

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
June 11, 2020
Consent Items



HOUSING CREDITS

Consent

I. HOUSING CREDITS

A. Request Approval to Exceed the 20% Subcontractor Limitation for Chipola Apartments (RFA 2016-116/2017-190C)

Development Name: Chipola Apartments	Location: Jackson County
Applicant/Borrower: SP CA Apartments LLC	Set Aside(s): 20% @ 45% AMI and 80% @ 60% AMI
Developer/Principal: Southport Development, Inc./J. David Page	Demographic/Number of units: Elderly Non-Alf/48 Units
Requested Amounts: \$476,000 Housing Credits	Development Category/Type: Acquisition/Preservation/Mid-Rise, 5 to 6 Stories

1. Background/Present Situation

- a) SP CA Apartments LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2016-116 for Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments. The funds are being utilized to finance the acquisition and preservation of a 48-unit Elderly Non-Alf development in Jackson County. On June 19, 2017, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a 2017 Carryover Allocation Agreement on September 28, 2017. A credit underwriting report was approved June 7, 2018.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rule 67-48.0072(17)(f), F.A.C. See [Exhibit A](#) for Applicant's request and [Exhibit B](#) for the General Contractor explanation letter.
- c) Pursuant to Rule 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:

Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) At the request of Florida Housing staff, First Housing Development Corporation (“First Housing”) reviewed the Applicant's request, General Contractor correspondence, Rule Chapter 67-48, the General Contractor Cost Certification, and correspondence with First Housing’s contracted construction consultant. After review and analysis, First Housing, in conjunction with the Construction Consultant, On Solid Ground, LLC, found the cost to be appropriate for the scope of work. First Housing recommended Florida Housing approve the General Contractor’s use of the subcontractor which provided work at a cost which exceeded 20% of the total construction cost for the Development. See [Exhibit C](#) for First Housing recommendation.

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- e) Since this information was discovered by FHFC during review of the General Contractor's Cost Certification after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum subcontract amount allowed under Rule 67-48.0072(17)(f), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

2. **Recommendation**

- a) Approve the request to exceed the 20% subcontractor limitation under the workout scenario represented above.

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B. Request Approval to Exceed the 20% Subcontractor Limitation for Calusa Estates (RFA 2015-107/2016-148C)

Development Name: Calusa Estates	Location: Palm Beach County
Applicant/Borrower: SP Court, LLC	Set Aside(s): 10% @ 33% AMI and 90% @ 60% AMI
Developer/Principal: Southport Development, Inc./J. David Page	Demographic/Number of units: Family/114 Units
Requested Amounts: \$2,020,000 Housing Credits	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) SP Court, LLC (“Applicant”) applied for and was awarded funding from Request for Applications (RFA) 2015-107 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. The funds are being utilized to finance the construction of a 114-unit Family development in Palm Beach County. On April 21, 2016, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a 2016 Carryover Allocation Agreement on August 15, 2016. A credit underwriting report was approved February 5, 2018.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rule 67-48.0072(17)(f), F.A.C. See [Exhibit D](#) for Applicant's request and [Exhibit E](#) for the General Contractor explanation letter.
- c) Pursuant to Rule 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:

Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) At the request of Florida Housing staff, AmeriNat reviewed the Applicant's request and General Contractor correspondence. AmeriNat engaged the construction consultant, GLE Associates, Inc (“GLE”) to analyze the costs and in response they reviewed the General Contractor correspondence, sub-contractor agreements with Nice Services and corresponding change orders. After review and analysis, AmeriNat, in conjunction with GLE, found the cost to be appropriate for the scope of work. AmeriNat recommended Florida Housing approve the General Contractor’s use of the subcontractor which provided work at a cost which exceeded 20% of the total construction cost for the Development. See [Exhibit F](#) for AmeriNat’s recommendation.

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- e) Since this information was discovered by FHFC during review of the General Contractor's Cost Certification after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum subcontract amount allowed under Rule 67-48.0072(17)(f), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

2. **Recommendation**

- a) Approve the request to exceed the 20% subcontractor limitation under the workout scenario represented above.

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C. Request Approval to Exceed the 20% Subcontractor Limitation for Oakwood Villa / #2016-525C

Development Name: Oakwood Villa	Location: Duval County
Applicant/Borrower: SP OV Apartments, LLC	Set Aside(s): HC: 100% @ 60% AMI
Developer/Principal: Southport Development, Inc. / J. David Page	Demographic/Number of Units: Family/ 200 units
Requested Amounts: \$783,719 Housing Credits	Development Category/Type: Acquisition/Rehabilitation/ Quadraplexes

1. Background/Present Situation

- a) SP OV Apartments, LLC (“Applicant”) applied for an Allocation of 4% Housing Credits. On August 9, 2016, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting. On October 5, 2017, staff received a credit underwriting report giving a positive recommendation for a 4% Housing Credit Allocation of \$783,719.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rule 67-21.026(13)(e) F.A.C. See [Exhibit G](#) for Applicant's request and [Exhibit H](#) for the General Contractor explanation letter.
- c) Pursuant to Rule 67-21.026(13)(e) the General Contractor must meet the following conditions:
 - Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) At the request of Florida Housing staff, First Housing Development Corporation (“First Housing”) reviewed the Applicant's request, General Contractor correspondence, Rule Chapter 67-21, the General Contractor Cost Certification, bids received, and correspondence with First Housing’s contracted construction consultant. After review and analysis, First Housing, in conjunction with the Construction Consultant, GLE Associates, Inc, found the cost to be appropriate for the scope of work. First Housing recommends that Florida Housing approve the General Contractor’s use of the subcontractor, which provided work at a cost which exceeded 20% of the total construction cost for the Development. See [Exhibit I](#) for First Housing’s recommendation.
- e) Since this information was first discovered by FHFC during review of the General Contractor’s Cost Certification, after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rule 67-21.026(13)(e). If the General Contractor Fee on this amount has already been paid to the General Contractor, it

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will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Developer's Final Cost Certification.

2. **Recommendation**

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

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D. Request Approval to Exceed the 20% Subcontractor Limitation for Modello Apartments (2015-530C)

Development Name: Modello Apartments	Location: Miami-Dade County
Applicant/Borrower: Modello Homes, LLC	Set Aside(s): HC: 100% @ 60% AMI
Developer/Principal: Gorman & Company, Inc. / Gary J. Gorman	Demographic/Number of units: Family/100 units
Requested Amounts: \$1,108,542 4% Housing Credits;	Development Category/Type: New Construction/Midrise

1. Background/Present Situation

- a) Modello Homes, LLC (“Applicant”) applied for an Allocation of 4% Housing Credits. On March 4, 2016, Housing Credit staff issued an invitation to the Applicant to enter credit underwriting. On July 13, 2016, staff received a credit underwriting report giving a positive recommendation for a 4% Housing Credit Allocation of \$1,066,298. The Development’s Final Cost Certification has been finalized pending Board approval of this request with a final Allocation amount of \$1,108,542.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rule 67-21.026(13)(e) F.A.C. See [Exhibit J](#) for Applicant's Request.
- c) Pursuant to Rule 67-21.026(13)(e), the General Contractor must meet the following conditions:

Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)
- d) At the request of Florida Housing staff, First Housing Development Corporation (“First Housing”) reviewed the Applicant's request and email correspondence, Rule Chapter 67-21, proposal and subcontractor agreements between Turnkey Construction, Inc (Subcontractor) and Gorman General Contractors, LLC (GC), the General Contractor Cost Certification and correspondence from Real Estate Advisory, LLC. After review and analysis, First Housing, in conjunction with Real Estate Advisory, LLC, the Engineer who performed the Preconstruction Analysis, found the cost to be appropriate for the scope of work. First Housing recommends that Florida Housing approve the General Contractor’s use of the subcontractor, which provided work at a cost that exceeded 20% of the total construction cost for the Development. See [Exhibit K](#) for First Housing’s recommendation.

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

2. **Recommendation**

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

HOME RENTAL

Consent

I. HOME RENTAL

A. Request Approval of HOME Credit Underwriting Report for Jordan Bayou (2019-413H)

Development Name: Jordan Bayou (“Development”)	Location: Franklin County
Developer: Jordan Bayou Developer, LLC / McDowell Housing Partners, LLC/ Shear Development Company, LLC/ Heartland Development Group, LLC/National Community Renaissance of California/Martin M. Wohl/Christopher Shear (“Developers”)	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 39 HOME Units
Type: New Construction/Single Family	HOME: \$4,998,000
Total Number of Units: 39	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 May 16, 2020, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$4,998,000 ([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

Consent

B. Request Approval of HOME Credit Underwriting Report for Tranquility at Hope School (2019-404H)

Development Name: Tranquility at Hope School (“Development”)	Location: Jackson County
Developer: Timshel Development Partners/ELCD Development, LLC (“Developers”)	Set-Aside: 20% @ 50% AMI 80% @ 60% AMI 30 HOME Units
Type: New Construction/Garden Apartments	HOME: \$4,479,000
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 May 16, 2020, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$4,479,000 ([Exhibit B](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

2. Recommendation

- a) 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

Consent

C. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Marianna Crossings (2019-406H)

Development Name: Marianna Crossings	Location: Jackson County
Applicant/Borrower: Marianna Crossings LLC	Set-Asides: 100% @ 60% AMI
Developers/Principals: Marianna Crossings Developer, LLC/Affordable Housing Ministry, Inc./Chris Savino/Brett Green	Demographic/Number of Units: Family/30 units
Requested Amounts: \$5,000,000 HOME Rental (HOME)	Development Category/Type: New Construction/Garden Apartments

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. ([Exhibit C](#)), due to delays in receiving local approval as a result of the COVID 19 Pandemic.

2. Recommendation

- a) Approve the request to extend the issuance of the firm loan commitment for six months pursuant to 48.0072(21)(b).

HOME RENTAL

Consent

D. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Matthew Commons (2019-406HB)

Development Name: Matthew Commons	Location: Bay County
Applicant/Borrower: SP Commons LLC	Set-Asides: 20% @ 50% AMI 80% @ 60% AMI
Developers/Principals: Southport Development, Inc. , a WA corporation doing business as Southport Development Services, Inc. /J. David Page	Demographic/Number of Units: Family/38 units
Requested Amounts: \$4,600,000 HOME Rental (HOME)	Development Category/Type: New Construction/Garden Apartments

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 April 27, 2020, staff received a request from the Applicant to extend the June 24, 2020 firm loan commitment for six months. ([Exhibit D](#)), due to environmental approval delays required by wetland issues that required an 8-step mitigation process.

2. Recommendation

- a) Approve the request to extend the issuance of the firm loan commitment for six months pursuant to 48.0072(21)(b).

HOME RENTAL

Consent

E. Request Approval of Closing Deadline Extension for Greyes Place (2019-408H)

Development Name: Greyes Place	Location: Wakulla County
Applicant/Borrower: Affordable Housing Solutions for Florida, Inc.	Set-Asides: 20% @ 50% AMI 80% @ 60% AMI
Developers/Principals: Affordable Housing Solutions for Florida, Inc./Panhandle Affordable II, LLC/FBC Holdings, LLC/MTF Holdings, LLC/Debra Fleming/Pedro Vermales	Demographic/Number of Units: Family/27 units
Requested Amounts: \$4,970,890.89 HOME Rental (HOME)	Development Category/Type: New Construction/Duplexes

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. On March 6, 2020 upon Board approval, staff issued a firm loan commitment. In accordance with Rule 67-48.0072(26), the Developers have a July 4, 2020 deadline to close the loan. Pursuant to Rule 67-48.0072(26) the Applicants may request one extension of the loan closing deadline of up to ninety (90) days.
- d) On May 15, 2020, staff received a request from the Applicant to extend the July 4, 2020 loan closing deadline for 90 days or until October 2, 2020 ([Exhibit E](#)). This is due to the increase in collateral requirements from surety companies writing payment and performance bonds as a result of the COVID-19 pandemic. It has increased the General Contractor's difficulty in obtaining a bond for the development.

2. Recommendation

- a) Approve the request to extend the loan closing deadline until October 2, 2020, pursuant to 48.0072(26).

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I. LEGAL

A. In Re: Hilltop Pointe, LP - FHFC Case No. 2020-033VW (2019-411HB)

Development Name: (“Development”):	Hilltop Pointe
Developer/Principal: (“Developer”):	Royal American Properties, LLC
Number of Units: 50	Location: Bay County
Type: Garden Apartments (New Construction)	Set Asides: 80% @ 60% AMI 20% @ 50% AMI
Demographics: Family	HOME: \$4,925,000 MMRB: \$5,300,000 4% LIHTC: \$335,228

1. Background

- a) Hilltop Pointe, LP (“Petitioner”) was selected to receive HOME funding under 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 Hilltop Pointe (“Development”).
- b) On May 12, 2020, Florida Housing received a “Petition for Waiver of Rules 67-21.014(2)(r)(6); 67-21.026(13)(e); and 67-48.0072(17)(f)” (“Petition”) a copy of which is attached as [Exhibit A](#).

2. Present Situation

- a) Rules 67-21.014(2)(r)6., 67-21.026(13)(e), and 67-48.0072(17)(f), Fla. Admin. Code, identically provide:

Ensure that no construction or inspection work that is normally performed by subcontractors is performed by the General Contractor...

- b) Petitioner requests a partial waiver of the above Rules to permit its General Contractor (to conduct some self-performance work. On October 10, 2018, Bay County was severely impacted by Hurricane Michael, leading to the issuance of RFA 2019-109. The Royal American Companies (“RAC”), of which Developer is part, have developed affordable housing in Bay County since 1969, including work as a General Contractor. Petitioner requests this partial waiver of the above Rules to permit self-performance by the RAC General Contractor based on the following:

Due to the massive amount of rebuilding in the area, subcontractors are booked for extended periods of time;

80% of the Development site work is either materials or third-party work. Actual RAC labor dollars approximate \$155,000 and no GC profit, overhead or general requirements percentages will be applied to this amount;

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RAC could obtain only one competitive bid from another site work subcontractor, which was 17% more than if RAC self-performs a portion of the site work;

RAC's self-performance of the Development site work will reduce the work cost by 20%, although RAC will make less profit.

c) On May 14, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 95. To date, Florida Housing has received no comments concerning the Petition.

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

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

e) Granting the requested waiver 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 partial waiver of Rules 67-21.014(2)(r)6., 67-21.026(13)(e), and 67-48.0072(17)(f), Fla. Admin. Code, to permit Developer's General Contractor to self-perform a portion of the site work as described in the Petition for the Development.

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B. In Re: VC Cathedral, LLC - FHFC Case No. 2020-032VW (95S-045)

Development Name: (“Development”):	Florence N. Davis Center/Lofts at Cathedral
Developer/Principal: (“Developer”):	Vestcor/TVC Development
Number of Units: 30-40 (currently vacant)	Location: Duval County
Type: Garden	Set Asides: 15% @ 80% (current) 50% @ 80% (proposed)
Demographics: Family	SAIL \$288,200 (repaid)

1. Background

- a) In 1995, the original owner of the Development, Community Connections of Jacksonville, Inc., received State Apartment Incentive Loan (SAIL) program funding to assist in the construction of the Development. Ownership of the Development has since passed to Petitioner, as further described below.
- b) On May 11, 2020, Florida Housing received a “Petition for Waiver of Rules 67-48.009(5)(d), 67-48.018(1)(c), and 67-48.023(1)(c), Florida Administrative Code (“Petition”) a copy of which is attached as [Exhibit B](#).

2. Present Situation

- a) Rules 67-48.009(5)(d) (SAIL), 67-48.018(1)(c) (HOME), 67-48.023(1)(c) (LIHTC), Fla. Admin Code variously provide:

Unless otherwise permitted in a competitive solicitation process, an Applicant is not eligible to apply for [SAIL, HOME, HC] if any of the following pertain [to proposed Development]:

The proposed Development site or any part thereof is subject to any Land Use Restriction Agreement or Extended Use Agreement, or both, in conjunction with any Corporation affordable housing financing intended to foster the development or maintenance of affordable housing, unless at least one (1) of the following [exceptions] applies:

A LURA recorded in conjunction with the Predevelopment Loan Program or the Elderly Housing Community Loan Program, or

A LURA or EUA, or both, for an existing building or buildings, originally constructed at least 25 years prior to the deadline to apply for the applicable [funding], where, in the current Application, the Applicant has selected and qualified for the Homeless demographic commitment with a Development category of Rehabilitation [Moderate/Substantial] Acquisition and Rehabilitation [Moderate/Substantial], Preservation, or Acquisition and Preservation.

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- b) Petitioner requests a waiver of the above Rules to become eligible to apply for Corporation funding. The subject property is currently subject to a SAIL program LURA regarding the financing described above
- c) In September 2011, the Board approved a request to renegotiate the terms of the SAIL loan to increase the affordability period for an additional 15 years beyond the original 50-year period for a total affordability period of 65 years. The categorical set-aside was also modified such that 100% of the Development's units would serve the Homeless demographic. In connection with the SAIL loan, the original borrower and subsequent landowners are bound by the Original LURA spanning this 65-year period.
- d) On or about May 5, 2017, the Corporation received notice that the Original Borrower had ceased to operate and that the first lien holder (City of Jacksonville) had initiated foreclosure proceedings. In May 2017, and prior to foreclosure, the Board approved the transfer of ownership of the Development and assumption of the Original LURA by Billy Goat Hill, Inc. ("First Owner"). The Board at this time also revised the affordability set-aside requirements conditioned upon the full payoff of the SAIL loan. The SAIL loan was subsequently paid in full and satisfied, but the Original LURA remained in effect. Accordingly, the First Owner recorded an Amended and Restated LURA on April 2, 2018 to incorporate the modifications approved by the Board at its May 5, 2017 meeting ("Amended LURA"). Petitioner VC Cathedral, LLC ("Second Owner") purchased the Development, with Corporation approval, from the First Owner and assumed the encumbering loans in February 2020. First Owner, Second Owner, and the Corporation also executed an Assignment and Assumption of the Amended LURA.
- e) In support of its request, Petitioner states that it desires to substantially rehabilitate the now vacant Development, to preserve the units as affordable housing and to forestall any foreclosure actions by lenders, which would extinguish the LURA. Petitioner cannot perform this rehabilitation without additional Corporation funding, for which it is currently ineligible by virtue of the Amended LURA. Petitioner also states that the granting of this waiver to permit such application for funding is consistent with and furthers the purposes of the Corporation's Portfolio Preservation Action Plan.
- f) On May 12, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 93. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also

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demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rules 67-48.009(5)(d), 67-48.018(1)(c), and 67-48.023(1)(c), Florida Administrative Code, to permit Petitioner to apply for Corporation funding for the Development, in spite of the existing LURA.

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Consent

C. In Re: MBCDC: The Allen, LLC. - FHFC Case No. 2020-030VW (Application 2008-002E)

Development Name: (“Development”):	The Allen
Developer/Principal: (“Developer”):	MBCDC: The Allen, LLC Miami Beach Development Corporation
Number of Units: 39	Location: Miami-Dade County
Type: Rehabilitation, Mid-Rise 3-Stories	Set-Asides: First 15 years: 25% at 33% AMI 75% at 50% AMI Last 15 years: 100% at 50% AMI
Demographics: Elderly, Non-ALF	Funding: EHCL \$750,000

1. Background

- a) Petitioner, MBCDC: The Allen, LLC, successfully applied for an allocation of Elderly Housing Community Loan (“EHCL”) funds in the 2008 application period to assist in the rehabilitation of The Allen apartments, a 39-unit elderly, affordable housing development in Miami Beach, Florida (the “Development”). On May 12, 2020, Florida Housing received a Revised Petition for Waiver of Chapter 67-32, F.A.C., followed by a second Revised Petition, for Waiver of Rule 67-32.006(8), F.A.C., which requires compliance with its EHCL documents so that Petitioner be allowed to submit its financial certification nine months after the end of its 2019 fiscal year rather than the financial deadline certification in Paragraph 18(g)(i) of its EHCL Loan Agreement. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-32.006(8), *Florida Administrative Code* (2008), provides in relevant part:

Any violation of the terms and conditions required by Rule Chapter 67-32, F.A.C., or the loan documents constitutes a default under the loan documents allowing the Corporation to accelerate its loan and to seek foreclosure as well as any other remedies legally available to it.
- b) Petitioner requests a waiver from the above Rule which requires compliance with its EHCL loan documents so that it may be allowed to submit its EHCL financial certification within nine months of the end of its September 30, 2019 fiscal year rather than the financial certification deadline described in Paragraph 15.(g)(i) of its EHCL Loan Agreement. The Development is also funded under federal programs which require financial reporting, including an annual audit, within nine months. Petitioner is one of the eleven entities owned by the non-profit Miami Beach Development Corporation. To support its request for waiver, Petitioner asserts that its financial certification under the EHCL program depends on financial reporting supplied by audits from its sister entities. Because of the difference in EHCL and federal financial reporting deadline, it cannot meet the EHCL financial certification deadline and is subject to audit finding for non-compliance. Waiver of the Rule will allow Petition to timely file its EHCL financial certification for its 2019 fiscal year so that it does not receive audit findings for non-compliance, therefore, not jeopardizing additional funding requests.

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Consent

c) On May 13, 2020, Notice of the Revised Petition was published in the *Florida Administrative Register* Volume 46, Number 94. 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 temporary waiver of Rule 67-32.006(8), *Florida Administrative Code*, which requires compliance with EHCL loan documents so that Petitioner be allowed to submit its EHCL financial certification within nine months of the end of its September 30, 2019 fiscal year rather than the financial certification deadline described in Paragraph 15.(g)(i) of its EHCL Loan Agreement.

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Consent

D. In Re: Hidden Grove Housing, L.P. - FHFC Case No. 2020-031VW (2018-105B)

Development Name: (“Development”):	Hidden Grove Apartments
Developer/Principal: (“Developer”):	Hidden Grove Developer, LLC
Number of Units: 222	Location: Miami-Dade
Type: Garden Apartments (rehab)	Set Asides: 40% @ 60% AMI 100% @ 60% AMI
Demographics: Family	MMRB: \$25,000,000 4% LIHTC: \$1,472,017

1. Background

- a) Hidden Grove Housing, L.P. (“Petitioner”) was awarded Multifamily Mortgage Revenue Bond (MMRB) funding under its 2018 Non-Competitive Application and associated 4% Non-Competitive funding to assist in the rehabilitation of the Development.
- b) On May 8, 2020, Florida Housing received an “Amended Petition for Waiver of Rules 67-21.003(1)(b), 67-21.002(9), (85), F.A.C. (2018) and the Incorporated Non-Competitive Application Instructions (“Petition”) a copy of which is attached as [Exhibit D](#).

2. Present Situation

- a) Rule 67-21.003, Florida Administrative Code (2018) provides:
 - (1) Applicants shall apply for MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC, and funding from the following Corporation programs will not be considered to be other Corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.

- (b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package.
- b) Rule 67-21.003(1)(b), Florida Administrative Code, incorporates by reference the Non-Competitive Application Package (“NCA”). The NCA includes the following requirement:

The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and the borrowing entity for the MMRB Loan and cannot be changed in any way (materially or non-materially) until after the MMRB Loan Closing. After loan closing, any change (materially or non-materially) will require Board approval prior to the change. Changes to the Applicant entity prior to the loan closing or without Board approval after the loan closing shall result in disqualification

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Consent

from receiving funding and shall be deemed a material misrepresentation. Changes to the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification.

- c) Rule 67-21.002(9) and (85)(a)2.c., and g., Florida Administrative Code (2018), provide as follows:

(9) “Applicant” means any person or legal entity of the type and with the management and ownership structure described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to Rule Chapter 67-60, F.A.C., for one or more of the Corporation’s programs. For purposes of Rule 67-21.031, F.A.C., Applicant also includes any assigns or successors in interest of the Applicant. Unless otherwise stated in a competitive solicitation, as used herein, a ‘legal entity’ means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that consists exclusively of all natural persons by the third principal disclosure level. For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required. The terms ‘first principal disclosure level’ and ‘third principal disclosure level’ have the meanings attributed to them in the definition of “Principal.”

(85) ‘Principal’ means:

With respect to an Applicant that is:

2. A limited partnership, at the first principal disclosure level, any general partner or limited partner of the Applicant limited partnership, and, unless otherwise excluded at subsection 67-21.002(9), F.A.C., with respect to any general partner or limited partner of the Applicant limited partnership, at the second principal disclosure level, that is:

c. A limited liability company, any manager or member of the limited liability company...

g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, **each of whom must be a natural person...**

(Emphasis added)

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Consent

- d) Petitioner requests a waiver of the above Rules to permit it to amend its organizational structure such that an LLC appearing at its second disclosure level may replace the LLC's sole member with the sole member's trust (of which the sole member is the only trust beneficiary). Between the date of Application and the invitation to credit underwriting for this Development, amendments to the Rules became effective that allow a trust to be disclosed at the third principal level if all the trust's principals are natural persons. (Rule 67-21.0025(7)(c)-(d), effective July 11, 2019). Petitioner now wishes, for estate planning purposes, to remove Stephen M. Ross as a principal and to replace him with the revocable trust wholly owned by him. If this waiver request is denied, Mr. Ross will be required to form an entity specifically for this Development, which will not ultimately roll up into a trust, creating an administrative burden on Mr. Ross' potential heirs and beneficiaries. Petitioner's other natural person principals disclosed in its application will not change if the Petition is granted. If granted, Mr. Ross will move from the third level of disclosure down to the fourth level of disclosure – which is permitted by the current Rule 67-21.0025(7)(d) (effective July 11, 2019).
- e) On May 12, 2020, Notice of the Petition was published in the Florida Administrative Register in Volume 46, Number 93. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that 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 Rules 67-21.003(1)(b), 67-21.002(9), (85), Florida Administrative Code (2018) and the Non-Competitive Application Instructions, to permit Petitioner to maintain a trust at the third principal disclosure level and a natural person at the fourth level, as set forth in the Petition.

MULTIFAMILY BONDS

Consent

I. MULTIFAMILY BONDS

- A. **Request Approval of Credit Underwriting Report, Authorizing Resolutions, and Renegotiation, Assignment, Assumption and Subordination of the Existing HOME Loan, LURAs and ELIHA for The Landings at Homestead (2018-104B / 94DRHR-001 / 93HHR-009 / 93L-108)**

Development Name: The Landings at Homestead	Location: Miami-Dade County
Applicant/Borrower: Landings at Homestead, Ltd.	Set Aside(s): 40% @ 60% AMI (MMRN) 100% @ 60% AMI (4% HC) 20% @ 40% AMI (Existing SAIL & Existing 9% HC) 80% @ 60 % AMI (Existing SAIL & Existing 9% HC) 20% @ 80% AMI (Existing HOME)
Developer/Principal: The Richman Group of Florida, Inc. / William Fabbri	Demographic/Number of units: Family / 101
Requested Amounts: \$14,000,000 Multifamily Mortgage Revenue Notes (MMRN) \$819,401 Housing Credits (4% HC) \$33,399 State Apartment Incentive Loan (Existing SAIL) \$981,294 Home Investment Partnership (Existing HOME) \$454,348 Housing Credits (Existing 9% HC)	Development Category/Type: Acquisition and Rehabilitation / Garden Apartments (1-3 Stories)

1. Background/Present Situation

- a) Florida Housing financed the above referenced Development in 1994 with \$981,294 in Home Investment Partnership Program (HOME) funding, \$33,399 in State Apartment Incentive Loan (“SAIL”) funding and \$454,348 in 9% Housing Credits. Subsequently, the SAIL Loan was repaid on May 14, 2009.
- b) On May 15, 2019, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRN in the amount of \$11,800,000 and non-competitive Housing Credits in the amount of \$807,172. The Applicant subsequently requested to increase the MMRN request amount to \$14,000,000. This request was approved by staff on May 19, 2020.
- c) On August 9, 2019, staff issued an invitation to enter credit underwriting to the Applicant.
- d) The Applicant is purchasing the Development from Homestead Housing Partnership I, Ltd., and intends to obtain a loan from Citibank, NA, utilizing a new issuance of MMRN and Housing Credits to rehabilitate the property. The Applicant requests approval to renegotiate the HOME Loan, subordinate the existing SAIL and HOME LURA and Housing Credits ELIHAs to the new first mortgage and to amend or modify the documents as determined by Florida Housing and legal counsel.

MULTIFAMILY BONDS

Consent

- e) On May 19, 2020, staff received a final credit underwriting report with a positive recommendation. Staff reviewed the credit underwriting report, giving a positive recommendation for MMRN funding and the renegotiation, assignment, assumption and subordination of a HOME Loan and existing LURAs and ELIHA ([Exhibit A](#)). Staff finds that the development meets all requirements of the Non-Competitive Application.
- f) 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 request approval for the execution of the resolutions.

2. **Recommendation**

- a) Approve the final credit underwriting report, authorizing resolutions, and the renegotiation, assignment, assumption, subordination, and modification as necessary of the existing LURAs, ELIHA, and HOME Loan, and direct staff to proceed with the closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of Credit Underwriting Report and Authorizing Resolutions for Sunset Pointe II (2019-138BSN)

Development Name: Sunset Pointe II	Location: Miami-Dade County
Applicant/Borrower: Sunset Pointe II Associates, Ltd.	Set-Asides: 40% @ 60% AMI (MMRB) 15.625% @ 30% AMI (SAIL, ELI, & 4% HC) 40.625% @ 60% AMI (SAIL & 4% HC) 43.750% @ 70% AMI (SAIL & 4% HC) 6.250% @ 22% AMI (NHTF)
Developers/Principals: Cornerstone Group Partners, LLC / Mara Mades and New Urban Development LLC / Oliver Gross	Demographic/Number of Units: Family / 96
Requested Amounts: \$11,750,000 Multifamily Mortgage Revenue Bonds (MMRB) \$3,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,435,800 National Housing Trust Fund (NHTF) \$783,994 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On October 19, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-116 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 22, 2019, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 10, 2019, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- d) On May 13, 2019, staff issued an invitation to enter credit underwriting to the Applicant.
- e) On April 17, 2020, the Board approved an extension of the firm loan commitment issuance deadline from May 13, 2020 to November 13, 2020.
- f) On May 13, 2020, staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL, ELI and NHTF funding ([Exhibit C](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of the RFA.

MULTIFAMILY BONDS

Consent

- g) Staff reviewed the authorizing resolutions ([Exhibit D](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff request approval for the execution of the resolutions.

2. **Recommendation**

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

MULTIFAMILY BONDS

Consent

C. Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Springfield Crossings (2019-405HB)

Development Name: Springfield Crossings	Location: Bay County
Applicant/Borrower: Springfield Crossings, LLC	Set-Aside(s): 40% @ 60% AMI (MMRN) 20% @ 50% AMI (4% HC & HOME) 60% @ 60% AMI (4% HC) 20% @ 70% AMI (4% HC) 80% @ 60% AMI (HOME)
Developer/Principal: Springfield Crossings Developer, LLC / Christopher Savino & Judd Roth Real Estate Development, Inc. / Judd K. Roth	Demographic/Number of Units: Family/60
Requested Amounts: \$6,700,000 Multifamily Mortgage Revenue Notes (MMRN) \$5,000,000 (HOME) \$523,679 Housing Credits (4% HC)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On February 21, 2019, Florida Housing issued a Request for Applications (RFA) 2019-109 for HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and in Rural Areas. Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) Program Funding and Non-Competitive Housing Credits may be used in conjunction with the HOME funding in Bay County.
- 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 June 28, 2019, the Applicant was invited into credit underwriting and will be expected to complete the credit underwriting process, including Board approval of the credit underwriting report, and execute a HOME written agreement within 12 months of the date of the invitation to enter credit underwriting.
- d) On April 17, 2020, the Board approved the request to change the structure of the Applicant Entity and Developer Entity. The Manager & Member of the Applicant, Springfield Crossings Manager, LLC, added Brett Green as Manager & Member and Judd Roth as Member to the Applicant Entity. The Co-Developer, Springfield Crossings Developer, LLC, added Foundation Housing, LLC as a Manager & Member, with Brett Green as the Sole Member.
- e) On May 15, 2020, staff received a final credit underwriting report with a positive recommendation for MMRN and HOME funding ([Exhibit E](#)). Staff has reviewed this report and finds that the Development meets all of the requirements of the RFA.
- f) Staff reviewed the authorizing resolutions ([Exhibit F](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff request 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 issuance of a firm commitment and closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

D. Request Approval of Credit Underwriting Report and Authorizing Resolutions for Hilltop Pointe (2019-411HB)

Development Name: Hilltop Pointe	Location: Bay County
Applicant/Borrower: Hilltop Pointe, LP	Set Aside(s): 20% @ 50% AMI (MMRB, HOME & 4% HC) 80% @ 60% AMI (MMRB, HOME & 4% HC)
Developer/Principal: Royal American Properties, LLC / Jeannette B. Chapman	Demographic/Number of units: Family / 50
Requested Amounts: \$5,300,000 Multifamily Mortgage Revenue Note (MMRN) \$4,925,000 HOME Investment Partnerships Program (HOME) \$335,228 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On February 21, 2019, Florida Housing issued a Request for Applications (RFA) 2019-109 for HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and in Rural Areas. Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) Program Funding and Non-Competitive Housing Credits may be used in conjunction with the HOME funding in Bay County.
- 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 June 28, 2019, the Applicant was invited into credit underwriting and will be expected to complete the credit underwriting process, including Board approval of the credit underwriting report, and execute a HOME written agreement within 12 months of the date of the invitation to enter credit underwriting.
- d) On May 21, 2020, staff received a final credit underwriting report with a positive recommendation for MMRN and HOME funding ([Exhibit G](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2019-109.
- e) Rules 67-21.014(2)(r)(6), 67-21.026(13)(e), and 67-48.0072(17)(f) require that no construction or inspection work that is normally performed by subcontractors is performed by the General Contractor. The Borrower has submitted a Petition of Waiver to allow the general contractor to self-perform a portion of the site work. The Petition of Waiver is being presented to the Board simultaneously with this final credit underwriting report.
- f) Staff reviewed the authorizing resolutions ([Exhibit H](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff request 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, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

E. Request Approval of Credit Underwriting Report and Authorizing Resolutions for Solimar (2019-027BS)

Development Name: Solimar	Location: Miami-Dade County
Applicant/Borrower: Solimar Associates, Ltd	Set Aside(s): 40% @ 60% AMI (MMRB) 18.889% @ 30% AMI (SAIL & 4% HC) 26.111% @ 60% AMI (SAIL & 4% HC) 55% @ 70% AMI (SAIL Workforce & 4% HC)
Developer/Principal: Cornerstone Group Partners, LLC / Mara S. Mades	Demographic/Number of units: Family / 180
Requested Amounts: \$22,500,000 Multifamily Mortgage Revenue Note (MMRN) \$8,075,000 State Apartment Incentive Loan (SAIL) \$1,626,192 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On October 8, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-114 for SAIL Financing for the Construction of Workforce Housing.
- b) On December 14, 2018, the Board approved the final scores and recommendations for RFA 2018-114 and directed staff to proceed with all necessary credit underwriting activities.
- c) On January 4, 2019, staff issued an invitation to enter credit underwriting to the Applicant.
- d) On October 31, 2019, the Board approved the final credit underwriting report with a positive recommendation for MMRN and SAIL funding directing staff to proceed with the closing activities.
- e) On May 15, 2020, staff received a final credit underwriting report with a positive recommendation for MMRN and HOME funding ([Exhibit I](#)). Staff has reviewed this report and finds that the development meets all of the requirements of RFA 2018-114.
- f) Staff reviewed the authorizing resolutions ([Exhibit J](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff request approval for the execution of the resolutions.

2. Recommendation

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

MULTIFAMILY BONDS

Consent

F. Request Approval of Credit Underwriting Report and Authorizing Resolutions for Fairlawn Village (2019-166BSN)

Development Name: Fairlawn Village	Location: Orange County
Applicant/Borrower: Blue CASL Orlando, LLC	Set-Aside(s): 5.17% @ 22% AMI (NHTF) 10% @ 35% AMI (SAIL/ELI) 90% @ 60% AMI (SAIL) 100% @ 60% AMI (MMRB & 4% HC)
Developer/Principal: CASL Developer, LLC & Blue FV Developer, LLC / Shawn Wilson	Demographic/Number of Units: Family/Persons with Special Needs / 116 units
Requested Amounts: \$12,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$6,250,000 State Apartment Incentive Loan (SAIL) \$1,308,000 National Housing Trust Fund (NHTF) \$600,000 Extremely Low Income (ELI) \$906,999 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On October 19, 2018, Florida Housing issued a Request for Applications (RFA) 2018-116 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 22, 2019, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 10, 2019, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on May 16, 2019. The acceptance was acknowledged on May 16, 2019, giving them a firm loan commitment issuance deadline of May 16, 2020.
- d) On September 20, 2019, the board approved a change in developer structure. Blue FV Developer, LLC was added as a Special Purpose Entity above Blue Sky Communities, LLC.
- e) On April 8, 2020, staff received a final credit underwriting report with a positive recommendation for MMRB, ELI, SAIL and NHTF funding ([Exhibit K](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA.
- f) On April 17, 2020, the Board approved the final credit underwriting report at its telephonic Board meeting. In an abundance of caution, staff is requesting to reapprove in accordance with MMRB program requirements.

MULTIFAMILY BONDS

Consent

- g) Additionally, staff reviewed the authorizing resolutions ([Exhibit L](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff request approval for the execution of the resolutions.

2. Recommendation

- a) Reapprove the final credit underwriting report and approve 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

G. Request Approval of Credit Underwriting Report, Authorizing Resolutions, and Renegotiation and Assignment, Assumption and Subordination of the Existing SAIL Loan, LURA and ELIHA for Hidden Grove Apartments (2018-105B / 2000-041S / 2001-507C)

Development Name: Hidden Grove Apartments	Location: Miami-Dade County
Applicant/Borrower: Hidden Grove Housing L.P.	Set Aside(s): 40% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC) 3% @ 33% AMI (Existing SAIL & Existing 4% HC) 97% @ 60% AMI (Existing SAIL & Existing 4% HC)
Developer/Principal: Hidden Grove Developer, LLC / Long J. Ha	Demographic/Number of units: Family / 222
Requested Amounts: \$25,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$1,472,017 Housing Credits (4% HC) \$2,239,000 State Apartment Incentive Loan (Existing SAIL) \$742,151 Housing Credits (Existing 4% HC)	Development Category/Type: Acquisition and Rehabilitation / Garden Apartments (1-3 Stories)

1. Background/Present Situation

- a) Florida Housing financed the above referenced Development in 2002 with \$2,239,000 in State Apartment Incentive Loan (“SAIL”) funding and \$742,151 in 4% Housing Credits, in conjunction with local bonds.
- b) On May 17, 2019, the Applicant submitted a Non-Competitive Application package requesting tax exempt MMRB in the amount of \$23,000,000 and non-competitive Housing Credits in the amount of \$1,320,988. The Applicant subsequently requested to increase the MMRB request amount to \$25,000,000. This request was approved by staff on March 11, 2020.
- c) On July 26, 2019, staff issued an invitation to enter credit underwriting to the Applicant.
- d) The Applicant is purchasing the Development from Hidden Grove, Ltd., and intends to obtain a loan from Regions Bank, through their Fannie Mae MTEB Program, utilizing a new issuance of MMRB and Housing Credits to rehabilitate the property. The Applicant requests approval to renegotiate the SAIL Loan and subordinate the existing SAIL Loan, LURA and Housing Credits ELIHA’s to the new first mortgage and to amend or modify the documents as determined by Florida Housing and legal counsel.
- e) On April 7, 2020, staff received a final credit underwriting report with a positive recommendation for MMRB funding and the renegotiation, assignment, assumption and subordination of a SAIL loan, existing LURA and ELIHA ([Exhibit M](#)). Staff finds that the development meets all requirements of the Non-Competitive Application.

MULTIFAMILY BONDS

Consent

- f) On April 17, 2020, the Board approved the final credit underwriting report at its telephonic Board meeting. In an abundance of caution, staff is requesting to reapprove in accordance with MMRB program requirements.
- g) Additionally, staff reviewed the authorizing resolutions ([Exhibit N](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff request approval for the execution of the resolutions.

2. **Recommendation**

- a) Reapprove the final credit underwriting report, and the renegotiation, assignment, assumption, subordination, and modification as necessary of the existing LURA, ELIHA, and SAIL Loan, and approve 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

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

1. Background

- a) Pursuant to staff's request for approval to issue bonds/notes to finance the construction, and acquisition/rehabilitation of the proposed Developments referenced below, the final credit underwriting reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals for the transactions and approval of the recommended methods of sale. Brief descriptions of the Developments are detailed below, along with staff's recommendations.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the methods of bond/note sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond/note sale for the Developments. The recommendation letters are attached as Exhibit O through U.

2. Present Situation

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

3. Recommendation

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

MULTIFAMILY BONDS

Consent

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Landings at Homestead	Miami-Dade County	101	Private Placement	RBC Capital Markets, LLC	Exhibit O
Sunset Pointe II	Miami-Dade County	96	Private Placement	RBC Capital Markets, LLC	Exhibit P
Springfield Crossings	Bay County	60	Private Placement	RBC Capital Markets, LLC	Exhibit Q
Hilltop Pointe	Bay County	50	Private Placement	RBC Capital Markets, LLC	Exhibit R
Solimar	Miami-Dade County	180	Private Placement	RBC Capital Markets, LLC	Exhibit S
Fairlawn Village	Orange County	116	Private Placement	RBC Capital Markets, LLC	Exhibit T
Hidden Grove	Miami-Dade County	222	Negotiated Public Offering	RBC Capital Markets, LLC	Exhibit U

MULTIFAMILY BONDS

Consent

I. Request Approval to Exceed 20% Subcontractor Limitation for Parrish Oaks (2020 Series A / 2018-041BS / 2016-575C)

Development Name: Parrish Oaks	Location: Manatee County
Applicant/Borrower: SP Oaks LLC	Set Aside(s): 100% @ 60% AMI (MMRB & 4% HC) 10% @ 33% AMI (SAIL/ELI) 90% @ 60% AMI (SAIL)
Developer/Principal: Southport Development, Inc. / J. David Page	Demographic/Number of units: Family / 120
Requested Amounts: \$14,000,000 Multifamily Mortgage Revenue Note (MMRN) \$6,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,028,468 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. On May 9, 2018, staff issued an invitation to enter credit underwriting to the Applicant. On April 25, 2019, the Board approved the final credit underwriting report. On January 16, 2020 the Borrower closed the MMRN, SAIL, and ELI loans simultaneously.
- b) On January 15, 2020, staff received a request from the borrower to allow one subcontractor to exceed the 20% limitation in Rule chapters 67-21 and 67-48 due to increased costs per the attached notification ([Exhibit V](#)). Rule Chapters 67- 21.014(2)(r)(6), 67-21.026(13)(e), and 67-48.0072(17) (“Rule”) requires that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific development.
- c) First Housing recommends that Florida Housing approve the General Contractor’s use of a subcontractor, which will provide work at a cost that exceeds 20% of the total construction cost for the Development ([Exhibit W](#)).

2. Recommendation

- a) Approve the request to exceed the 20% subcontractor limitation.

MULTIFAMILY BONDS

Consent

J. Request Approval for the First Mortgage Refinance and to Exceed 20% Subcontractor Limitation for Banyan Court (2018 Series D / 2016-379BS / 2016-550C)

Development Name: Banyan Court	Location: Palm Beach County
Applicant/Borrower: BDG Banyan Court, LP	Set Aside(s): 10% @ 33% AMI (MMRN, SAIL and ELI) 70% @ 60% AMI (MMRN) 90% @ 60% AMI (SAIL) 100% @ 60% AMI (4% HC)
Developer/Principal: BDG, LLC and Judd Roth Real Estate Development, Inc. / Banyan Development Group, LLC and Judd Roth	Demographic/Number of units: Family / 85
Requested Amounts: \$11,200,000 Multifamily Mortgage Revenue Note (MMRN) \$5,400,000 State Apartment Incentive Loan (SAIL) \$600,000 ELI Gap Funding (ELI) \$758,300 Non-Competitive Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation

- a) On September 19, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-109 for the SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. On March 31, 2017, staff issued an invitation to enter credit underwriting to the Applicant. On January 26, 2018, the Board approved the final credit underwriting report. On May 9, 2018, the Borrower closed the MMRN, SAIL, and ELI loans simultaneously.
- b) On May 5, 2020, staff received a request from the borrower to allow one subcontractor to exceed the 20% limitation in Rule chapters 67-21 and 67-48 due to increased costs ([Exhibit X](#)). Rule Chapters 67- 21.014(2)(r)(6), 67-21.026(13)(e), and 67-48.0072(17)(f) (“Rules”) require that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific development. Since this information was first discovered by FHFC during review of the General Contractor’s Cost Certification, after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under the Rules. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer’s profit and reflected as a subset of the Developer Fee on the Developer’s Final Cost Certification.
- c) First Housing recommends that Florida Housing approve the General Contractor’s use of a subcontractor, which will provide work at a cost that exceeds 20% of the total construction cost for the Development ([Exhibit Y](#)).

MULTIFAMILY BONDS

Consent

- d) On February 27, 2020, staff received a request from the Borrower requesting to refinance the permanent first mortgage loan and the subordination of the SAIL and ELI Loan Documents, SAIL/ELI LURA, MMRN LURA and HC ELIHA to the new permanent first mortgage. The existing permanent first mortgage with Valley National Bank will be substituted with a Fannie Mae permanent loan by Bellwether Enterprise Real Estate Capital, LLC. First Housing has reviewed this request and provided a positive recommendation ([Exhibit Z](#)).

2. **Recommendation**

- a) Approve the request to exceed the 20% subcontractor limitation under the workout scenario proposed above, the refinancing of the permanent first mortgage, and the subordination of the SAIL and ELI Loan Documents, SAIL/ELI LURA, MMRN LURA, and HC ELIHA, subject to the payment of the short-term MMRN Fee and further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

K. Request Approval to Execute Acknowledgment Resolution(s)

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 each of the proposed Developments referenced below intending to finance the acquisition, construction and/or rehabilitation of the Developments. Brief descriptions of the Developments are detailed below. The resolutions being presented to the Board for approval are attached as Exhibits AA through HH.

2. Recommendation

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

MULTIFAMILY BONDS

Consent

Development Name	Name of Applicant	County	Number of Units	Applicable Application	Exhibit
Bembridge	MHP Bembridge, LLC	Collier	82	RFA 2019-102	Exhibit AA
Brownsville Transit Village V	Brownsville Village V, Ltd.	Miami-Dade	120	RFA 2019-102	Exhibit BB
Civitas of Cape Coral	Pine Island Cape, LLC	Lee	96	RFA 2019-102	Exhibit CC
Northside Transit Village III	Northside Property III, Ltd.	Miami-Dade	200	RFA 2019-102	Exhibit DD
Parker Pointe	Tigertown GM, Ltd.	Polk	88	RFA 2019-102	Exhibit EE
Parramore Oaks Phase Two	Parramore Oaks Phase Two, LLC	Orange	91	RFA 2019-102	Exhibit FF
Saratoga Crossings III	Saratoga Crossings III, Ltd.	Broward	75	RFA 2019-102	Exhibit GG
WRDG T4	WRDG T4, LP	Hillsborough	112	RFA 2019-102	Exhibit HH

MULTIFAMILY PROGRAMS

Consent

I. MULTIFAMILY PROGRAMS

A. Request Approval to Exceed the 20% Subcontractor Limitation for Heron Estates Senior (RFA 2015-112/2016-172S/2016-551C)

Development Name: Heron Estates Senior	Location: Palm Beach County
Applicant/Borrower: HTG Heron Estates Senior, LLC	Set Aside(s): HC: 100% @ 60% AMI; SAIL & ELI: 10% @ 33% AMI and 90% @ 60% AMI
Developer/Principal: HTG Heron Estates Senior Developer, LLC / Matthew Rieger	Demographic/Number of units: Elderly/101 units
Requested Amounts: \$826,638 Housing Credits; \$4,971,218 SAIL; \$720,500 ELI	Development Category/Type: New Construction/Garden

1. Background/Present Situation

- a) HTG Heron Estates Senior, LLC (“Applicant”) applied for and was awarded SAIL/ELI funding from Request for Applications (RFA) 2015-112 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non- Competitive Housing Credits. The funds are being utilized to finance the construction of a 101-unit Elderly development in Palm Beach County. On May 17, 2016, Loan staff issued an invitation to the Applicant to enter credit underwriting. On November 20, 2017, staff received a credit underwriting report giving a positive recommendation for a SAIL Loan in the amount of \$4,971,218, an ELI Gap Loan in the amount of \$720,500, and a 4% Housing Credit Allocation of \$826,638, which was approved at the December 8, 2017 Board meeting.
- b) The Applicant is seeking Florida Housing Finance Corporation's ("Florida Housing") Board of Directors ("Board") approval to allow one subcontractor to exceed the 20% limitation in Rules 67-21.026(13)(e) and 67-48.0072(17)(f), F.A.C. See [Exhibit A](#) for Applicant's request.
- c) Pursuant to Rules 67-21.026(13)(e) and 67-48.0072(17)(f), F.A.C., the General Contractor must meet the following conditions:

Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, *unless otherwise approved by the Board for a specific Development*. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. (Emphasis Added)

MULTIFAMILY PROGRAMS

Consent

- d) At the request of Florida Housing staff, Seltzer Management Group, Inc (“Seltzer”) reviewed the Applicant's request, email correspondence between the Developer’s CPA and Florida Housing staff, Rule Chapters 67-21 and 67-48, the AIA A102-2007 Standard Form of Agreement between Owner and Contractor, Schedule of Values, listing of change orders, General Contractor’s Cost Certification, invitation to bid multiple scopes of work, listing of subcontractors invited to bid on the concrete/masonry scope of work, and other pertinent bids and subcontractor agreements. After review and analysis, Seltzer, in conjunction with the Construction Consultant, Varian Associates, P.A. (“Varian”), found the cost to be appropriate for the scope of work. Seltzer recommends that Florida Housing approve the General Contractor’s use of a subcontractor, which provided work at a cost that exceeded 20% of the total construction cost for the Development. See [Exhibit B](#) for Seltzer’s recommendation.
- e) Since this information was first discovered by FHFC during review of the General Contractor’s Cost Certification, after the construction work had already been completed, staff proposes the following workout: no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rules 67-21.026(13)(e), and 67-48.0072(17)(f), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer’s profit and reflected as a subset of the Developer Fee on the Developer’s Final Cost Certification.

2. **Recommendation**

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

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

I. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Residential Options of Florida, Inc., a not-for-profit entity, for Freedom Landing (2020-001P-09)

DEVELOPMENT NAME (“Development”):	Freedom Landing
APPLICANT/DEVELOPER (“Developer”):	Residential Options of Florida, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	18
LOCATION (“County”):	Collier County
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On April 9, 2020, the Developer submitted a PLP application for Freedom Landing. On April 17, 2020, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On May 1, 2020, staff received a development plan and a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$500,000.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$500,000 to Residential Options of Florida, Inc., for Freedom Landing and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Ability Housing, Inc., a not-for-profit entity, for Normandy Village (2020-003P-09)

DEVELOPMENT NAME (“Development”):	Normandy Village
APPLICANT/DEVELOPER (“Developer”):	Ability Housing, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	110
LOCATION (“County”):	Duval County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$750,000
ADDITIONAL COMMENTS: The Applicant has formed a single asset entity, Ability Holding, LLC for this development.	

1. Background

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On April 8, 2020, the Developer submitted a PLP application for Normandy Village. On April 8, 2019, Florida Housing issued an Invitation to Participate in the PLP to the Developer.

2. Present Situation

- a) On April 30, 2020, staff received a development plan and a letter ([Exhibit B](#)) from our technical assistance provider (TAP) recommending approval of the PLP Loan in the amount of \$750,000. Of this loan amount, \$273,000 is being requested for land acquisition. This portion of the loan will be subject to review and a positive recommendation from an assigned credit underwriter.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

3. Recommendation

- a) Approve the PLP Loan in the amount of \$750,000 to Ability Housing, Inc., for Normandy Village and allow staff to commence with the loan closing process on the non-site acquisition funds in the amount of \$477,000 and assign the development to a credit underwriter for review of the acquisition funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of Extension to PLP Loan Maturity for Manatee County Habitat for Humanity, a not-for-profit entity, for Poling Gardens (2016-010P-09)

DEVELOPMENT NAME (“Development”):	Poling Gardens (f/k/a The Gardens)
APPLICANT/DEVELOPER (“Developer”):	Manatee County Habitat for Humanity
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	12 Homeownership units
LOCATION (“County”):	Manatee County
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI, 50% @ 120% AMI
PLP LOAN AMOUNT:	\$402,002
ADDITIONAL COMMENTS:	

1. Background

- a) On March 24, 2017, the Board approved a loan in the amount of \$402,002 for Poling Gardens.
- b) On September 18, 2017, the Developer closed on the PLP loan. The maturity date was established as September 18, 2020. To date, the Developer has drawn \$230,245 in PLP funds.

2. Present Situation

- a) On April 19, 2020, staff received letters ([Exhibit C](#)) from the TAP and Developer requesting that the maturity date be extended under rule to September 18, 2021, to allow for the completion of infrastructure and the construction of homes.
- b) The PLP rule allows for up to two one-year extensions to the maturity date under the following section: 67-38.007 (7) The Corporation shall extend the term of the PLP Loan for an additional period if circumstances exist and if such extension would not jeopardize the Corporation’s security interest.

3. Recommendation

- a) Approve a one-year extension to the loan maturity date for Poling Gardens and allow staff to amend closing documents.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of Credit Underwriting Report for Affordable Housing Solutions for Florida, Inc., a not-for-profit entity, for Greyes Place II (2020-002P-09)

DEVELOPMENT NAME (“Development”):	Greyes Place II
APPLICANT/DEVELOPER (“Developer”):	Affordable Housing Solutions for Florida, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	30
LOCATION (“County”):	Wakulla County
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$560,000
ADDITIONAL COMMENTS:	

1. Background

- a) On April 17, 2020, the Board approved a PLP loan in the amount of \$560,000 for Greyes Place II. Of this loan amount, \$150,000 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 April 22, 2020, AmeriNat accepted the assignment as credit underwriter for the PLP acquisition loan.

2. Present Situation

- a) On May 14, 2020, staff received a credit underwriting report ([Exhibit D](#)) from AmeriNat with a positive recommendation for the \$560,000 PLP loan including \$150,000 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 \$150,000 to Affordable Housing Solutions for Florida, Inc. for Greyes Place II 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 of Credit Underwriting Report for Brisas del Este Phase Two (2019-016S)

Development Name: Brisas del Este Phase Two	Location: Miami-Dade County
Applicant/Borrower: Brisas del Este Phase Two, LLC	Set Aside(s): 37.5% @ 30% AMI (ELI/SAIL/4% HC) 7.5% @ 60% AMI (SAIL/4% HC) 55% @ 80% AMI (SAIL Workforce/4% HC)
Developer/Principal: Brisas del Este Phase Two Developer, LLC / Alberto Milo, Jr.	Demographic/Number of units: Family (Workforce) / 120
Requested Amounts: \$4,260,000 State Apartment Incentive Loan (SAIL) \$1,342,602 Housing Credits (4% HC)	Development Category/Type: New Construction / High Rise

1. Background/Present Situation

- a) On October 8, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-114 for SAIL Financing for the Construction of Workforce Housing.
- b) On December 14, 2018, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On January 4, 2019, 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 January 4, 2019, giving them a firm loan commitment issuance deadline of January 4, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On December 13, 2019, the Board approved extending the firm loan commitment issuance deadline from January 4, 2020 to July 6, 2020.
- e) On May 12, 2020, staff received a final credit underwriting report with a positive recommendation for SAIL funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all of the requirements of the RFA.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

B. Request Approval of Financing Change for Marquis Apartments (2019-161SN)

Development Name: Marquis Apartments	Location: Broward County
Applicant/Borrower: Marquis Partners, Ltd.	Set-Asides: 6% @ 22% AMI (NHTF) 10% @ 28% AMI (SAIL/ELI) 84% @ 60% AMI (SAIL) 100% @ 60% AMI (HC)
Developers/Principals: Cornerstone Group Partners, LLC / Mara S. Mades	Demographic/Number of Units: Family/Persons with Special Needs/100
Requested Amounts: \$3,040,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,435,800 National Housing Trust Fund (NHTF) \$920,827 Housing Credits (4% HC)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On October 19, 2018, Florida Housing Finance Corporation issued a Request for Application (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 2018-116, allowing staff to proceed with all necessary credit underwriting activities.
- d) On May 13, 2019, 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 giving a deadline of May 13, 2020.
- e) On January 23, 2020, the Board approved the final credit underwriting report and directed staff to proceed with issuing a firm commitment and closing activities. On January 27, 2020, staff issued a firm commitment letter to the Borrower with a loan closing deadline of May 26, 2020.
- f) On April 27, 2020, staff received a request from the borrower to change the grant received from the City of Pompano Beach to a loan ([Exhibit B](#)). The tax credit equity partner required the grant to be modified to a loan due to negative tax consequences. The loan will not bear interest and all principal will be due at maturity on January 31, 2050.
- g) On April 30, 2020, all funding sources closed on Marquis Apartments.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

- h) On May 13, 2020, staff received an update credit underwriting letter with a positive recommendation for approval of the proposed change to the City of Pompano Beach Grant of \$407,750 to a loan ([Exhibit C](#)).

2. Recommendation

- a) Approve financing change as shown above.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

C. Request Approval of Credit Underwriting Report for Boatworks Residences (2019-394CS)

Development Name: Boatworks Residences	Location: Monroe County
Applicant/Borrower: Keys Affordable Development IV, LLC	Set-Asides: 5% @ 25% AMI (SAIL & ELI) 45% @ 60 % AMI (SAIL & HC) 50% @ 80% AMI (SAIL)
Developers/Principals: Quint Development, LLC./Martin C. Flynn, Jr.	Demographic/Number of Units: Workforce/ 52 units
Requested Amounts: \$5,000,000 State Apartment Incentive Loan (SAIL) \$925,344 Housing Credits (9%)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On February 5, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-110 for SAIL and Housing Credit Financing for the Construction of Workforce Housing for Hurricane Recovery in Monroe County.
- 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 16, 2019, giving them a firm loan commitment issuance deadline of May 16, 2020. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On April 17, 2020, the Board approved to extend the May 16, 2020 firm loan commitment issuance deadline to November 16, 2020.
- e) On May 14, 2020 staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit D](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

2. Recommendation

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

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

D. Request Approval of Credit Underwriting Report for Serenity Springs (2019-003G)

Development Name: Serenity Springs	Location: Citrus County
Applicant/Borrower: Citrus County Association for Retarded Citizens, Inc. (CCARC)/Melissa Walker	Set-Asides: 33% @ 40% AMI and 67% @ 60% AMI
Developers/Principals: N/A	Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents
Requested Amounts: \$468,100 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 March 15, 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 December 15, 2019 to March 15, 2020, and an extension of the Grant closing deadline was approved from March 15, 2020 to June 15, 2020. An additional extension of the credit underwriting report deadline was approved from March 15, 2020 to June 15, 2020 and an additional extension of the Grant closing deadline was approved from June 15, 2020 to September 15, 2020.
- e) On May 14, 2020, staff received a final credit underwriting report with a positive recommendation for a grant amount of \$468,100 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 commitment and closing activities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

E. Request Approval of Loan Closing Extension for Northside Transit Village II (2018-047BSN)

Development Name: Northside Transit Village II	Location: Miami-Dade County
Applicant/Borrower: Northside Property II, Ltd.	Set Aside(s): 10% @ 28% AMI (SAIL, ELI & HC) 90% @ 60% AMI (SAIL & HC) 100% @ 60% AMI (MMRB) 2.77% @ 22% AMI (NHTF)
Developer/Principal: APC Northside Property II Development, LLC / Kenneth Naylor	Demographic/Number of units: Elderly / 180
Requested Amounts: \$20,800,000 Multifamily Mortgage Revenue Bonds (MMRB) \$7,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,047,895.89 National Housing Trust Fund (NHTF) \$1,649,692 Housing Credits (4%)	Development Category/Type: New Construction / High Rise

1. Background/Present Situation

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. National Housing Trust Funds were also awarded to the proposed Development for funding.
- b) On December 8, 2017, the Board approved the final scores and recommendations for RFA 2017-108 and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order 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 4, 2018.
- d) On December 14, 2018, the Board approved the Applicant’s request to extend the firm loan commitment issuance deadline from February 4, 2019 to August 4, 2019.
- e) On June 21, 2019, the Board approved the Applicants request for a waiver of Rule 67-48.0072(21)(b) pertaining to a further extension of the firm loan commitment issuance deadline from August 4, 2019 to January 31, 2020.
- f) On December 13, 2019, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities. On December 16, 2019, staff issued a firm commitment to the Applicant giving them a loan closing deadline of June 15, 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 April 17, 2020, the Board approved the recommendation to extend the SAIL

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

and ELI loan terms.

- h) On April 27, 2020, the Borrower requested a loan closing deadline extension from June 15, 2020 to September 14, 2020 ([Exhibit F](#)). While the Borrower fully expects to close on these loans prior to the June 15, 2020 deadline, this request was submitted in an abundance of caution in case the loans do not close in time. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. **Recommendation**

- a) Approve the request for a loan closing deadline extension from June 15, 2020 to September 14, 2020.

SPECIAL ASSETS

Consent

I. SPECIAL ASSETS

- A. Request Approval of the Extension of the DEMO Loan for Casa Cesar Chavez, LLC., a Florida limited liability company, for Casa Cesar Chavez (DEMO RFP 2001/06 FW/2001/06-001FW)

Development Name: Casa Cesar Chavez (“Development”)	Location: Miami-Dade County
Developer/Principal: Everglades Housing Group, Inc. / Everglades Community Association, Inc (“Borrower”)	Set-Aside: Demo (3) 10%@33%; (11) 40%@60%; (14) 50%@ 50% AMI. LURA: 15 Years
Number of Units: 28	Allocated Amount: DEMO \$1,250,000.00
Demographics: Farmworker/Family	Servicer: Florida Housing Development Corporation

1. **Background**

- a) Casa Cesar Chavez, applied for Demonstration Program (DEMO) funds in 2004 and was awarded DEMO funds in the amount of \$1,250,000.00, for the acquisition and rehabilitation of a 28-unit Farmworker/Family development in Miami-Dade County. The DEMO loan closed on December 15, 2004 in the amount of \$1,250,000.00 and matures on December 30, 2020.

2. **Present Situation**

- a) On January 16, 2020, the Borrower has requested approval to extend the DEMO loan maturity date to December 30, 2025 as allowed by the loan documents. In requesting this extension, the borrower proposes to reduce the principal amount by a minimum of \$641,575.97. The borrower has agreed to an extension of the affordability period under the Land Use Restriction Agreements (“LURA”) to be equal to the loan extension (adding five years to the current 15 years).
- b) Staff has received a credit underwriting report ([Exhibit A](#)) from First Housing Development Corporation with a positive recommendation for approval of the extensions.

3. **Recommendation**

- a) Approve the extension of the Demonstration Loan maturity date to December 30, 2025 with payment of a minimum of \$641,575.97, and extension of the LURA to be equal to the loan extension, 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

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B. Request Approval to Refinance the First Mortgage for Alhambra Cove Associates, Ltd., a Florida Limited Partnership, for Alhambra Cove Apartments (2004-059S/2005-118S/2005-502C)

Development Name: Alhambra Cove Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Cornerstone (“Developer”)/Alhambra Cove Associates, Ltd. (“Borrower”)	Set-Aside: SAIL & HC 100% @ 60% AMI LURA: 50 years; EUA: 30 years
Number of Units: 240	Allocated Amount: SAIL \$2,000,000, \$1,000,000; HC \$999,710
Demographics: Family	Servicer: First Housing Development Corporation

1. Background

- a) During the 2004 and 2005 funding cycles, Florida Housing Finance Corporation (“Florida Housing”) awarded two State Apartment Incentive Loans (“SAIL”) in the original amounts of \$2,000,000 and \$1,000,000 respectively to Alhambra Cove Associates, Ltd., a Florida limited partnership (“Borrower”), for the development of a 240-unit apartment complex in Miami-Dade County, Florida. The first SAIL loan closed on June 28, 2005, and the second SAIL loan closed on March 10, 2006. Both loans will mature on July 15, 2045. The Development also received a 2005 allocation of low-income housing tax credits (“HC”) of \$999,710.
- b) In December 2014, the Board approved the Borrower’s request to refinance the existing first mortgage, thereby redeeming the underlying bonds and effectively terminating the mortgage guaranty issued by the Guarantee Program and its associated financial risk to Florida Housing. The Borrower also requested that the SAIL loan, the Land Use Restriction Agreement (“LURA”), and the Extended Low-Income Housing Agreement (“ELIHA”) be subordinated to the new first mortgage.
- c) In May 2018, the Board approved the Borrower’s request to refinance the existing first mortgage and subordinate the SAIL loan, the SAIL LURA, and the HC ELIHA to the new first mortgage.

2. Present Situation

- a) The Borrower requests consent from the Board to refinance the existing first mortgage, renegotiate the SAIL loan and subordinate the SAIL loan, SAIL LURA, and the HC ELIHA to the new first mortgage. The Borrower will also be purchasing the limited partner (“LP”) interests in the Development. The Borrower agreed to pay \$1,772,367.36 towards paying down the SAIL loan principal. Excess funds will be used to pay off subordinate debt of three Cornerstone developments in Florida Housing’s portfolio.

SPECIAL ASSETS

Consent

- b) Staff has received a credit underwriting report ([Exhibit B](#)) from First Housing Development Corporation with a positive recommendation for approval of the refinancing of the first mortgage, renegotiation of the SAIL loan, subordination of the SAIL loan, SAIL LURA, and HC ELIHA to the new first mortgage, purchase of the LP interests, and payment of subordinate debt on three developments.

3. **Recommendation**

- a) Approve the refinancing of the first mortgage loan, renegotiation of the SAIL loan, subordination of the SAIL loan, SAIL LURA, and HC ELIHA, purchase of the LP interests, and payment of the negotiated principal amount and subordinate debt, all subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

C. Request Approval of First Mortgage Refinancing for twelve developments of Starwood Property Trust, Inc.

Development Name: Walden Park Apartments (“Development”)	Location: Osceola County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Walden Park LLC (“Borrower”)	Set-Aside: MMRB 40%@60%; SAIL ELI 2.6%@33%; HC 100%@60% AMI LURA 50 years; SAIL ELI 15 years; EUA 30 years
Number of Units: 300	Allocated Amount: SAIL ELI \$535,000; HC \$773,275
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Waverly Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Waverly LLC (“Borrower”)	Set-Aside: MMRB 50%@60%; SAIL ELI 12.7%@28%; HC 100%@60% AMI LURA 50 years; SAIL ELI 15 years; EUA 30 years
Number of Units: 260	Allocated Amount: SAIL ELI \$2,475,000; HC \$776,066
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Wedgewood Apartments (“Development”)	Location: Volusia County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Wedgewood LLC (“Borrower”)	Set-Aside: MMRB 50%@60%; HC 100%@60% AMI LURA 50 years; EUA 30 years
Number of Units: 300	Allocated Amount: HC \$1,918,683
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Wentworth II Apartments (“Development”)	Location: Orange County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Wentworth II LLC (“Borrower”)	Set-Aside: SAIL ELI 19%@33%; HC 100%@60% AMI LURA: 50 years; ELI: 15 years; EUA: 30 years
Number of Units: 264	Allocated Amount: SAIL ELI \$3,750,000; HC \$861,663
Demographics: Family	Servicer: Seltzer Management Group

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Development Name: Westbrook Apartments (“Development”)	Location: Orange County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Westbrook LLC (“Borrower”)	Set-Aside: MMRB 50%@60; HC 100%@60% AMI LURA 50 years; EUA 30 years
Number of Units: 234	Allocated Amount: HC \$810,342
Demographics: Family	Servicer: AmeriNat
Development Name: Westminster Apartments (“Development”)	Location: Pinellas County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Westminster LLC (“Borrower”)	Set-Aside: MMRB 40%@60%; HC 100%@60% AMI LURA 50 years; EUA 30 years
Number of Units: 270	Allocated Amount: HC \$702,954
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Weston Oaks Apartments (“Development”)	Location: Pasco County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Weston Oaks LLC (“Borrower”)	Set-Aside: HC 15.5%@30%, 84.5%@60% AMI EUA 50 years
Number of Units: 200	Allocated Amount: HC \$665,000
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Willow Lake (“Development”)	Location: Orange County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Willow Lake LLC (“Borrower”)	Set-Aside: MMRB 50%@60%; HC 100%@60%; SAIL ELI 15%@33% AMI LURA: 15 years; SAIL ELI: 15 years; EUA: 50 years
Number of Units: 428	Allocated Amount: SAIL ELI \$4,875,000; HC \$1,441,055
Demographics: Family	Servicer: Seltzer Management Group

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Development Name: Windsor Park Apartments (“Development”)	Location: Palm Beach County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Windsor Park LLC (“Borrower”)	Set-Aside: SAIL ELI 10% @ 28%; HC 77.5% @ 60% AMI. SAIL ELI: 15 years; EUA 31 years
Number of Units: 240	Allocated Amount: SAIL ELI \$1,800,000; HC \$517,822
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Woodbridge at Walden Lake Apartments (“Development”)	Location: Hillsborough County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Woodbridge LLC (“Borrower”)	Set-Aside: MMRB 40%@60%; SAIL & HC 80%@60%; ELI 10%@35% AMI LURA: 50 years; ELI: 15 years; EUA: 50 years
Number of Units: 236	Allocated Amount: SAIL \$3,000,000; ELI \$1,800,000; HC \$403,910
Demographics: Family	Servicer: Seltzer Management Group
Development Name: Woodcrest (“Development”)	Location: St. Johns County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Woodcrest LLC (“Borrower”)	Set-Aside: SAIL 100% @ 60%; HC 15% @ 35%, 85% @ 60% AMI. LURA: 67 years; EUA: 50 years
Number of Units: 90	Allocated Amount: SAIL \$1,061,605; HC \$468,587
Demographics: Family	Servicer: AmeriNat
Development Name: Wyndham Place Apartments (“Development”)	Location: Seminole County
Developer/Principal: Starwood Property Trust, Inc. (“Developer”); SPT WAH Wyndham Place LLC (“Borrower”)	Set-Aside: MMRB 50%@60%; SAIL ELIs 10%@33%; 15%@33%; HC 100%@60% AMI LURA: 50 years; SAIL ELIs: 15/15 years; EUA: 30 years
Number of Units: 260	Allocated Amount: SAIL ELIs \$1,950,000 & \$2,925,000; HC \$763,544
Demographics: Family	Servicer: Seltzer Management Group

1. Background

- a) In September 2015, the Board approved the transfer of ownership in the twelve Developments from The Wilson Group (“Original Developer”) and its affiliates to Starwood Property Trust, Inc., and its affiliates.
- b) The Original Developer and its affiliates received funding from Florida Housing Finance Corporation (“FHFC”) for the construction of these twelve affordable housing properties from 1994 to 2012. Funding sources from FHFC included Multifamily Mortgage Revenue Bonds (“MMRB”), State Apartment Incentive Loan (“SAIL”), State Apartment Incentive Loan Extremely Low Income (“SAIL ELI”), Subordinate Mortgage Initiative (“SMI”), HUD risk sharing with FHFC’s Guarantee Program (“GP”), and Housing Credits (“HC”).

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- c) Through subsequent refinancings over the years, the underlying FHFC or county bonds were redeemed and effectively terminated the mortgage guaranty issued by the GP and its associated financial risk to FHFC. The SMI loans were also repaid.
- d) For Walden Park, Waverly, Wentworth II, Westbrook, Westminster, and Wyndham Place, there is an outstanding MMRB Land Use Restriction Agreement (“LURA”) applicable to each development.
- e) For eight of these properties, Florida Housing Finance Corporation (“Lender”) still has loans and is the Housing Credit authority.

2. **Present Situation**

- a) By correspondence dated April 28, 2020, Starwood Property Trust, Inc. is requesting the Board’s approval to refinance the existing first mortgage loan for each of the twelve Developments. The SAIL ELI loan documents, the applicable MMRB LURAs, and the HC Extended Low-Income Agreements (“ELIHA”) will need to be subordinated to the new first mortgage loans.
- b) The SAIL loans for Woodbridge and Woodcrest will be paid off simultaneously with the refinancings. The SAIL LURAs will also be subordinated to the new first mortgage loans.
- c) Staff received a credit underwriting report ([Exhibit C](#)) from Seltzer Management Group, Inc. providing a positive recommendation to refinance the first mortgage loans, subordinate the SAIL ELI loan documents, MMRB LURAs, SAIL LURAs, and HC ELIHAs to the new first mortgage loans.

3. **Recommendation**

- a) Approve the refinance of the existing first mortgages, subordination of the SAIL ELI loan documents, MMRB LURAs, SAIL LURAs, and HC ELIHAs to the new first mortgage, and modifications to any other loan documents deemed necessary by FHFC counsel, with payoff of the two SAIL loans, all subject to the conditions outlined in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel and appropriate FHFC staff, and direct staff to proceed with loan document modification activities, as needed.