Mortgage Revenue Notes (MMRN) \$887,983 Housing Credits (4% HC)</b>	<b>Development Category/Type: Acquisition and Rehabilitation / High Rise</b>

#### 1. Background/Present Situation

- a) On May 13, 2019, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRN in the amount of \$28,245,000 and non-competitive Housing Credits in the amount of \$1,231,704.
- b) On May 22, 2019, staff issued a letter at the Applicant's request extending the opportunity to begin the credit underwriting process at-risk to the Applicant.
- c) On September 5, 2019, staff received a final credit underwriting report with a positive recommendation for a MMRN loan ([Exhibit B](#)). 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

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

#### 1. Background

- a) Pursuant to staff’s request for approval to issue MMRN 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 note sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the methods of bond sale for the Developments. The recommendation letters are attached as Exhibit C and D.

#### 2. Present Situation

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

#### 3. Recommendation

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

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>	<b>Exhibit</b>
Federation Gardens I & II	Miami-Dade County	161	Negotiated Private Placement	RBC Capital Markets, LLC	<a href="#">Exhibit C</a>
Federation Towers	Miami-Dade County	114	Negotiated Private Placement	RBC Capital Markets, LLC	<a href="#">Exhibit D</a>

## MULTIFAMILY BONDS

### *Consent*

**D. Request Approval of Change in the General Contractor and Credit Underwriting Update Letter for Jordan Park (2018-101B / 2000-082C)**

<b>Development Name: Jordan Park</b>	<b>Location: Pinellas County</b>
<b>Applicant/Borrower: Jordan Park, LLC</b>	<b>Set Aside(s):</b> 40% @ 60% AMI (MMRN) 15% @ 30% AMI (4% HC) 85% @ 60% AMI (4% HC)
<b>Developer/Principal: Norstar Development USA, LP / Richard Higgins</b>	<b>Demographic/Number of units:</b> Family / 266
<b>Requested Amounts:</b> \$27,400,000 Multifamily Mortgage Revenue Notes (MMRN) \$1,941,910 Housing Credits (4% HC)	<b>Development Category/Type:</b> 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 at-risk to the Applicant.
- c) On August 2, 2019, the Board approved the final credit underwriting report containing a positive recommendation for a MMRN loan in the amount of \$27,400,000.
- d) On August 15, 2019, Norstar Development USA, LP requested Florida Housing's consent to change the general contractor from Brooks & Freund, LLC to NSBF, LLC. Subsequent to finalizing the final credit underwriting report, Brooks & Freund, LLC created a new joint venture with Norstar Building Corporation called NSBG, LLC. First Housing has reviewed this request and provided a positive recommendation ([Exhibit E](#)).

**2. Recommendation**

- a) Approve the change to the General Contractor and the credit underwriting update letter and direct staff to proceed with 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 Applicant Entity Change for Northside Transit Village II (2018-047BS)**

<b>Development Name: Northside Transit Village II</b>	<b>Location: Miami – Dade County</b>
<b>Applicant/Borrower: Northside Property II, Ltd.</b>	<b>Set-Aside(s):</b> <b>10% @ 28% AMI (SAIL, ELI and 4% HC)</b> <b>90% @ 60% AMI (SAIL, ELI and 4% HC)</b> <b>100% @ 60% AMI (MMRB)</b>
<b>Developer/Principal: APC Northside Property II Development, LLC / Liz Wong</b>	<b>Demographic/Number of Units: Elderly/180</b>
<b>Requested Amounts:</b> <b>\$20,000,000 Multifamily Mortgage Revenue Bonds (MMRB)</b> <b>\$7,000,000 State Incentive Apartment Loan (SAIL)</b> <b>\$600,000 Extremely Low Income (ELI)</b> <b>\$1,047,895.89 National Housing Trust Fund (NHTF)</b> <b>\$1,435,399 Housing Credits (4% HC)</b>	<b>Development Category/Type:</b> <b>New Construction/High Rise</b>

**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 the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, 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 Northside Transit Village II, 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 4, 2018, giving them a firm loan commitment issuance deadline of February 4, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On December 14, 2018, the Board approved the request from the Applicant to extend the February 4, 2019 firm loan commitment issuance deadline to August 4, 2019.
- e) On June 21, 2019, the Board approved a Rule Waiver to extend the firm loan commitment issuance deadline from August 4, 2019 to January 31, 2020.

## MULTIFAMILY BONDS

### *Consent*

- f) On January 8, 2019, staff received a request from the Applicant for a change to the Applicant Entity ([Exhibit F](#)). The current general partner of the Borrower is APC Northside Property II, LLC (“APC”) with 0.01% ownership. The Borrower is requesting to add a co-general Partner, 93CDC Northside Property, LLC (“93CDC”), a for profit Florida limited liability company. APC will own 0.0049% and 93CDC will own 0.0051%. 93CDC is solely owned by 93<sup>rd</sup> St. Community Development Corporation, a nonprofit corporation. The addition of the nonprofit partner would further FHFC and the County’s stated mission to promote nonprofit partnership in funded developments. In addition, the nonprofit partner would also make additional gap financing sources available, which are vital to the feasibility of a high-rise bond deal in the County.
- g) Per the RFA, the Applicant entity shall be the recipient of the Housing Credits, and the borrowing entity for the SAIL loan(s) and, if applicable, the MMRB loan, and cannot be changed in any way until after the closing of the loan(s). Therefore, the Borrower requests to waive this requirement to allow a non-profit co-general Partner to be admitted into the Partnership of the Borrower.

### **2. Recommendation**

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

## MULTIFAMILY BONDS

### *Consent*

**F. Request Approval of Partial Release of Land for Fox Hollow Apartments (2006 Series B / 1990-004S / 90L-040 / 2006-502C)**

<b>Development Name: Fox Hollow Apartments</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Fox Hollow Associates, Ltd.</b>	<b>Set Aside(s): 85% @ 60% AMI (MMRB) 100% @ 60% AMI (SAIL &amp; HC)</b>
<b>Developer/Principal: Enhanced Affordable Development</b>	<b>Demographic/Number of units: Family / 155 units</b>
<b>Requested Amounts: \$6,635,000 Multifamily Mortgage Revenue Bond (MMRB) \$2,110,000 State Apartment Incentive Loan (SAIL) \$737,370 Housing Credits (9% HC) \$423,910 Housing Credits (4% HC)</b>	<b>Development Category/Type: Acquisition and Rehabilitation / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing originally financed the above referenced Development in 1990 with SAIL funding in the amount of \$2,110,000 and \$737,370 in 9% Housing Credits. The Development was rehabilitated in 2006 with \$6,635,000 in tax exempt MMRB designated as 2006 Series B. In addition, \$423,910 in 4% Housing Credits was allocated to this Development.
- b) At the May 4, 2018 Board meeting the Borrower's request to transfer partnership interests to an entity affiliated with Lincoln Avenue Capital, LLC was approved.
- c) On July 12, 2019, staff received a request from the Borrower for consent to release approximately 0.281-acre parcel of vacant land located in a flood zone. The Borrower is requesting the release to facilitate the refinancing of the Development. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the release of the parcel of land ([Exhibit G](#)).

**2. Recommendation**

- a) Approve the release of the parcel of vacant land and direct staff to proceed with modification of all documents needed to effectuate the partial release, subject to the conditions in the credit underwriting report with further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.



## MULTIFAMILY PROGRAMS

### *Consent*

#### IV. MULTIFAMILY PROGRAMS

##### A. Request Approval of Developer Structure Change for Granada (2019-164S)

<b>Development Name: Granada</b>	<b>Location: Pinellas County</b>
<b>Applicant/Borrower: Blue Pine Street, LLC</b>	<b>Set-Aside(s): 10% @ 35% AMI, 90% @ 60% AMI, 6 NHTF units</b>
<b>Developer/Principal: Blue Sky Communities, LLC / Shawn Wilson</b>	<b>Demographic/Number of Units: Family / 138 units</b>
<b>Requested Amounts: SAIL \$7,000,000, NHTF \$1,308,000 ELI \$600,000 Annual 4% HC \$1,035,000</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

##### 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. The acceptance was acknowledged on May 14, 2019, giving them a firm loan commitment issuance deadline of May 14, 2020.
- d) On August 8, 2019, staff received a request from the Applicant to change the Developer structure of Blue Sky Communities, LLC, ([Exhibit A](#)). Blue RC Developer, LLC would be added as a Special Purpose Entity above Blue Sky Communities, LLC, the current developer. The remaining organizational structure will remain the same. The original and proposed organizational charts are provided as [Exhibit B](#). 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. In the original application, the Principal with the required Developer experience was Shawn Wilson, who remains as a Principal of the proposed entity, Blue RC Developer, LLC. 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.

**MULTIFAMILY PROGRAMS**

*Consent*

**B. Request Approval of Developer Structure Change for Fairlawn Village (2019-166BS)**

<b>Development Name: Fairlawn Village</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Blue CASL Orlando, LLC</b>	<b>Set-Aside(s): 10% @ 35% AMI, 90% @ 60% AMI, 6 NHTF units</b>
<b>Developer/Principal: CASL Developer, LLC &amp; Blue Sky Communities, LLC / Shawn Wilson</b>	<b>Demographic/Number of Units: Family / 116 units</b>
<b>Requested Amounts: MMRB \$12,000,000 SAIL \$6,250,000 NHTF \$1,308,000 ELI \$600,000 Annual 4% HC \$862,000</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**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 16, 2019. The acceptance was acknowledged on May 16, 2019, giving them a firm loan commitment issuance deadline of May 16, 2020.
- d) On August 8, 2019, staff received a request from the Applicant to change the Developer Structure of Blue Sky Communities, LLC, one of the Co-Developers ([Exhibit C](#)). Blue FV Developer, LLC would be added as a Special Purpose Entity above Blue Sky Communities, LLC. The remaining organizational structure will remain the same. The original and proposed organizational charts are provided as [Exhibit D](#). 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. In the original application, the Principal with the required Developer experience was Shawn Wilson, who remains as a Principal of the proposed entity, Blue FV Developer, LLC. 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.

## MULTIFAMILY PROGRAMS

### *Consent*

#### C. Request Approval of Developer Structure Change for Ashley Square (2019-167S)

<b>Development Name: Ashley Square</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Ashley Square Associates, LLC</b>	<b>Set-Aside(s): 10% @ 33% AMI, 90% @ 60% AMI, 6 NHTF units</b>
<b>Developer/Principal: Blue Sky Communities, LLC / Shawn Wilson &amp; Cathedral Foundation of Jacksonville, Inc.</b>	<b>Demographic/Number of Units: Elderly, non-ALF / 120 units</b>
<b>Requested Amounts: SAIL \$6,500,000, NHTF \$1,426,800 ELI \$600,000 Annual 4% HC \$933,400</b>	<b>Development Category/Type: New Construction / Mid-rise, 5-6 stories</b>

#### 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. The acceptance was acknowledged on May 14, 2019, giving them a firm loan commitment issuance deadline of May 14, 2020.
- d) On August 12, 2019, staff received a request from the Applicant to change the Developer Structure of Blue Sky Communities, LLC, one of the Co-Developers ([Exhibit E](#)). Blue AS Developer, LLC would be added as a Special Purpose Entity above Blue Sky Communities, LLC. The remaining organizational structure will remain the same. The original and proposed organizational charts are provided as [Exhibit F](#). 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. In the original application, the Principal with the required Developer experience was Shawn Wilson, who remains as a Principal of the proposed entity, Blue AS Developer, LLC. 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.

## MULTIFAMILY PROGRAMS

### *Consent*

**D. Request Approval of Developer Entity Structure Change for Avery Commons (RFA 2018-112/2019-114C)**

<b>Development Name: Avery Commons</b>	<b>Location: Pinellas County</b>
<b>Applicant/Borrower: Blue Pinellas, LLC</b>	<b>Set Aside(s): 10 units @ 30% AMI; 42 units @ 60% AMI; 13 units @ 80% AMI</b>
<b>Developer/Principal: Blue Sky Communities, LLC / Shawn Wilson</b>	<b>Demographic/Number of units: Family / 65 units</b>
<b>Requested Amounts: \$1,375,000 Housing Credits</b>	<b>Development Category/Type: New Construction / Mid-Rise, 5 to 6-Stories</b>

**1. Background/Present Situation**

- a) Blue Pinellas, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2018-112 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. The funds are being utilized to finance the construction of a 65-unit Family development in Pinellas County. On June 28, 2019, staff issued an invitation to the Applicant to enter credit underwriting.
- b) On August 8, 2019, staff received a request from the Applicant for a structure change of the Developer, Blue Sky Communities, LLC. The letter is provided as [Exhibit G](#).
- c) Regarding the structure of the Developer, the Applicant proposes to create a new Developer entity (Blue AC Developer, LLC) while retaining the current Developer entity (Blue Sky Communities, LLC) as the sole member. Additionally, Shawn Wilson and Scott Macdonald will serve as managers of the proposed Developer entity. The ownership structure of Blue Sky Communities, LLC will remain the same, and maintain all of the same Principals. Current and proposed organizational charts are provided as [Exhibit H](#).
- d) 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 the development meets all of the requirements of RFA 2018-112.
- e) In the original Application, the Principal with the required Developer experience was Shawn Wilson, who will remain as a Principal of the proposed entity, Blue AC Developer, LLC. Staff reviewed this request and finds that the Developer still meets the prior Developer experience requirements of RFA 2018-112.

**2. Recommendation**

- a) Approve the request to allow for the Developer entity structure change as referenced above.

# MULTIFAMILY PROGRAMS

## Consent

### E. Request Approval of Developer Entity Structure Change for Sandpiper Place (RFA 2018-110/2019-316C)

<b>Development Name: Sandpiper Place</b>	<b>Location: Manatee County</b>
<b>Applicant/Borrower: Blue SW 26<sup>th</sup> Street, LLC</b>	<b>Set Aside(s): 14 units @ 30% AMI; 60 units @ 60% AMI; and 18 units @ 80% AMI</b>
<b>Developer/Principal: Blue Sky Communities, LLC / Shawn Wilson</b>	<b>Demographic/Number of units: Family / 92 units</b>
<b>Requested Amounts: \$1,500,000 Housing Credits</b>	<b>Development Category/Type: New Construction / Garden</b>

#### 1. Background/Present Situation

- a) Blue W 26<sup>th</sup> Street, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2018-110 for Housing Credit Financing for Affordable Housing Developments Located in Medium Counties. The funds are being utilized to finance the construction of a 92-unit Family development in Manatee County. On July 23, 2019, staff issued an invitation to the Applicant to enter credit underwriting.
- b) On August 8, 2019, staff received a request from the Applicant for a structure change of the Developer, Blue Sky Communities, LLC. The letter is provided as [Exhibit I](#).
- c) Regarding the structure of the Developer, the Applicant proposes to create a new Developer entity (Blue SPP Developer, LLC) while retaining the current Developer entity (Blue Sky Communities, LLC) as the sole member. Additionally, Shawn Wilson and Scott Macdonald will serve as managers of the proposed Developer entity. The ownership structure of Blue Sky Communities, LLC will remain the same, and maintain all of the same Principals. Current and proposed organizational charts are provided as [Exhibit J](#).
- d) 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. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. Staff has reviewed this request and finds that the development meets all of the requirements of RFA 2018-110.
- e) In the original Application, the Principal with the required Developer experience was Shawn Wilson, who will remain as a Principal of the proposed entity, Blue SPP Developer, LLC. Staff reviewed this request and finds that the Developer still meets the prior Developer experience requirements of RFA 2018-110.

#### 2. Recommendation

- a) Approve the request to allow for the Developer entity structure change as referenced above.

**MULTIFAMILY PROGRAMS**

*Consent*

**F. Request Approval of Developer Principal Change for Cathedral Townhouse (RFA 2017-114/2018-071C)**

<b>Development Name: Cathedral Townhouse</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Cathedral Townhouse, Ltd.</b>	<b>Set-Asides: 20% @ 33% AMI and 76% @ 60% AMI</b>
<b>Developers/Principals: Cathedral Townhouse Redevelopment Associates LLC / Shawn Wilson</b>	<b>Demographic/Number of Units: Elderly Non-ALF / 177 units</b>
<b>Requested Amounts: \$1,660,000 Housing Credits (HC)</b>	<b>Development Category/Type: Acquisition and Preservation / High-Rise</b>

**1. Background/Present Situation**

- a) Cathedral Townhouse, Ltd. (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2017-114 for Housing Credit Financing for Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the acquisition and preservation of a 177-unit Elderly Non-ALF development in Duval County. On July 30, 2018, staff issued an invitation to the Applicant to enter credit underwriting, and subsequently executed a Carryover Allocation Agreement on December 10, 2018.
- b) On August 8, 2019, staff received a request from the Applicant for a structure change of the Developer, Cathedral Townhouse Redevelopment Associates, LLC. The request letter is provided as [Exhibit K](#).
- c) Currently, the sole Manager of the Developer entity is Shawn Wilson. The Applicant proposes to add Scott Macdonald as an additional Manager of the Developer. The request letter also proposes to add a Special Limited Partner to the Applicant ownership structure. This change was approved at staff level. Current and proposed Developer structures are provided as [Exhibit L](#).
- d) 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 the development meets all of the requirements of RFA 2017-114.
- e) In the original Application, the Principal with the required Developer experience was Shawn Wilson, who will remain as a Principal. Staff reviewed this request and finds that the Developer still meets the prior Developer experience requirements of RFA 2017-114.

**2. Recommendation**

- a) Approve the request for the Developer Principal Change.

## MULTIFAMILY PROGRAMS

### *Consent*

**G. Request Approval to Exceed the 20% Subcontractor Limitation for Vista Landing Apartments (2015-108B/2016-534C)**

<b>Development Name: Vista Landing Apartments</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Vista Landing Preservation, LLC</b>	<b>Set Aside(s): 100% @ 60% AMI</b>
<b>Developer/Principal: Vista Landing Developer, LLC / Tony Del Pozzo</b>	<b>Demographic/Number of units: Family / 200 units</b>
<b>Requested Amounts: \$565,845 4% Housing Credits; \$8,200,000 MMRB</b>	<b>Development Category/Type: Acquisition and Preservation / Garden</b>

**1. Background/Present Situation**

- a) Vista Landing Apartments (2015-108B/2016-534C) is a Non-Competitive Housing Credit Development utilized in conjunction with Corporation-issued Multifamily Mortgage Revenue Bonds providing 200 set-aside units in Duval County, Florida. The Applicant was invited to enter credit underwriting on July 26, 2016. Subsequently, Florida Housing issued a preliminary determination of \$565,845 in Non-Competitive Housing Credits on November 2, 2017.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow two subcontractors to exceed the 20% limitation in Rule Chapters 67-21.014(2)(r)(6) and 67-21.026(13)(e) F.A.C. See [Exhibit M](#) for Applicant's Request.
- c) Pursuant to Rule Chapters 67-21.014(2)(r)(6) and 67-21.026(13)(e) F.A.C., the General Contractor must meet the following conditions:
- Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception for a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees."
- d) At the request of Florida Housing staff, AmeriNat reviewed the Applicant's request, original subcontracts between the GC and the two subcontractors in question, and applicable change orders. After review and analysis, AmeriNat, in conjunction with the Construction Consultant, GLE Associates, Inc., found that it was reasonable to have both subcontractors provide the additional work in order to avoid project delays and logistic/coordination problems. AmeriNat recommends that Florida Housing approve the General Contractor's use of two subcontractors to provide work at a cost in excess of 20% of the rehabilitation cost at this Development. See [Exhibit N](#) for AmeriNat's recommendation.

## MULTIFAMILY PROGRAMS

### *Consent*

- e) Since this information was first discovered by FHFC during review of the General Contractor's Cost Certification, after construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rules 67-21.014(2)(r)(6) and 67-21.026(13)(e) F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

### **2. Recommendation**

- a) Approve the request to exceed the 20% subcontractor limitation for two subcontractors under the workout scenario proposed above.



## MULTIFAMILY PROGRAMS

### *Consent*

#### H. Underwriting Report for Poney Martin Group Home (RFA 2017-101/2017-272G)

<b>Development Name: Poney Martin Group Home</b>	<b>Location: Palm Beach County</b>
<b>Applicant/Borrower: The ARC of Palm Beach County, Inc.</b>	<b>Set-Asides: 33% @ 30% AMI and 67% @ 60% AMI</b>
<b>Developers/Principals: N/A</b>	<b>Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents</b>
<b>Requested Amounts: \$517,000 Grant Funding</b>	<b>Development Category/Type: New Construction/Community Residential Home</b>

#### 1. Background/Present Situation

- a) On April 4, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-101 for Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On June 16, 2017, the Board approved the final scores and recommendations and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 27, 2017, staff issued a Letter of Preliminary Award and subsequently, on February 26, 2018, staff issued an invitation to enter credit underwriting to The ARC of Palm Beach County, Inc.
- d) On August 30, 2019, staff received a positive recommendation for a grant amount of \$517,000 to be allocated to the Development ([Exhibit O](#)).

#### 2. Recommendation

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

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**V. PREDEVELOPMENT LOAN PROGRAM (PLP)**

**A. Request Approval of Credit Underwriting Report for Preservation of Affordable Housing, Inc. (POAH), a not-for-profit entity, for CM II (2019-004P-09)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>CM II</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>POAH, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>120</b>
<b>LOCATION (“County”):</b>	<b>Miami-Dade County</b>
<b>TYPE:</b>	<b>Family</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$750,000</b>
<b>ADDITIONAL COMMENTS:</b>	

**1. Background**

- a) On May 10, 2019, the Board approved a PLP loan in the amount of \$750,000 for CM II. Of this loan amount, \$500,000 was requested for the acquisition of the development site. By rule, this acquisition funding is required to be reviewed by a credit underwriter.
- b) On May 14, 2019, Seltzer Management accepted the assignment as credit underwriter for the PLP acquisition loan.

**2. Present Situation**

- a) On August 16, 2019, staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management with a positive recommendation for the \$750,000 PLP loan including \$500,000 for the acquisition of the development site subject to conditions noted in the report.
- b) Staff has reviewed the credit underwriting report and support the positive recommendation from the credit underwriter.

**3. Recommendation**

- a) Approve the credit underwriting report for the acquisition portion of the PLP Loan in the amount of \$500,000 to POAH, Inc. for CM II and allow staff to commence with the loan closing process for the site acquisition funds.

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

*Consent*

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

**A. Request Approval RFA Waiver to Change Resident Programs for The Quarry (2016-168CS/2018-339V) and The Quarry II (2018-065CS/2018-338V)**

<b>Development Name: The Quarry</b>	<b>Location: Monroe County</b>
<b>Applicant/Borrower: Quarry Big Coppitt, Ltd.</b>	<b>Set-Aside(s): 5% @ 25%, 40% @ 60%, 55% @ 120% AMI</b>
<b>Developer/Principal: Ambar3, LLC, John D. Rood</b>	<b>Demographic/Number of Units: Family/96</b>
<b>Requested Amounts: SAIL \$3,000,000, Viability Loan \$2,250,000 Annual 9% HC \$898,985</b>	<b>Development Category/Type: New Construction/Garden</b>

<b>Development Name: The Quarry II</b>	<b>Location: Monroe County</b>
<b>Applicant/Borrower: Quarry Big Coppitt II, Ltd., John D. Rood</b>	<b>Set-Aside(s): 5% @ 25%, 40% @ 60%, 55% @ 120% AMI</b>
<b>Developer/Principal: Ambar3, LLC</b>	<b>Demographic/Number of Units: Family/112</b>
<b>Requested Amounts: SAIL \$6,608,000, Viability Loan \$950,000 Annual 9% HC \$1,000,000</b>	<b>Development Category/Type: New Construction/Garden</b>

**1. Background/Present Situation**

- a) The Quarry was awarded State Apartment Incentive Loan Program (SAIL) and Housing Credit (HC) funds in the Request for Applications (RFA) 2016-112 for the SAIL Financing for the Construction of Workforce Housing in Miami-Dade County and Monroe County. Additionally, the Development was awarded Development Viability Loan Funding (Viability Loan) in RFA 2018-109 for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes. All funding sources closed on July 20, 2018.
- b) The Quarry II was awarded SAIL and HC funds in RFA 2017-107 for the SAIL Financing for the Construction of Workforce Housing. Additionally, the Development was awarded Viability Loan funding in RFA 2018-109 for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing which have been exacerbated by increased construction costs due to hurricane impact and construction market changes. All funding sources closed on July 20, 2018.
- c) On July 24, 2019, staff received a request from the Borrower for a change to the Resident Programs in both Developments in order to be consistent and to help manage efficiently ([Exhibit A](#)). An RFA waiver is required for approval of this request since RFA 2017-107 provided additional Resident Programs that were not available in RFA 2016-112.

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

*Consent*

2. **Recommendation**

- a) Approve RFA waiver request for a change to the Resident Programs.

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

*Consent*

**B. Request Approval RFA Waiver to Change Resident Programs for Ambar Key Homes (2017-167BS) and Ambar Key (2018-064BS)**

<b>Development Name: Ambar Key Homes</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Ambar Key Homes, Ltd.</b>	<b>Set Aside(s): 16 Units @ 30% AMI, 55 Units @ 60% AMI 24 Units @ 80% AMI, 60 Units – Non HC Units</b>
<b>Developer/Principal: Ambar3, LLC / John D. Rood</b>	<b>Demographic/Number of units: Family / 155</b>
<b>Requested Amounts: SAIL \$8,500,000. MMRB \$16,500,000, Annual 4% HC \$287,322</b>	<b>Development Category/Type: New Construction and Rehabilitation / Townhomes</b>

<b>Development Name: Ambar Key</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Ambar Key, Ltd.</b>	<b>Set Aside(s): 33 Units @ 60% AMI, 15 Units @ 80% AMI 36 Units – Non HC Units</b>
<b>Developer/Principal: Ambar3, LLC / John D Rood</b>	<b>Demographic/Number of units: Family / 94</b>
<b>Requested Amounts: SAIL \$8,465,000. MMRB \$11,000,000, Annual 4% HC \$282,616</b>	<b>Development Category/Type: New Construction / Townhomes</b>

**1. Background/Present Situation**

- a) Ambar Key Homes was awarded State Apartment Incentive Loan Program (SAIL) and Housing Credit (HC) funds in the Request for Applications (RFA) 2016-112 for the SAIL Financing for the Construction of Workforce Housing in Miami-Dade County and Monroe County. All funding sources closed on December 12, 2018.
- b) Ambar Key was awarded SAIL and HC funds in RFA 2017-107 for the SAIL Financing for the Construction of Workforce Housing. All funding sources closed on December 12, 2018.
- c) On March 25, 2019, staff approved the Borrower’s request to change the minimum set aside election from the HC set aside commitment selected in the Application to Income Averaging for both Developments.
- d) On July 24, 2019, staff received a request from the Borrower for a change to the Resident Programs in both Developments in order to be consistent and to help manage efficiently ([Exhibit B](#)). An RFA waiver is required for approval of this request since RFA 2017-107 provided additional Resident Programs that were not available in RFA 2016-112.

**2. Recommendation**

- a) Approve RFA waiver request for a change to the Resident Programs.

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

*Consent*

**C. Request Approval RFA Waiver to Accessibility Features and Credit Underwriting Report for Springhill Apartments (2018-026S)**

<b>Development Name: Springhill Apartments (Currently known as Madison Heights Apartments)</b>	<b>Location: Madison</b>
<b>Applicant/Borrower: Springhill Apartments, LLC</b>	<b>Set-Aside(s): 10% @ 45% AMI, 90% @ 60% AMI</b>
<b>Developer/Principal: AMCS Development, LLC/James J. Kerr Jr.; SCG Development Partners, LLC</b>	<b>Demographic/Number of Units: Family/76</b>
<b>Requested Amounts: SAIL \$3,064,400m ELI \$251,600 Annual 4% HC \$318,769</b>	<b>Development Category/Type: Acquisition and Rehabilitation/ Garden Apartments</b>

**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 the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, 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 10, 2018, 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 10, 2018, giving them a firm loan commitment issuance deadline of February 10, 2019. Applicants may request one extension of up to 6 months to secure a firm loan commitment.
- d) On February 1, 2019, the Board approved the request from the Applicant to extend the firm loan commitment issuance deadline from February 10, 2019 to August 10, 2019. On August 2, 2018, the Board approved a Rule waiver request from the Applicant to extend the firm loan commitment issuance deadline from August 10, 2019 to February 10, 2020.
- e) On August 20, 2019, staff received an RFA waiver request from the Applicant to allow an alternative in the following accessibility feature requirement for all standard units: “Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level.” ([Exhibit C](#)). Since this is a Rehabilitation Development, it is not financially feasible to move the current light switches. The Applicant requests that Rocker Style switches be allowed to be installed as an alternative. All Section 504 Units will be in compliance with the 48 inch requirement. Staff has reviewed this request and finds that it is an acceptable alternative solution.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

- f) On September 5, 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 the requirements of RFA 2017-108.

### 2. **Recommendation**

- a) Approve RFA Waiver to Accessibility Features listed above, and the final credit underwriting report, and direct staff to proceed with issuance of a firm commitment and closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of RFA Waiver for Applicant Entity and Developer Principal Change and Credit Underwriting Report for Casa Juarez (2018-328S)

<b>Development Name: Casa Juarez</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Casa Juarez, LLC</b>	<b>Set Aside(s): 15% @ 28% AMI, 5% at 50% AMI and 80% @ 60% AMI</b>
<b>Developer/Principal: Rural Neighborhoods, Incorporated/Steven C. Kirk</b>	<b>Demographic/Number of Units: Unaccompanied Farmworker/32</b>
<b>Requested Amounts: SAIL \$5,992,000, ELI \$508,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

1. Background/Present Situation

- a) On March 13, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-104 for SAIL Financing for Unaccompanied Farmworker and Commercial Fishing Worker Housing.
- 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 June 27, 2018, staff issued an 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 June 28, 2018, giving them a firm loan commitment issuance deadline of March 28, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On March 22, 2019, the Board approved extending the firm loan commitment issuance deadline from March 28, 2019 to September 28, 2019.
- e) On August 26, 2019, staff received a request from the borrower to make a change to the Applicant Entity, Casa Juarez, LLC and to the Principals of the Developer, Rural Neighborhoods, Inc. ([Exhibit E](#)). The letter states that Robert Jensen resigned from the board as officer and director of Everglades Housing Trust, Inc., and was replaced by Al Townsel. Per the RFA, the Applicant entity shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until loan closing. Therefore, the change of the Applicant Entity requires an RFA waiver. In addition, Mr. Jensen as well as Martina Borek, resigned from the board as officers and directors of the Developer, Rural Neighborhoods, Inc. Al Townsel, previously listed as a Director of Rural Neighborhoods, Inc., now also serves as an officer. Carlos Salgado and Katrina Wright have joined Rural Neighborhoods, Inc. as Directors. 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 requirements of the RFA.
- f) On September 5, 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.



## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

#### 2. Recommendation

- a) Approve the RFA waiver request to change Applicant Entity and Developer Principals and final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

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

*Consent*

**E. Request Approval of Loan Closing Extension for SabalPlace f/k/a Preserve at Sabal Park 2 (2018-346CS)**

<b>Development Name: SabalPlace</b>	<b>Location: Hillsborough County</b>
<b>Applicant/Borrower: Blue Broadway 2, LLC</b>	<b>Set-Aside(s): 15% @ 40% AMI and 85% @ 60% AMI</b>
<b>Developer/Principal: Blue Sky Communities LLC and Metropolitan Ministries Developer, LLC / Shawn Wilson</b>	<b>Demographic/Number of Units: Homeless/112</b>
<b>Requested Amounts: SAIL \$4,214,500 ELI \$285,500, Annual 9% HC \$2,110,000</b>	<b>Development Category/Type: New Construction/Mid-Rise, 4 Stories</b>

**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 September 14, 2018, Florida Housing Board of Directors approved a RFA waiver, exempting the non-profit board members/officers from having to submit the IRS Form 8821, provided each board member/officer submit an affidavit certifying that they have not, nor will they receive any direct or indirect financial benefit from the Development in any way.
- d) On February 1, 2019, the Board approved a change in Developer organizational structure. Blue SP2 Developer, LLC was added above Blue Sky Communities, LLC as a co-developer.
- e) On June 21, 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 June 26, 2019, giving them a loan closing deadline of October 24, 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 percent of each loan amount will be required if the Board approves the extension request.
- f) On August 20, 2019, the Borrower requested a loan closing deadline extension from October 24, 2019 to January 22, 2020 ([Exhibit G](#)). The extension is needed to finalize all necessary approvals and documentation for loan closing due diligence. The extension fee of one percent of each loan totaling \$45,000.00 will be collected prior to extending the 10/24/19 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 October 24, 2019 to January 22, 2020.

## SPECIAL ASSETS

### *Consent*

#### VII. SPECIAL ASSETS

- A. Request Approval for Transfer of Ownership and Refinance of the First Mortgage and Renegotiation of the SAIL loan for HPT-Cypress Grove Associates, Ltd., a Florida Limited Partnership, for Cypress Grove (2004-082S/2004-517C)

<b>Development Name: Cypress Grove (“Development”)</b>	<b>Location: Broward County</b>
<b>Developer/Principal: Reliance Housing Services, LLC (“Developer”) / HPT-Cypress Grove Associates, Ltd. (“Borrower”) SunAmerica Housing Fund 1241 (Limited Partner)</b>	<b>Set-Aside: SAIL &amp; HC 100% @ 60%</b> <b>LURA: 50 years; EUA 30 years</b>
<b>Number of Units: 814</b>	<b>Allocated Amount: SAIL \$2,000,000; HC \$2,309,605</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

#### 1. Background

- a) During the 2004 funding cycle, Florida Housing Finance Corporation awarded a \$2,000,000 State Apartment Incentive Loan (“SAIL”) to HPT-Cypress Grove Associates, Ltd., a Florida Limited Partnership (“Borrower”), for the construction of an 814-unit development in Broward County, Florida. The SAIL loan closed on June 5, 2006 and will mature on September 1, 2037. The Development also received a 2004 allocation of low-income housing tax credits (“HC”) of \$2,309,605.

#### 2. Present Situation

- a) The Borrower requests approval of the transfer of ownership to entities affiliated with Code Capital Partners, LLC (“Purchaser”).
- b) The Purchaser also requests consent from the Board to refinance the existing first mortgage with a new bridge loan from Arbor and consent for renegotiation of the SAIL loan. The refinancing will require that the SAIL loan documents, SAIL Land Use Restriction Agreement (“LURA”), and Low-Income Housing Tax Credit Extended Use Agreement (“EUA”) be subordinated to the new first mortgage.
- c) Staff has received a credit underwriting report from Seltzer Management Group ([Exhibit A](#)) with a positive recommendation for approval of the transfer of ownership and new financing, renegotiation of the SAIL loan and subordination of the SAIL loan documents, SAIL LURA, and the HC EUA to the new first mortgage.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

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

## SPECIAL ASSETS

### *Consent*

**B. Request Approval to Refinance the First Mortgage and SAIL Loan Renegotiation for GHG Newport Landing a Florida Limited Partnership, for Villas at Newport Landing Apartments (2000-091CS)**

<b>Development Name: Villas at Newport Landing</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: Gatehouse Group, Inc (“Developer”) GHG Newport Landing, LP (“Borrower”)</b>	<b>Set-Aside: SAIL AND HC 16% @30%, 84% @60% AMI; EUA: 50 years; LURA 50 years</b>
<b>Number of Units: 122</b>	<b>Allocated Amount: SAIL \$1,505,000; HC 536,068</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group, Inc.</b>

**1. Background**

- a) During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$1,505,000.00 to GHG Newport Landing, LP., a Florida limited partnership (“Borrower”), for the development of a 122-unit apartment complex in Hillsborough County, Florida. The SAIL loan closed on April 26, 2001 and will mature on October 31, 2033. The Development also received a 2000 allocation of low-income housing tax credits (“HC”) of \$536,068.

**2. Present Situation**

- a) The Borrower requests consent from the Board to refinance the existing first mortgage loan. The borrower intends to obtain funding from CBRE Multifamily Capital, Inc., the proceeds of which will be used to satisfy the existing first mortgage.
- b) The Borrower also requests that the SAIL loan term be extended to ninety (90) days passed the new first mortgage maturity. The SAIL Land Use Restriction Agreement (“LURA”) will be extend by an equal amount of time. The HC Low Income Housing Tax Credit Extended Use Agreement (“EUA”), and the SAIL LURA will need to be subordinated to the new first mortgage.
- c) The Borrower has requested that the SAIL loan interest rate be modified from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48.010(15). The Borrower has agreed to pay all accrued and outstanding 3% interest on the current SAIL note for the loan to be modified.
- d) Staff received a credit underwriting report ([Exhibit B](#)) from Seltzer Management Group, Inc. recommending approval for the new financing, subordination of the SAIL loan, SAIL LURA, and HC EUA to the new first mortgage, renegotiation of the SAIL loan terms, and SAIL LURA extension.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

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

## SPECIAL ASSETS

### *Consent*

**C. Request Approval of Partial Release of Land for Melbourne Leased Housing Associates II, LLLP, a Florida Limited Liability Limited Partnership, for Crane Creek Senior (1999-070C/2000-002C/2018-508C)**

<b>Development Name: Crane Creek Senior (“Development”)</b>	<b>Location: Brevard County</b>
<b>Developer/Principal: Dominionium (“Developer”); Melbourne Leased Housing Associates II, LLLP (“Owner”)</b>	<b>Set-Aside: HC 15% @ 35%; 75% @ 60% AMI; EUA: 50 years</b>
<b>Number of Units: 127</b>	<b>Allocated Amount: 9% HC \$874,475;</b>
<b>Demographics: Elderly</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) Florida Housing Finance Corporation (“Florida Housing”) awarded 1999 and 2000 allocations of low-income housing tax credits (“HC”) of \$738,630 and \$135,945 totaling \$874,475 to Crane Creek Senior Housing Partners, Ltd., a Florida limited partnership, original owner, for the construction of a 127-unit development in Brevard County, Florida. The Development also applied to receive a 2018 HC allocation for rehabilitation.
- b) In 2018, the Development was sold to Melbourne Leased Housing Associates II, LLLP, a Florida limited liability limited partnership (“Owner”).

**2. Present Situation**

- a) The Owner requests approval of the Board to release approximately 7.152 acres of vacant land from the Development and to modify the legal description of the Extended Low Income Housing Agreement (“ELIHA”) so that the vacant land can be developed into an affordable housing development.
- b) Staff received a credit underwriting report ([Exhibit C](#)) from First Housing Development Corporation with a positive recommendation for the partial release of land, and the modification of the legal description.

**3. Recommendation**

- a) Approve the partial release of land, and the modification of the legal description in the ELIHA, 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 Partial Release of Land for Jack Orr Plaza Preservation Phase One, LLC, a Florida Limited Liability Company, for Jack Orr Plaza Preservation Phase One (2011-114C/2013-011C)**

<b>Development Name: Jack Orr Plaza Preservation Phase One (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: Related Group (“Developer”); Jack Orr Plaza Preservation Phase One, LLC (“Owner”)</b>	<b>Set-Aside: HC 20% @ 28%, 80% @ 60% AMI; EUA: 50 years</b>
<b>Number of Units: 200</b>	<b>Allocated Amount: HC \$2,050,574</b>
<b>Demographics: Elderly</b>	<b>Servicer: AmeriNat</b>

1. **Background**

- a) Florida Housing Finance Corporation (“Florida Housing”) awarded a 2013 allocation of low-income housing tax credits (“HC”) of \$2,050,574 to Jack Orr Plaza Preservation Phase One, LLC, a Florida limited liability company (“Owner”), for the construction of a 200-unit development in Miami-Dade County, Florida.

2. **Present Situation**

- a) The Owner requests approval of the Board to release approximately 2.04 acres of vacant land from the Development and to modify the legal description of the Extended Low Income Housing Agreement (“ELIHA”) so that the vacant land can be developed into an affordable and workforce housing development.
- b) Staff received a credit underwriting report ([Exhibit D](#)) from AmeriNat with a positive recommendation for the partial release of land, and the modification of the legal description.

3. **Recommendation**

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



## SPECIAL ASSETS

### *Consent*

- E. **Request Approval of the Extension of the PLP Loan for Cypress Senior Village, LLC., a Florida limited liability company, for Cypress Senior Village (PLP 05-075)**

<b>Development Name: Cypress Senior Village (“Development”)</b>	<b>Location: DeSoto County</b>
<b>Developer/Principal: Cypress Senior Village, LLC. (“Developer” and “Borrower”)</b>	<b>Set-Aside: PLP 60% @ 60% AMI; LURA: 15 Years</b>
<b>Number of Units: 50</b>	<b>Allocated Amount: PLP \$325,117.63</b>
<b>Demographics: Family</b>	<b>Servicer: NA</b>

1. **Background**

- a) Cypress Senior Village, LLC., applied for Pre-Development Loan Program (PLP) funds in 2005 and was awarded a PLP loan in the amount of \$350,000 for predevelopment expenses for a 50-unit elderly development in DeSoto County. The PLP loan closed on September 12, 2006 and originally matured on September 12, 2009. The Board previously approved extensions to December 31, 2018. The Borrower drew \$325,117.63 of PLP funds but was unable to complete the Development due to lack of additional funding sources.

2. **Present Situation**

- a) The Borrower has requested approval to extend the PLP loan term, at its current balance of \$325,117.63, to December 31, 2021, which will allow the necessary time to develop property as an affordable development and repay the PLP loan. The Borrower has agreed to begin payments on the PLP loan if funding does not become available to pay off the loan before maturity.

3. **Recommendation**

- a) Approve the extension of the PLP loan term, at its current balance of \$325,117.63, to December 31, 2021, and direct staff to proceed with loan document modification activities, as needed.

## SPECIAL ASSETS

### *Consent*

**F. Request Approval of the Extension of the HOME Loan for Mira Verde Limited Partnership, a Florida Limited Partnership, for Mira Verde (97HR-006/97L-067)**

<b>Development Name: Mira Verde (“Development”)</b>	<b>Location: Hendry County</b>
<b>Developer/Principal: Richman Group (“Developer”); Mira Verde Limited Partnership (“Borrower”)</b>	<b>Set-Aside: HOME 26% @ 50%, 74% @ 60% AMI; HC 15% @ 35% &amp; 85% @ 60% AMI LURA &amp; EUA: 51 years</b>
<b>Number of Units: 140</b>	<b>Allocated Amount: HOME \$1,360,000; HC \$975,000</b>
<b>Demographics: Farmworker/Family</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) During the 1997 funding cycle, Florida Housing Finance Corporation awarded a \$1,360,000 Home Investment Partnership Program Loan (“HOME”) to Mira Verde Limited Partnership, a Florida limited partnership (“Borrower”), for the construction of a 140-unit development in Hendry County. The HOME loan closed on December 17, 1997 and originally matured on December 17, 2017. The Board approved to extend the HOME loan maturity date to September 24, 2019, to allow time for the refinancing of the Development. The Development also received a 1997 allocation of low-income housing tax credits (“HC”) of \$975,000.

**2. Present Situation**

- a) The Borrower has requested approval to extend the HOME loan, at its current terms, to September 24, 2020, to allow additional time for the refinancing of the Development. The Borrower plans to pay off the HOME loan with the refinancing and has agreed to pay the loan extension fee, and to an extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding twelve months to the current 51 years and 9 months).

**3. Recommendation**

- a) Approve the extension of the HOME loan at its current terms, to September 24, 2020, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities, as needed.