

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
December 4, 2020
Consent Items



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG-DR)

Consent

I. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG-DR)

A. Request Approval of RFA Waiver Requests with Regard to Structure Changes in the Manager Entity, Developer Entity, and Applicant Entity, Replacement of the Co-Developer, and Six-Month Extension to Complete Credit Underwriting

Development Name: Welford Place (“Development”)	Location: Bradford County
Developer: Welford Place Developer, LLC. and N Vision Communities, Inc. (“Developers”)	Set-Aside: 10% @ 40% AMI 90% @ 80% AMI
Type: Garden	CDBG-DR: \$4,930,000
Total Number of Units: 50	Demographics: Disaster Relief/Workforce

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2019-103, seeking an allocation of CDBG-DR Financing to be Used for Small Rental Developments in Hurricane Irma Impacted Areas Deemed Hurricane Recovery Priorities.
- b) On December 13, 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 December 23, 2019, the Corporation issued a preliminary commitment letter. In accordance with the RFA, the Developer has a December 23, 2020 deadline to complete the credit underwriting report.
- d) On September 14, 2020, the Applicant submitted written correspondence requesting to change the unit mix from 50 1BR/1BA units to 20 1BR/1BA and 30 2BR/2BA units due to having to “be modified to avoid the flood plains on site”. FHFC Staff approved the change on September 23, 2020 ([Exhibit A](#)).
- e) On October 27, 2020, Florida Housing received a letter ([Exhibit B](#)) from the Applicant requesting RFA Waivers to change the structures of the Manager Entity, Developer Entity, and Applicant Entity. “The Applicant Entity is a limited liability company currently comprised of Welford Place Manager, LLC. as its sole member and manager (“Managing Entity”)” whose existing make-up consists of “EIS Housing, LLC (“EIS”) as manager and 80% member and N Vision Communities, Inc (“N Vision”) as 20% non-manager member. EIS requests: 1) “N Vision’s interest in the Manager Entity” be transferred to Judd Roth Real Estate Development, Inc (JRRED) and Archway Partners, LLC (Archway), 2) JRRED replace N Vision as co-Developer and Welford Place Developer, LLC. remains as co-Developer, and 3) the Applicant Entity “remain comprised of the Manager Entity as sole member and manager” which “shall be comprised of EIS, JRRED, and Archway as the members and co-managers”. “JRRED’s sole principal is Judd Roth” who possesses the required affordable housing experience and fiscal prerequisites. The current and proposed organizational charts, and JRRED affordable housing experience chart are included in Exhibit B. Additionally, the Applicant, the Developer and all

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Principals must be in good standing among all other state agencies and have not been prohibited from applying for funding.

- 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 addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. The RFA requires that at least one natural person Principal of at least one of the Developer entities meets specific General Development Experience requirements to include credit worthiness.
- g) On November 12, 2020, Florida Housing received the Applicant's written request for a six-month extension to complete and achieve approval of the credit underwriting report and issuance of a firm loan commitment ([Exhibit C](#)). In the correspondence, the reason for the extension is due to "a delay in obtaining the Part 58 Environmental Review Approval from DEO" which was sent for review and release of funds on August 19, 2020. The Applicant acknowledges that approval of the Part 58 Environmental Review is not required for the credit underwriting report to be completed, nonetheless it has created a hardship and hindered in being able to finalize their GC Contract.

2. Recommendation

- a) Approve the RFA Waiver requests with regards to structure changes in the Manager Entity, Developer Entity, and Applicant Entity; approve replacement of the co-Developer; and approve the six-month extension request to complete credit underwriting.

HOME RENTAL

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I. HOME RENTAL

A. Request Approval of HOME Credit Underwriting Report for Gateway Manor (2019-400H)

Development Name: Gateway Manor (“Development”)	Location: Gulf County
Developer: Paces Gateway Manor, LLC/ The Paces Foundation, Inc./Mark du Mas/Renee Sandell/Kevin Kirby/Betty Jones/Julie Bowen/Russell Dye (“Developers”)	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 26 HOME Units
Type: New Construction/Garden Apartments	HOME: \$4,700,000
Total Number of Units: 30	Demographics: Disaster Relief/Family

1. Background/Present Situation

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2019-109, seeking an allocation of HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and in Rural Areas.
- b) On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Jordan Bayou, the Board on June 21, 2019 approved the funding of all Tier I Applicants, including Jordan Bayou and three additional Applicants, as well as the original six Applicants for a total of ten (10) Applicants.
- c) On June 24, 2019, the Corporation issued a preliminary commitment letter. In accordance with Rule 67-48 and the RFA, the Developers have a June 24, 2020 deadline to complete the credit underwriting report.
- d) On April 17, 2020, the Developer requested and the Board approved the extension of the firm loan commitment deadline until December 24, 2020.
- e) On November 23, 2020, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$4,700,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm loan commitment and loan closing activities subject to further approvals and verifications by the credit underwriter, special counsel and the appropriate Florida Housing staff.

HOME RENTAL

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B. Request Approval of Change in Co-Developer and Extension of Loan Closing Deadline for Marianna Crossings (2019-406H)

Development Name: Marianna Crossings (“Development”)	Location: Jackson County
Developer: Marianna Crossings LLC, AHM Marianna Crossings Developer, LLC (“Developers”)	Set-Asides: 100% @ 60% AMI 30 HOME Units
Type: New Construction/Garden Apartments	HOME: \$5,000,000
Total Number of Units: 30	Demographics: Disaster Relief/Family

1. Background/Present Situation

- a) On February 21, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-109 for HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and Rural Areas.
- b) On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Jordan Bayou, the Board on June 21, 2019 approved the funding of all Tier I Applicants, including Jordan Bayou and three additional Applicants, as well as the original six Applicants for a total of ten (10) Applicants.
- c) On June 24, 2019, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a June 24, 2020 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On May 14, 2020, staff received a request from the Applicant to extend the June 24, 2020 firm loan commitment for six months, due to delays in receiving local approval as a result of the COVID 19 Pandemic.
- e) On November 18, 2020, staff received a request from the Applicant ([Exhibit B](#)) requesting the removal of Design Consortium Development, LLC as a co-Developer, citing an inability to meet Credit Underwriting and Loan Closing guidelines. On November 20, 2020 staff received a final credit underwriting letter ([Exhibit C](#)) with a positive recommendation for the Applicant’s request. Staff has reviewed this letter and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.
- f) On November 18, 2020, staff received a request from the Applicant ([Exhibit D](#)) requesting a 90-day loan closing extension as permitted by Rule 67-48.0072(26), referencing the pending request to remove the co-Developer.

2. Recommendation

- a) Approve the request to remove the co-Developer and extend the loan closing deadline to February 18, 2021.

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I. LEGAL

A. In Re: Hawthorne Park, Ltd. - FHFC Case No. 2020-064VW

Development Name: (“Development”):	Hawthorne Park
Developer/Principal: (“Developer”):	Hawthorne Park Developer, LLC Jonathan Wolf
Number of Units: 120	Location: Orange County
Type: New Construction, Garden Apartments	Set Asides: 11.67% at 35% AMI 88.33% at 60% AMI
Demographics: Elderly, Non-ALF	9% HC \$2,300,000

1. Background

- a) Petitioner was selected to receive 9% housing tax credits under Request for Applications (RFA) 2018-112, to assist in the construction of a Development serving elderly persons in Orange County, Florida. On October 26, 2020, 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. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation

- a) Rule 67-48.004(3)(g), Fla. Admin. Code (2018), 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:

(g) Development Type. . . .

- b) In its Application for funding under the RFA, Petitioner selected the Development Type of “Garden Apartments.” Petitioner originally intended to construct a three-story garden style apartment building housing 120 units. Petitioner now alleges that the land seller (who retained ownership of contiguous property on which a shopping center is located) required as a condition to close on the property that Petitioner decrease the Development’s building footprint to increase the shopping center’s exposure. To accommodate this requirement, Petitioner proposes to increase the height of the building and amend its application to change its development type to Mid-Rise 4 Stories. The total number of units will not change. The Application’s scoring, ranking, and funding would not have been affected had Petitioner selected Mid-Rise 4 Stories in its Application.
- c) On, October 27, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 210. 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:

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

- e) Granting the requested waiver 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 (2018), to permit Petitioner to change its Development Type from “Garden Apartments” to “Mid-Rise 4 Stories” and to allow Petitioner to use the Total Development Cost Per Unit limitation for the Development Type of “Mid-Rise ESS” excluding the portion allocated to the maximum developer fee, which shall remain at the “Garden ESS” limit.

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B. In Re: Seven on Seventh, Ltd. - FHFC Case No. 2020-066VW (RFA 2019-106/App. No. 2019-371CS)

Development Name:	Seven on Seventh
Developer/Principal:	Seven on Seventh Dev, LLC / Frances Esposito GM Seven on Seventh Dev, LLC / Oscar Sol
Number of Units: 72	Location: Broward County
Type: New Construction / High Rise	Set Asides: 15% at 28% AMI 85% at 60% AMI
Demographics: Homeless/Special Needs	Funding: 9% HC: \$2,110,000 SAIL: \$5,040,000 ELI: \$370,800

1. Background

- a) Petitioner successfully applied for competitive housing credits and State Apartment Incentive Loan funding under RFA 2019-106 to finance the construction of a multifamily apartment complex to be known as Seven on Seventh, in Fort Lauderdale, Florida (the “Development”). On November 11, 2020, Florida Housing received a Petition for Waiver of the Rule 67-48.002(96) and the 2018 QAP to allow a waiver of the timing provisions of the 2018 Qualified allocation Plan (“2018 QAP”) for a tax credit exchange. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-48.002(96), Fla. Admin. Code adopts and incorporates the 2018 QAP. Subsection II.K. of the 2018 QAP provides:

K. Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service pursuant to Section 42 of the IRC, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms

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of meeting affordable housing needs. A Development located in a HUD designated DDA or QCT at the time of original allocation may retain its designation as such.

(Emphasis added).

- b) Petitioner requests waiver of the above cited section of the 2018 QAP to allow Petitioner to exchange its allocation now rather than wait until the last calendar quarter of the year it was required to be placed in service. Petitioner entered into a 2019 Carryover Allocation Agreement (the "Carryover Agreement") on July 8, 2019 for the allocation of tax credits. The Carryover Agreement provides a placed-in-service date of July 31, 2021. Pursuant to 26 U.S.C. 42(h)(1)(E)(i), the federally mandated placed-in-service deadline is December 31, 2021. Petitioner's deadline to meet the 10% test was January 31, 2020. Florida Housing granted Petitioner's request to extend the 10% test to July 8, 2020. Florida Housing granted an additional extension of the 10% test to December 30, 2020 based on IRS Rev. Proc. 2014-49 (temporary relief from certain requirements of Section 42 of the IRC due to a Major Disaster). Petitioner asserts that it will not meet the December 30, 2020 deadline for the 10% test because it needs building permits to be issued, revised drawings to be finalized, and contracts to be formalized.
- c) In support of its request Petitioner asserts that over the last year the Development has suffered unforeseen hardships that make it clear that the Development will not meet the 10% test by December 30, 2020. Those hardships are: (a) Petitioner has incurred costs in excess of \$1.8 million but is still approximately \$1 million short of satisfying the 10% test. Petitioner asserts that a commonly method of meeting the 10% test is purchasing the property, which is unavailable to Petitioner as it has a ground lease on the property. (b) Petitioner asserts that the COVID-19 pandemic has resulted in the delay of issuance of building permits and the executing of a general contractor contract, both of which would facilitate meeting the 10% test. Additionally, Petitioner asserts that COVID-19 related building material shortages create challenges to a common method of meeting the 10% test by purchasing building materials. (c) Petitioner asserts that COVID-19 has delayed the development site plan and elevations review by the City of Fort Lauderdale (the "City"). Petitioner asserts that it was ready to submit drawings for review in March of 2020, however the City was closed until April 1, 2020. Petitioner states it submitted those drawings in April but comments from the City were delayed and communication was uncertain given the remote working situation and the unprecedented situation. (d) According to Petitioner, the architectural team was delayed by COVID-19 when several members were ill which slowed the progress of drawing production and negatively impacted Petitioner's timeline. (e) Petitioner asserts that COVID-19 related building material shortages and associated price increases have caused delays in obtaining materials and have necessitated revising drawings in an effort to decrease construction costs, all of which have delayed the timeline of the Development. (f) According to Petitioner, the coordination of existing and new utilities is taking longer than usual due to COVID-19 which has forced teams to coordinate through video calls rather than in-person and on-site, leading to miscommunication and lack of coordination.

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- d) Petitioner asserts that in spite of the COVID-19 challenges, it has been steadily working to make progress. Petitioner anticipates receiving permits by late January 2021, if things proceed as planned. According to Petitioner, it is confident that it will be able to meet the extended timeframes for the 10% test and placed in service deadline if this petition is granted.
- e) On November 13, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 222. 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 impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.002(96), Fla. Admin. Code, and timing provisions of Section II.K of the 2018 QAP to allow Petitioner to exchange its 2019 housing credit allocation now rather than wait until the fourth quarter of 2021 and immediately receive an allocation of 2020 housing credits with a placed-in-service date of December 31, 2022.

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C. In Re: Tupelo Park, LP - FHFC Case No. 2020-067VW

Development Name: (“Development”):	Tupelo Park Apartments
Developer/Principal: (“Developer”):	The Paces Foundation, Inc. Renee Sandell
Number of Units: 47	Location: Bay County
Type: New Construction/Garden	Set Asides: 20% at 50% AMI 80% at 60% AMI
Demographics: Family	HOME: \$4,300,000 MMRB: \$8,200,000

1. Background

- a) Petitioner Tupelo Park, LP was selected to receive HOME funding in conjunction with Multifamily Mortgage Revenue Bonds under Request for Applications (RFA) 2019-109, HOME Financing to be used for Rental Developments in Hurricane Michael Impacted Counties and in Rural Areas, to assist in the construction of a Development serving low-income families in Bay County, Florida. On November 13, 2020, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2017) (the “Petition”) requesting to extend the firm loan commitment issuance deadline from December 28, 2020 to June 28, 2021. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-48.0072(21), Fla. Admin. Code (2018), provides in relevant part:
- (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment.
- b) Petitioner’s deadline to finalize credit underwriting and receive a final loan commitment was June 28, 2020. On April 17, 2020, the Board granted Petitioner’s request and extended the deadline to December 28, 2020. Petitioner alleges that certain architectural features have resulted in a delay of finalized design plans, and that the contractor has failed to deliver a final pricing estimate. Petitioner will be unable to have an executed construction contract in time for the credit underwriting report to be completed before the December 4, 2020 Board meeting, and therefore will be unable to meet the firm loan commitment deadline.

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- c) On November 17, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 224. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:

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

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2017), so that the firm loan commitment deadline may be extended from December 29, 2020 until June 28, 2021.

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D. In Re: Hogan Creek Redevelopment Partners, LLC - FHFC Case No. 2020-070VW (RFA 2017-114/App. Nos. 2018-074C / 2019-441C)

Development Name:	Hogan Creek
Developer/Principal:	Jacksonville Redevelopment Partners, LLC / Michael Gardner Jax Urban Initiatives Development, LLC / Fred McKinnies Dwayne Alexander
Number of Units: 183	Location: Duval County
Type: Acquisition and Preservation/ High Rise	Set Asides: 20% at 33% AMI 80% at 60% AMI
Demographics: Elderly	Funding: 9% HC: \$1,660,000

1. **Background**

- a) Petitioner successfully applied for competitive housing credits under RFA 2017-114 (the “RFA”) to finance the acquisition and rehabilitation of an affordable housing complex for the elderly to be known as Hogan Creek, in Jacksonville, Florida (the “Development”). On November 18, 2020, Florida Housing received a Petition for Waiver of Rule 67-48.002(95) and the 2016 QAP to waive the timing provisions of the 2016 Qualified Allocation Plan (“2016 QAP”) for a tax credit exchange. A copy of the Petition is attached as [Exhibit D](#).

2. **Present Situation**

- a) Rule 67-48.002(95), Fla. Admin. Code (2017) which, in relevant part, adopted and incorporated the 2016 QAP.
- b) Subsection II.K. of the 2016 QAP provided:

K. Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant's control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant's control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

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(Emphasis added).

- c) Petitioner requests waiver of the above cited Rule and Section II.K of the 2016 QAP to allow Petitioner to exchange tax credits now rather than the last calendar quarter of 2021. On December 18, 2018, Petitioner entered into a Carryover Agreement for the allocation of its tax credits (the “2018 Carryover”) and the placed-in-service deadline was December 31, 2020 and Petitioner’s deadline to meet the 10% test was June 30, 2019. On July 1, 2019, Florida Housing granted Petitioner’s request for an extension of the 10% test to December 18, 2019. On November 19, 2019, Petitioner filed a Petition for Waiver of Rule 67-48.002(95) and the 2016 QAP requesting an exchange of tax credit and an extension of all carryover deadlines. Petitioner’s request was approved by the Board of Directors of Florida Housing (the “Board”) on December 13, 2019, conditioned upon the notice of commencement being recorded within six months of the new carryover agreement. Petitioner then entered into a 2019 Carryover Allocation in December of 2019 (the “2019 Carryover”).
- d) Pursuant to the 2019 Carryover, Petitioner’s deadline to meet site control, the 10% test, construction commencement, credit underwriting report, and closing on the partnership agreement was June 30, 2020 and the placed-in-service deadline is December 31, 2021. On May 18, 2020, Petitioner requested an extension of the 2019 Carryover deadlines through December 31, 2020, which Florida Housing approved with the exception of the notice of commencement which required Board approval given the condition on the first credit exchange. Petitioner asserts that for the deal to move forward to a closing, the notice of commencement must be extended from its current expiration date of June 30, 2020, and the remaining deadlines in the 2019 Carryover, which are currently set to expire on December 31, 2020, must also be extended as it is likely Petitioner will not meet those deadlines.
- e) In support of its request, Petitioner asserts that the Development has suffered unforeseen events and hardships, as summarized below, that make it clear that the Development will not be placed in service by the end of 2021: (a) In 2019, Petitioner received an extension of the 2018 Carryover deadlines and a credit swap due to delays in the design and permitting process. According to Petitioner, due to the Development’s age, asbestos and lead based paint were suspected to be present, which required professionals to ascertain the extent of the remediation required and incorporate such remediation into the scope of the rehabilitation. Petitioner also asserts that the lack of original building plans, and multiple reviews and approvals by HUD to participate in the HUD RAD program caused hardships early in the process. Additionally, Petitioner asserts that the Development is part of a joint venture with the Jacksonville Housing Authority (“JHA”). (b) In February 2020, during the COVID-19 pandemic, Petitioner’s investor and lender, Bank of America, withdrew from the transaction. Petitioner secured another lender and investor, Citi Community Capital (“Citi”) in April, but Citi withdrew as an investor due to COVID-19 issues but remained committed to provide construction and permanent debt for the Development. Petitioner asserts that it then secured Alliant Capital (“Alliant”) as the new equity investor with a timeline to achieve a year end closing by submitting the RAD package to HUD, including the substantially final core construction loan documents and partnership agreement, by early October. (c) Petitioner states that in October 2020, Citi informed Petitioner that due to additional COVID-19 changes, in order to achieve the fastest closing possible, Citi needed JHA to serve as lead developer, manager of Petitioner, and guarantor for the Development in lieu of affiliates of Gardner Capital as

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originally planned. On November 2, 2020, Petitioner requested Florida Housing's approval of the ownership structure changes. While ownership structure changes are not typically included in a petition for rule waiver, Florida Housing requested that Petitioner include those changes in this Petition to allow the Board to review the request for a credit exchange in a succinct and practical manner. On pages 7 and 8 of its Petition, Petitioner outlines the proposed ownership structure changes. (d) If approved by the Board, JHA will take the lead role as member and manager of the Applicant and as lead developer and the Gardner Capital team will take a lesser role in the transaction and the partnership agreement will be finalized and submitted to HUD in the RAD submission package. Additionally, Joseph Chambers and Martin Moore are being removed as Principals to all Gardner affiliated entities and several Board members of JHA are being replaced. Dwayne Alexander is also being documented as the acting Interim President and CEO of JHA and will act as the Authorized Principal Representative for Hogan Creek going forward. Petitioner states that it anticipates receiving HUD approval and proceeding to closing within 60 days after the HUD submission, and will be able to close the transaction before March 31, 2021.

- f) According to Petitioner, given the rehabilitation timeframe of 11 months, and closing expected to occur in early 2021, it is unlikely that Petitioner will meet its placed-in-service deadline of December 31, 2021. Petitioner states that with a credit swap, it is confident it can complete the credit underwriting prior to March 31, 2021, close on the tax credit partnership, commence construction, and meet its 10% test, as those deadlines will be extended if this credit swap is approved. Petitioner is aware that Florida Housing and the Board have extended the deadlines for this Development multiple times before, however, according to Petitioner, it is crucial for Petitioner, the closing team invested in the success of the Development, and most importantly, the elderly residents of Hogan Creek that the rehabilitation proceed and the 183 units be preserved for the next 50 years. Petitioner states that the extension being requested is approximately three additional months of the 2019 Carryover deadlines to get to a closing (and nine months for the Notice of Commencement) and six additional months for the placed-in-service deadline through June 30, 2022.
- g) On November 19, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 226. To date, Florida Housing has received no comments concerning the Petition.
- h) 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.
- i) 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, §420.5099, Fla. Stat, which is to "encourage development of low-income housing in the state," would still be achieved if the waiver is granted.

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3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.002(95), Fla. Admin. Code (2017) and the timing provisions in Subsection II.K of the 2016 QAP, to allow the Petitioner to exchange its credits now rather than wait until the last calendar quarter of 2021 and the changes to the applicant structure as outlined in the Petition with the condition that Principals and affiliates of the Jacksonville Housing Authority and the Gardner Capital group will not be awarded any competitive funding by Florida Housing until Hogan Creek receives its 8609s¹. In the event that Hogan Creek does not receive 8609s and the housing credits are returned to Florida Housing, the Principals and affiliates would be eligible to compete for the next year's funding.

¹ This condition does not apply to Anders DB Developer, LLC and DB GP Anders Development, LLC.

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E. In Re: Brandon Preserve, Ltd. - FHFC Case No. 2020-068VW (RFA 2019-116/App. No. 2020-416BS)

Development Name:	Brandon Preserve
Developer/Principal:	TVC Development, Inc./John D. Rood
Number of Units: 230	Location: Hillsborough County
Type: New Construction / Garden Apartments	Set Asides: 5.217% at 40% AMI 84.348% at 60% AMI 10.435% at 70% AMI
Demographics: Family	Funding: SAIL: \$6,500,000 4% HC: \$1,105,407 MMRB: \$23,800,000

1. Background

- a) Petitioner successfully applied for State Apartment Incentive Loan (“SAIL”) funding, non-competitive housing credits, and corporation-issued Multifamily Mortgage Revenue Bonds (“MMRB”) under RFA 2019-116 (the “RFA”) to finance the construction of a multifamily complex to be known as Brandon Preserve, in Brandon, Florida (the “Development”). On November 16, 2020, Florida Housing received a Petition for Waiver of Rule to Implement Self-Sourced Financing Initiative to allow a waiver of Rule 67-21.013, Fla. Admin. Code and certain RFA requirements to implement the self-sourced financing permitted under the RFA. A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-21.013, Fla. Admin. Code provides in relevant part that “[a]ny issuance of non-Credit Enhanced revenue Bonds shall be sold only to a Qualified Institutional Buyer or a Freddie Mac Multifamily Targeted Affordable Housing Lender.”
- b) RFA 2016-116, Section Four, A.3.a.(1)(b), provides in relevant part that “Self-sourced financing will be funded at closing of the SAIL loan via escrow account controlled by the SAIL loan servicer and will be dispersed pro rata along with SAIL funding.”
- c) RFA 2016-116, Section Four, A.3.c.(3), provides in relevant party that “[t]he Applicant entity...cannot be changed in any way (material or non-material) until after the closing of the loan(s).”
- d) Petitioner requests waiver of the above cited Rule and sections of the RFA to allow Petitioner to implement its Self-Sourced financing commitment. Petitioner elected to compete as a Self-Sourced Applicant, as defined in the RFA. Under the terms of the RFA, a Self-Sourced Applicant’s Principals are required to invest their own funds to the Development in an amount that is at least half of the Applicant’s eligible SAIL Request Amount or \$1,000,000. Petitioner’s Application designated the Self-Sourced financing structure as a subordinate tranche of the Corporation’s to-be-issued tax-exempt bonds, identified as Self-Sourced Bond Financing B Bonds (the “B Bonds”) in the amount of \$3,250,000, which would be purchased by Principals of Petitioner. However, Petitioner’s Principals are not Qualified Institutional Buyers as

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required by Rule 67-21.013, Fla. Admin. Code, but are Accredited Investors as such term is defined in Rule 501 of Regulation D of 17 CFR Section 230.501. Accordingly, Petitioner requests a waiver to allow Petitioner's Principals to purchase the Corporation's B Bonds, and, in doing so, implement its Self-Sourced financing commitment. In support of this request, Petitioner asserts that the Corporation's tranche "A Bonds," which will be the first mortgage bonds in the anticipated amount of \$20,550,000, will be purchased by a designee of R4 Capital Funding, LLC that will be a Qualified Institutional Buyer, in accordance with Rule 67-21.013, Fla. Admin. Code.

- e) Additionally, Petitioner requests staff to waive the above-cited sections of the RFA and in support thereof offers the following information: (1) In connection with the purchase of the B Bonds by Petitioner's Principals, Petitioner asserts that bond counsel has advised that the current members of the Petitioner's general partner, Brandon Preserve GP, LLC, a Florida limited liability company (the "General Partner") need to be changed as set forth in the exhibit attached to the petition. According to Petitioner, General Partner changes are necessary, prior to or at closing, in order to meet the tax-exempt bond requirements. Petitioner states that the management and control of the General Partner will not change. (2) Additionally, Petitioner requests that instead of fully funding the B Bonds at closing, the B Bonds will be funded pro-rata with the Development's other financing, otherwise, the increased construction loan interest would be an unnecessary construction expense to the Development.
- f) Petitioner asserts that Petitioner's Principals are lending their own funds to the Development by purchasing the B Bonds, and without the ability of Petitioner's Principals to purchase the B Bonds, the Corporation's Self-Sourced Financing Initiative would be frustrated, the financing for the Development would be delayed and made significantly more costly and inefficient. Additionally, Petitioner states that the Corporation will not be harmed by granting this requested waiver because the tranche of A Bonds, which are senior to the B Bonds and significantly more than the B Bonds, will be purchased by a designee of R4 Capital Funding, LLC, a Qualified Institutional Buyer.
- g) On November 18, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 225. To date, Florida Housing has received no comments concerning the Petition.
- h) 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.
- i) 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, §420.5099, Fla. Stat, which is to "encourage development of low-income housing in the state," would still be achieved if the waiver is granted.

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3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.013, Fla. Admin. Code, to allow the Principals of Petitioner to purchase the B Bonds. In support of this recommendation, Staff finds it particularly compelling that the majority of the Florida Housing bond financing in the Development in tranche A is being purchased by a Qualified Institutional Buyer, and that the Principals purchasing the B Bonds are Accredited Investors. Additionally, staff approves the request to waive Section Four, A.3.a.(1)(b) and Section Four, A.3.c.(3) of RFA 2019-116 to allow Petitioner to change the General Partner's members prior to or at closing in order to meet the tax-exempt bond requirements and use draw-down funding for the B Bonds.

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F. In Re: Promise in Brevard, LLC. - FHFC Case No. 2020-069VW

Development Name: (“Development”):	Promise in Brevard
Developer/Principal: (“Developer”):	Promise in Brevard Development, LLC / Nan Evans Royal American Development, Inc. / Joseph Chapman
Number of Units: 52 (117 with IROs)	Location: Brevard County
Type: New construction / Garden	Set Asides: 25% at 35% AMI 75% at 60% AMI
Demographics: Persons with Developmental Disabilities	9% HC: \$1,300,000 Grant: \$2,000,000 SAIL: \$2,000,000

1. Background

- a) Petitioner was selected to receive an allocation of 9% Housing Tax Credits and Grant and SAIL funding under RFA 2014-113, Financing to Build Larger Permanent Supportive Housing Properties for Persons with Developmental Disabilities, to assist in the development of Promise in Brevard in Brevard County, Florida. On November 18, 2020, Florida Housing received a Petition for Waiver of Rules 67-48.023(5) and (7), Fla. Admin. Code (2014), as well as Exhibit F, Part IV(3)d. of RFA 2014-113, to allow it to submit the Final Cost Certification Application Package (“FCCAP”) with a General Contractor Cost Certification (“GCCC”) that is not executed by the general contractor, does not include an unqualified audit report, and does not confirm certain items with the general contractor’s three largest dollar subcontractors. An Amended Petition was filed with Florida Housing on November 25, 2020. A copy of the Amended Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-48.023(5), Fla. Admin. Code (2014) provides:

(5). Each Housing Credit Development shall complete the final cost certification process as required in a competitive solicitation.

- b) Rule 67-48.023(7), Fla. Admin. Code (2014) which provides:

(7). Final cost certification documentation shall be submitted by an Applicant to itemize all expenses incurred in association with construction or Rehabilitation of a Housing Credit Development, including Developer’s and General Contractor’s fees as described in Rule 67-48.0072, F.A.C., along with the executed Extended Use Agreement, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter, an unqualified audit report prepared by an independent certified public accountant, photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the competitive solicitation. The Final Housing Credit Allocation will not be issued until such time as all items required by a competitive solicitation are received and processed by the Corporation.

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- c) Exhibit F, Part IV(3)d. of RFA 2014-113 provides, in relevant part:

Final Cost Certification Application Package (Form FCCAP), effective October 2014*

In accordance with Rule 67-48.023, F.A.C., the Final Cost Certification Application Package (Form FCCAP) shall be used by an Applicant to itemize all expenses incurred in association with construction or Rehabilitation of a Housing Credit Development, including Developer's and General Contractor's fees as described in Rule 67-48.0072, F.A.C.

The FCCAP shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC) included in the form package, along with the executed Extended Use Agreement and appropriate recording fees, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter for both the DFCC and GCCC, an unqualified audit report prepared by an independent certified public accountant for both the DFCC and GCCC, photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the Form FCCAP instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation.

- d) The instructions to the GCCC, which are incorporated into the RFA, state in relevant part:

The Certified Public Accountant performing the audit of the General Contractor's cost certification must send the following confirmation requests to the three largest dollar sub-contractors:

- 1) Confirm the construction contract amount;
- 2) Confirm any change orders;
- 3) Confirm what additional costs were incurred outside of the contract, if any;
- 4) Confirm the type of services provided (trade breakdown); and
- 5) Confirm amounts paid to date and balance(s), if any, to be paid.

In addition, the Certified Public Accountant must randomly select other sub-contractors sufficient in number (but in no event less than five), when taken together with the three largest dollar sub-contractors, to account for at least 40% of the total contract construction cost, and verify the amounts paid to each sub-contractor by reviewing check copies, contract documents, change orders, and other supporting information to verify amounts included within the cost certification for each sub-contractor selected.

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- e) Petitioner asserts that the construction of the Development is complete, all final certificates of occupancy have been received and the Development has been placed in service. Petitioner is currently in litigation with the general contractor regarding disputes over amounts owed under the construction contract. As a result of the litigation, Petitioner asserts that the general contractor is unwilling to execute the GCCC necessary for the CPA to issue the opinion letter and unqualified audit report. Petitioner's CPA has been unable to obtain the general contractor's accounting records and could not visit the general contractor's office.
- f) Petitioner was able to provide the CPA with supporting documentation which enabled the CPA to complete the General Contractor Cost Breakdown Schedule. The CPA has advised Petitioner that, despite the general contractor's lack of cooperation, nearly all accounting work required for submission of the Form FCCAP (including the GCCC) has been completed and that any differences noted as a result of its audit are immaterial.
- g) In addition, per the GCCC instructions the CPA was able to identify, verify and confirm the names and amounts paid to the first and third highest paid subcontractors as well as two other randomly selected subcontractors for the Development. However, while the CPA was able to verify the amounts paid to the second highest paid subcontractor through their pay application, they were unable to confirm with the second highest paid subcontractor directly, given its status as an affiliate of the general contractor which has likewise been largely uncooperative due to the ongoing litigation. Petitioner has agreed that its CPA will identify, verify and confirm the names and amounts paid to other randomly selected subcontractors so that the total amounts confirmed are at least as much as the total amounts paid to the three highest paid subcontractors, of which two of those confirmations will include the first and third highest paid subcontractors.
- h) On November 19, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 226. To date, Florida Housing has received no comments concerning the Petition.
- i) 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.
- j) Granting the requested waiver does 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

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3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rules 67-48.023(5) and (7), Fla. Admin. Code (2014), as well as Exhibit F, Part IV(3)d. of RFA 2014-113 (specifically including the GCCC form and instructions), to allow Petitioner to submit its Cost Certification with a GCCC that is not executed by the general contractor accompanied by an opinion letter and qualified audit report that does not include confirmation of the second highest paid subcontractor. Florida Housing will not consider the GCCC final until the total amounts confirmed are at least as much as the total amounts paid to the three largest dollar subcontractors (of which two of those confirmations will include the first and third highest paid subcontractors).

MULTIFAMILY BONDS

Consent

I. MULTIFAMILY BONDS

A. Request Approval of Credit Underwriting Report and Authorizing Resolutions for Brandon Preserve (RFA 2019-116 / 2020-416BS)

Development Name: Brandon Preserve	Location: Hillsborough County
Applicant/Borrower: Brandon Preserve, Ltd	Set-Aside(s): 40% @ 60% AMI (MMRB) 10.435% @ 70% AMI (SAIL & 4% HC) 84.348% @ 60% AMI (SAIL & 4% HC) 5.217% @ 40% AMI (SAIL & 4% HC)
Developer/Principal: TVC Development, Inc / John D. Rood	Demographic/Number of Units: Family / 230 units
Requested Amounts: \$23,800,000 Multifamily Mortgage Revenue Bonds (MMRB) \$6,500,000 State Apartment Incentive Loan (SAIL) \$1,436,448 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On November 6, 2019, Florida Housing issued a Request for Applications (RFA) 2019-116 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 6, 2020, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 17, 2020, 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 July 20, 2020. The acceptance was acknowledged on July 20, 2020.
- d) On November 25, 2020, staff received a final credit underwriting report with a positive recommendation for MMRB and SAIL funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA.
- e) Staff reviewed the authorizing resolutions ([Exhibit B](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

MULTIFAMILY BONDS

Consent

2. **Recommendation**

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

MULTIFAMILY BONDS

Consent

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

1. Background

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

2. Present Situation

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

3. Recommendation

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

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Brandon Preserve	Hillsborough County	230	Negotiated Private Placement	RBC Capital Markets, LLC	Exhibit C

MULTIFAMILY BONDS

Consent

C. Request Approval to Execute Acknowledgment Resolution

1. Background/Present Situation

- a) Pursuant to Rule 67-21, F.A.C., the Acknowledgement Resolution is the official action taken by the Corporation to reflect its intent to finance a Development provided that the requirements of the Corporation, the terms of the MMRB Loan Commitment, and the terms of the Credit Underwriting Report are met. The resolution designates the period within which the Borrower is able to be reimbursed for allowable project costs incurred with MMRB proceeds (with such period starting 60 days prior to the adoption of the resolution).
- b) Staff requests the execution of an Acknowledgement Resolution for the proposed Development referenced below intending to finance the acquisition, construction and/or rehabilitation of the Development. A brief description of the Development is detailed below. The resolution being presented to the Board for approval is attached as [Exhibit D](#).

2. Recommendation

- a) Approve the execution of an Acknowledgment Resolution for the proposed Development, as shown in the chart below.

Development Name	Name of Applicant	County	Number of Units	Applicable Application	Exhibit
Liberty Square Phase Four	Liberty Square Phase Four, LLC	Miami-Dade	110	RFA 2020-208 / 2020-468BS	Exhibit D

MULTIFAMILY BONDS

Consent

D. Request Approval of the Transfer of Ownership for Stone Harbor (2003 Series K/2002-075BS/2002-550C)

Development Name: Stone Harbor	Location: Bay County
Applicant/Borrower: Pier Park Partners, Ltd.	Set-Asides: 11% @ 50% AMI & 74% @ 60% AMI (MMRB) 11% @ 50% AMI & 88% @ 60% AMI (SAIL) 100% @ 60% AMI (4% HC)
Developers/Principals: CED Capital Holdings / Alan H. Ginsburg	Demographic/Number of Units: Family / 160
Requested Amounts: \$6,720,000 Multifamily Mortgage Revenue Bonds (MMRB) \$1,225,000 State Apartment Incentive Loan (SAIL) \$416,769 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background

- a) Florida Housing financed the above referenced Development in 2003 with \$6,720,000 in tax exempt MMRB designated as 2003 Series K and a \$1,225,000 SAIL loan. In addition, \$416,769 in 4% Housing Credits was allocated to this Development.

2. Present Situation

- a) The Borrower has requested Florida Housing's consent to the transfer of the Development to Lakeside Capital GP II, LLC, an affiliate of Lakeside Capital Advisors, LP, (LCA), and transfer and subordination of the MMRB Land Use Restriction Agreement (MMRB LURA), the SAIL Land Use Restriction Agreement (SAIL LURA) and the Extended Low-Income Housing Agreement (ELIHA). AmeriNat has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption, and subordination of the MMRB LURA, SAIL LURA and ELIHA to the new first mortgage provided by JLL Capital Markets under the Fannie Mae DUS Loan Program ([Exhibit E](#)). The Bonds will be redeemed, and the SAIL loan will be paid off upon transfer of the Development.

3. Recommendation

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

MULTIFAMILY BONDS

Consent

E. Request Approval of the Transfer of Ownership Interest for Spanish Trace Apartments (2008 Series A/2005-019BS/2006-03-SEL/2007-521C)

Development Name: Spanish Trace Apartments	Location: Hillsborough County
Applicant/Borrower: Spanish Trace Housing, Ltd.	Set-Asides: 100% @ 60% AMI (MMRB & 4% HC) 85% @ 60% AMI (SAIL)
Developers/Principals: Richman Group of Florida / Richard P. Richman	Demographic/Number of Units: Family / 120
Requested Amounts: \$8,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,000,000 State Apartment Incentive Loan (SAIL & SAIL Supplemental) \$589,700 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. **Background**

- a) Florida Housing financed the above referenced Development in 2008 with \$8,000,000 in tax exempt MMRB designated as 2008 Series A, a \$3,000,000 SAIL loan and a \$1,000,000 SAIL Supplemental Loan. In addition, \$589,700 in 4% Housing Credits was allocated to this Development.

2. **Present Situation**

- a) The Borrower has requested Florida Housing’s consent to the transfer of ownership interests in the general partnership from the .0034% special general partner E.V.K. LLC to Spanish Trace GP, LLC, the manager and .0064% owner of the general partnership. The transfer will result in Spanish Trace GP, LLC having a .01% general partnership interest. AmeriNat has reviewed the request and provided a positive recommendation for the transfer of ownership interests ([Exhibit F](#)).

3. **Recommendation**

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

MULTIFAMILY PROGRAMS

Consent

I. MULTIFAMILY PROGRAMS

A. Request Approval of Developer Entity Structure Change for Jacaranda Place (RFA 2020-106/2020-451CS)

Development Name: Jacaranda Place	Location: Charlotte County
Applicant/Borrower: Blue CASL Charlotte, LLC	Set-Asides: 15% @ 40% AMI and 85% @ 60% AMI
Developers/Principals: Blue Sky Developer, LLC/Shawn Wilson; CASL Developer, LLC/Julian Eller	Demographic/Number of Units: Persons with a Disabling Condition/88 units
Requested Amounts: \$4,000,000 SAIL \$1,700,000 Housing Credits (HC)	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Blue CASL Charlotte, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2020-106 for Financing for the Development of Housing for Persons with a Disabling Condition or Developmental Disabilities. The funds are being utilized to finance the construction of an 88-unit development in Charlotte County. On July 9, 2020, staff issued an invitation to the Applicant to enter credit underwriting, and subsequently executed a Carryover Allocation Agreement on October 22, 2020.
- b) On October 23, 2020, Florida Housing received a letter from the Applicant requesting a structure change of the co-Developer, Blue Sky Developer, LLC. The letter is provided as [Exhibit A](#).
- c) Regarding the structure of the co-Developer, the Applicant proposes to create a new co-Developer entity (Blue JP Developer, LLC) while preserving the rest of the ownership structure. Blue Sky Communities, LLC, the sole member of Blue Sky Developer, LLC will remain the sole member of Blue JP Developer, LLC. 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. Current and proposed organizational charts are provided as [Exhibit B](#).
- d) Per the RFA, (1) The name of the Applicant or Developer entity stated in the Application 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 and (2) 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 other requirements of RFA 2020-106.

MULTIFAMILY PROGRAMS

Consent

- 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 JP Developer, LLC. Staff reviewed this request and finds that the Developer still meets the prior Developer experience requirements of RFA 2020-106.

2. **Recommendation**

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

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Replacement of Co-Developer and RFA Waiver that the Individual Meeting the General Development Experience Requirements Must Remain with the Development Until the Release of the Operating Deficit Guarantee (RFA 2020-103/2020-478CSN)

Development Name: Innovare	Location: Pinellas County
Applicant/Borrower: Innovare, LP	Set-Asides: 15% @ 33% AMI and 85% @ 60% AMI
Developers/Principals: Volunteers of America of Florida, Inc / Janet Stringfellow; Lincoln Park, LLC / Jay Trevor	Demographic/Number of Units: Homeless/Special Needs/50 units
Requested Amounts: \$3,500,000 SAIL \$205,600 ELI \$872,000 NHTF \$1,165,367 Housing Credits (HC)	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) Innovare, LP (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2020-103 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties. The funds are being utilized to finance the construction of a 50-unit Homeless/Special Needs development in Pinellas County. On July 21, 2020, staff issued an invitation to the Applicant to enter credit underwriting.
- b) On October 29, 2020, Florida Housing received a letter from the Applicant requesting a replacement of the Co-Developer and a waiver of the requirement in RFA 2020-103 that the individual meeting the General Development Experience requirements remain with the Development until the release of the operating deficit guarantee. The letter is provided as [Exhibit C](#).
- c) Regarding the replacement of the co-Developer, the Applicant proposes to replace Lincoln Park, LLC with Gorman & Company, LLC. Current and proposed organizational charts are provided as [Exhibit D](#). As a requirement of the RFA, at least one natural person Principal of at least one of the Developer entities must meet specific General Development Experience requirements. In the case of the Innovare Application, Jay Trevor of Lincoln Park, LLC met these requirements.
- 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.
- e) The Applicant has provided a Prior General Development Experience Chart for Brian Swanton of Gorman & Company, LLC to meet this requirement. In addition, the Applicant has also provided the Florida Housing Finance Corporation Principal of Developer General Development Experience Certification for Mr. Swanton. Florida Housing staff finds that the Mr. Swanton meets the experience requirements that were met by the original Principal.

MULTIFAMILY PROGRAMS

Consent

- f) The RFA also states that the individual meeting the General Development Experience requirements must remain with the Development until the release of the operating deficit guarantee set forth in Rule 67-48.0072(18), F.A.C. Under this requirement, Mr. Trevor of Lincoln Park, LLC is required to remain with the Development until the release of the operating deficit guarantee. The Applicant requests a waiver of this requirement and has further made the commitment that Mr. Swanton of Gorman & Company, LLC who will now provide the experience requirements of the RFA will remain with the Development until the release of the operating deficit guarantee.
- g) It should also be noted that there are several Board members of Volunteers of America of Florida, Inc. who have changed since the initial Application as reflected in the original and proposed org charts. The file has been noted as such.

2. **Recommendation**

- a) Approve the request to allow the replacement of the Co-developer and approve the RFA waiver that the individual meeting the General Development Experience requirements remain with the Development until the release of the operating deficit guarantee under the condition that Brian Swanton (Principal now meeting the experience requirements for the Development) will remain with the Development until the release of the operating deficit guarantee.

MULTIFAMILY PROGRAMS

Consent

C. Request Approval of Credit Underwriting Report for Group Home for Fragile Adults (2019-004G)

Development Name: Group Home for Fragile Adults	Location: Indian River County
Applicant/Borrower: The Arc of Indian River County, Inc./Heather Dales	Set-Asides: 33% @ 35% AMI and 67% @ 60% AMI
Developers/Principals: N/A	Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents
Requested Amounts: \$488,000 Grant Funding	Development Category/Type: New Construction/Community Residential Home (CRH)

1. **Background/Present Situation**

- a) On September 12, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-106 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities.
- b) On December 14, 2018, the Board approved the final scores and recommendations, and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 28, 2018, staff issued a Letter of Preliminary Award and subsequently, on April 3, 2019, staff issued an invitation to enter credit underwriting to the Borrower.
- d) Staff approved the Borrower’s request for an extension of the credit underwriting report deadline from January 3, 2020 to April 3, 2020 as well as an extension of the closing deadline from April 3, 2020 to July 3, 2020. An additional extension of the credit underwriting report deadline was approved from April 3, 2020 to July 3, 2020 and an additional extension of the Grant closing deadline was approved from July 3, 2020 to October 3, 2020. The credit underwriting report deadline was further extended to October 3, 2020. On September 22, 2020 the credit underwriting report and the closing deadline were extended from October 3, 2020 to January 3, 2021.
- e) On November 23, 2020, staff received a final credit underwriting report with a positive recommendation for a grant amount of \$488,000 to be allocated to the Development ([Exhibit E](#)).

2. **Recommendation**

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

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

I. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of Credit Underwriting Report for Provident Housing Solutions, Inc., a not-for-profit entity, for Daytona Brentwood (2020-006P-09)

DEVELOPMENT NAME (“Development”):	Daytona Brentwood
APPLICANT/DEVELOPER (“Developer”):	Provident Housing Solutions, Inc.
CO-DEVELOPER:	Turnstone Development Corporation
NUMBER OF UNITS:	84
LOCATION (“County”):	Volusia County
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000
ADDITIONAL COMMENTS:	

1. Background

- a) On September 4, 2020, the Board approved a PLP loan in the amount of \$750,000 for Daytona Brentwood. Of this loan amount, \$480,000 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 September 10, 2020, Seltzer Management Group accepted the assignment as credit underwriter for the PLP acquisition loan.

2. Present Situation

- a) On November 20, 2020, staff received a credit underwriting report ([Exhibit A](#)) from Seltzer with a positive recommendation for the \$750,000 PLP loan including \$480,000 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 \$480,000 to Provident Housing Solutions, Inc., for Daytona Brentwood and allow staff to commence with the loan closing process for the site acquisition funds.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval for Subordinate Debt Increase for Evergreen Village (2018-308S)

Development Name: Evergreen Village	Location: Pinellas County
Applicant/Borrower: Pinellas Affordable Living, Inc.	Set-Aside(s): 20% @ 40% AMI (SAIL & ELI) 80% @ 60% AMI (SAIL)
Developer/Principal: Pinellas Affordable Living, Inc./ Jack Humburg	Demographic/Number of Units: Persons with Special Needs/ 21 units
Requested Amounts: \$4,305,000 State Apartment Incentive Loan (SAIL) \$235,300 Extremely Low Income (ELI)	Development Category/Type: New Construction / Duplexes and Triplexes

1. **Background/Present Situation**

- a) On February 1, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-101 for SAIL Financing for Smaller Developments for Persons with Special Needs and Homeless Households.
- b) On May 4, 2018, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On May 16, 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 May 21, 2018, giving them a firm loan commitment issuance deadline of February 21, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- c) On February 1, 2019, the Board approved extending the firm loan commitment issuance deadline from February 21, 2019 to August 21, 2019.
- d) On August 2, 2019, the Board approved the final credit underwriting report with a positive recommendation for SAIL and ELI funding and directed staff to proceed with closing activities. On August 5, 2019, staff issued a firm commitment to the Applicant giving them a loan closing deadline of December 3, 2019.
- e) On August 8, 2019, staff approved a development type change request from all duplexes to 5 duplexes and 4 triplexes.
- f) On November 14, 2019, all funding sources closed.
- g) On September 30, 2020, staff received a request from the Borrower to increase the subordinate debt amount from Pinellas County by \$163,045 ([Exhibit A](#)). On November 19, 2020, staff received an updated credit underwriting letter with a positive recommendation for approval of the proposed change ([Exhibit B](#)). Staff has reviewed this request and finds that it meets all requirements of the RFA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

2. Recommendation

- a) Approve the addition of \$163,045 in subordinate debt.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Subordinate Debt Increase for Swan Lake Village f/k/a Granada Cove (2019-419CS)

Development Name: Swan Lake Village f/k/a Granada Cove	Location: Polk County
Applicant/Borrower: Blue Griffin, LLC	Set-Aside(s): 15% @ 40% AMI (SAIL & ELI) 85% @ 60% AMI (SAIL & 9% HC)
Developer/Principal: Blue GC Developer, LLC/ Shawn Wilson / CASL Developer, LLC	Demographic/Number of Units: Persons with Disabling Condition / Homeless / 84 units
Requested Amounts: \$3,800,000 State Apartment Incentive Loan (SAIL) \$198,600 Extremely Low Income (ELI) \$1,800,000 Housing Credits (9% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On February 26, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-107 for Financing for the Development of Housing for Persons with a Disabling Condition or Developmental Disabilities.
- b) On May 10, 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 16, 2020 staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 21, 2019, giving them a firm loan commitment issuance deadline of May 21, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On June 19, 2019, staff approved a Development Name change from Granada Cove to Swan Lake Village.
- e) On April 17, 2020, the Board approved extending the firm loan commitment issuance deadline from May 21, 2020 to November 23, 2020.
- f) On July 17, 2020, the Board approved the final credit underwriting report with a positive recommendation for SAIL and ELI funding and directed staff to proceed with the closing activities. On July 20, 2020, staff issued a firm commitment to the Applicant giving them a loan closing deadline of November 17, 2020. 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.
- g) On October 16, 2020, the Board approved the addition of \$400,000 in subordinate debt and a loan closing deadline extension from November 17, 2020 to February 15, 2021 in an abundance of caution. However, the loans closed on October 20, 2020, therefore no need for the extension.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- h) On October 21, 2020, the Borrower requested an increase to the TD Bank, NA construction loan from \$12 million to \$12.9 million ([Exhibit C](#)). On November 23, 2020, staff received an updated credit underwriting letter with a positive recommendation for approval of the proposed change ([Exhibit D](#)). Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. Recommendation

- a) Approve the increase of \$900,000 subordinate debt to the construction loan with TD Bank, NA.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Developer Structure Change and Replacement of Guarantor for Ashley Square (2019-167SN)

Development Name: Ashley Square	Location: Duval County
Applicant/Borrower: Ashley Square Jacksonville, Ltd.	Set-Aside(s): 5% @ 22% AMI (NHTF) 10% @ 33% AMI (SAIL & ELI) 90% @ 60% AMI (SAIL & 4% HC)
Developer/Principal: Blue AS Developer, LLC / Shawn Wilson & Cathedral Foundation of Jacksonville, Inc. / Teresa K. Barton	Demographic/Number of Units: Elderly / 120 units
Requested Amounts: \$6,500,000 State Apartment Incentive Loan (SAIL) \$1,426,800 National Housing Trust Fund (NHTF) \$600,000 Extremely Low Income (ELI) \$933,400 Housing Credits (4% HC)	Development Category/Type: New Construction / Mid-rise, 5-6 stories

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 an invitation to enter credit underwriting to the Applicant on May 13, 2019, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 14, 2019, giving them a firm loan commitment issuance deadline of May 14, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On September 20, 2019, the Board approved a change in the Developer structure of Blue Sky Communities, LLC, one of the Co-Developers. Blue AS Developer, LLC was added as a Special Purpose Entity above Blue Sky Communities, LLC.
- e) On October 31, 2019, the Board approved a change to the name of the Applicant Entity from Ashley Square Associates, LLC to Ashley Square Jacksonville, Ltd., and an RFA waiver to add CFJ Ashley, Inc., as a General Partner.
- f) On April 17, 2020, the Board approved extending the firm loan commitment issuance deadline from May 14, 2020 to November 16, 2020.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- g) On September 4, 2020, the Board approved the final credit underwriting report with a positive recommendation for SAIL, ELI and NHTF funding and directed staff to proceed with the closing activities. On September 4, 2020, staff issued a firm commitment to the Applicant giving them a loan closing deadline of March 3, 2021. 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.
- h) On October 26, 2020, staff received a request from the Applicant to change the Developer Structure of Cathedral Foundation of Jacksonville, Inc., (“CFJI”) one of the Co-Developers ([Exhibit E](#)).
- a) CFJ Ashley Developer, LLC would be added as a Special Purpose Entity above CFJI. Teresa K. Barton will be the managing member. 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. Additionally, the Borrower requests that the 30% member Co-Developer entity, CFJI, be removed as a guarantor for the FHFC loans for this development. The newly formed entity CFJ Ashley Developer, LLC will be substituted as a guarantor for CFJI. On November 19, 2020, staff received an updated credit underwriting letter with a positive recommendation for approval of the proposed changes ([Exhibit G](#)). Staff has reviewed these requests and finds that the development meets all of the requirements of the RFA.
- b) **Recommendation**
- c) Approve the request to change the Developer structure and the replacement of the guarantor as described above.

SPECIAL ASSETS

Consent

I. SPECIAL ASSETS

- A. Request Approval of the Refinance of the First Mortgage on Northwest Properties III, Ltd., a Florida Limited Partnership, for Northwest Gardens III Apartments (RFP 2010-04/RFP 2010-014/2010-046CX /2009-145C)**

Development Name: Northwest Gardens III Apartments (“Development”)	Location: Broward County
Developer/Principal: Housing Authority of the City of Fort Lauderdale (“Developer”)/ Northwest Properties III, Ltd. (“Borrower”)	Set-Aside: TCEP 40%@60%; HC 20%@30%; 80%@60% AMI TCEP: 15 years; EUA 50 years
Number of Units: 150	Allocated Amount: Supplemental ELI Exchange \$1,275,000; TCEP \$5,000,000; HC \$2,145,000
Demographics: Elderly	Servicer: Seltzer Management Group

1. Background

- a) During the 2010 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a Tax Credit Exchange Program (“TCEP”) Loan in the amount of \$5,000,000 and a Supplemental ELI Exchange Loan in the amount of \$1,275,000, totaling \$6,275,000, to Northwest Properties III, Ltd. (“Borrower”), a Florida limited partnership, for the development of a 150-unit property in Broward County, Florida. The loans closed on December 10, 2010. The Development also received a 2009 allocation of low-income housing tax credits of \$2,145,000.
- b) In December 2014, the Board approved the Borrower’s request to transfer the managing general partner (“GP”) interest from CDG Northwest Properties III, LLC, a Florida limited liability company and affiliate of Carlisle Development Group, Inc., to the Housing Authority of the City of Fort Lauderdale (“HACFL”) through HEF Sunnyland, Inc., the non-managing co-GP. HEF Sunnyland, Inc. became the sole GP of the development. The Borrower also requested the release of the guarantors and the substitution of HEF Guarantor, LLC, as the sole guarantor, an affiliate of HACFL.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage and subordinate the TCEP documents and the ELIHA to the new first mortgage.
- b) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the refinance of the first mortgage and subordination of the TCEP documents and ELIHA.

SPECIAL ASSETS

Consent

3. **Recommendation**

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

SPECIAL ASSETS

Consent

B. Request Approval to Transfer General Partnership Interest, and Release the Guaranties for Aswan Village Associates, LLC, a Florida limited partnership for Aswan Village Apartments (2003-026S/2004-506C)

Development Name: Aswan Village Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Hallkeen Management, Inc.; Aswan Village Associates, LLC (“Borrower”)	Set-Aside: SAIL 5% @ 30%, 95% @ 60%; HC 100% @ 60% AMI LURA 50 years; EUA 50 years
Number of Units: 216	Allocated Amount: SAIL \$2,000,000; HC \$637,828
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2003 funding cycle, Florida Housing awarded a \$2,000,000 SAIL loan to Aswan Village Associates, LLC, a Florida limited partnership (“Borrower”), for the development of a 216-unit apartment complex in Miami-Dade County, Florida. The State Apartment Incentive Loan (“SAIL”) loan closed on July 28, 2005 and will mature on July 1, 2036. The Development also received a 2004 allocation of low-income housing tax credits of \$637,828.

2. Present Situation

- a) By correspondence dated November 4, 2020 the Borrower requests consent from the Board to transfer ownership from Aswan Village Associates, LLC a Hallkeen Management, Inc. (co-GP) affiliate to Opa-Locka Community Development Corporation (co-GP) affiliate Mary Alice Brown, LLC., assumption of the SAIL loan documents and the HC ELIHA.
- b) The Borrower further requests that the existing guaranties provided by HallKeen Management Inc.be released. These guaranties will be replaced by guaranties from Opa-Locka Community Development Corporation.
- c) Staff received a credit underwriting report ([Exhibit B](#)) from First Housing Development Corporation recommending approval for the transfer of ownership, assumption of the SAIL loan documents and the HC ELIHA, and the release of guaranties.

3. Recommendation

- a) Approve the transfer of ownership, assumption of the SAIL loan documents and the HC ELIHA, and the release of guaranties, subject to the conditions outlined in the credit underwriter’s report, all subject to further approvals and verifications by the credit underwriter, counsel and appropriate Florida Housing staff and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

C. Request Approval of Farmworker Demographic Change To “Targeted” set-aside units for Mira Verde (97HR-006/97L-067)

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

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. At the December 2017 Board meeting approval was granted to extend HOME loan maturity one year to December 17, 2018 to allow time for refinancing of the development. An extension of the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding one year to the current 50 years) was also approved. The Development also received a 1997 allocation of low-income housing tax credits (“HC”) of \$975,000. On September 20, 2019, the Board approved an extension for the HOME loan for an additional one-year term, maturity to September 24, 2020, along with an extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding one year to the current 51 years) was also approved. On October 16, 2020, the Board approved an extension for the HOME loan for an additional one-year term, maturity to September 24, 2021, to allow time for refinancing of the development.
- b) On June 23, 2000, Florida Housing’s Board approved a permanent reduction of Farmworker set-asides to 60% of total units (reflected in the First LURA Amendment). On February 1, 2013, the Board approved a temporary three-year reduction of Farmworker set-asides from 60% to 0% (reflected in the Second LURA Amendment). The temporary reduction expired as of February 1, 2016 with Farmworker set-asides of 60% (84 units) resuming thereafter.
- c) On April 27, 2017, staff received a letter from the Developer requesting approval for the temporary relief of Farmworker set-aside restrictions from 60% to 0%. Management was to continue to ensure Farmworkers receive priority for housing as noted in the LURA Amendments. On January 26, 2018, the Board approved a temporary 3-year Farmworker waiver set-aside reduction down to 0%, which will mature in January of 2021.

SPECIAL ASSETS

Consent

2. **Present Situation**

- a) On September 28, 2020, staff received a letter from the Developer requesting approval for a permanent waiver to be approved due to the further declines in demand for farmworker labor. The property manager and staff conducted a test of leasing activity while exclusively renting to farmworkers. Testing began on September 1, 2019 when occupancy of the property was 97.1%. They restricted all new tenants to farmworkers only. Despite their broad-based marketing efforts, the occupancy rate declined due to limited qualified farmworker applicants and bottomed out at 92% by January 2020. The test was terminated at that point, it was not until June 2020 that the occupancy rate has reestablished to 97%. At this time, they set aside all vacant units with a preference for farmworker households and hold such units exclusively for farmworkers for 30 days. Thereafter, the unit is made available for other qualified applicants. The development is now at a 98% occupancy. The Developer has agreed to change their request from a permanent waiver to a targeted Farmworker set-aside.
- b) The devastating impact of hurricanes on the surrounding Hendry County area crops caused declines in demand for farmworker labor. The impact included the lack of crops available for harvesting and significant increases in the deadly greening disease of citrus trees. Farmers in Hendry County and the immediate areas reported losses of 100% of crops and sales across the berry, vegetable, and citrus sectors with significant repairs needed to land, structures, and equipment. The farmers and businesses that decided to rebuild are still in the recovery process.
- c) COVID-19 cases have grown among farmworkers in the farming communities of the Southwest area. By June of 2020, there were more than 670 positive cases in Hendry County. The Health department stepped in providing necessary safety information and testing. But as the harvest season wound down, farmworkers moved north. Thus, due to the decline in farmworker labor, the demand for housing has also declined.
- d) The property manager continues to provide staff with various marketing efforts, such as implementing a referral incentive of a \$50 discount to the existing tenant while waiving all application fees for the referred prospect. Management also continues to implement a bi-weekly outreach of visiting local farmers and farm-working agencies. Monthly advertisements are published nationwide, as well as routine updates to various social media outlets and the development's main website.
- e) Staff's analysis shows a change to a "targeted" Farmworker set-aside is warranted due to the decrease of farming in the area, the natural disaster effects on the local farming community, and the time it will take the industry to reestablish itself.

3. **Recommendation**

- a) Approve the permanent change to a "Targeted" Farmworker waiver request, and for the development to meet the following requirements: 1) Forty percent (40%) of the units in the Development (33 units) must be targeted for Farmworkers as defined in the LURA and 2) continue advertising and marketing efforts; and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

- D. Request Approval of the Extension of the SAIL Loan for CHPC Gainesville Horizon Sunset, LLC, a Florida Limited Liability Company, for Horizon House Sunset Apartments (2000-066S)**

Development Name: Horizon House Sunset Apartments (“Development”)	Location: Alachua County
Developer/Principal: Community Housing Partners Corp. (“Developer”)/ CHPC Gainesville Horizon Sunset, LLC (“Borrower”)	Set-Aside: SAIL 15.19%@33% & 84.81%@510% AMI LURA: 51 years
Number of Units: 80	Allocated Amount: SAIL \$2,000,000
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2000 funding cycle, Florida Housing Finance Corporation awarded a \$2,000,000 State Apartment Incentive Loan (“SAIL”) to CHPC Gainesville Horizon Sunset, LLC, a Florida Limited Liability Company (“Borrower”), for the construction of an 80-unit development in Alachua County, Florida. The SAIL loan closed on October 29, 2003 and matured on October 29, 2020.

2. Present Situation

- a) The Borrower has requested approval to extend the SAIL loan maturity date to October 29, 2021. The Borrower states the additional time is needed to explore a potential sale of the Development and pay off the loan. The Borrower has agreed to an extension of the affordability period under the Land Use Restriction Agreement (“LURA”) to be equal to the loan extension (adding one year to the current 52 years) and to pay the loan extension fee.

3. Recommendation

- a) Approve the extension of the SAIL loan maturity date to October 29, 2021, extension of the LURA for an additional one year, and direct staff to proceed with loan document modification activities, as needed.