

**ANALYSIS OF LOAN REQUESTS
LOCAL GOVERNMENT AREA OF OPPORTUNITY (PREFERENCE)
FUNDING**

1. **Summary of Applications**

The 2022 NOFA had an October 7, 2022, due date, which was extended by the City and County to October 31 when no applications were initially received. One application was received by October 31. A summary of the proposed development

Name	Lakeside Flats
Owner Entity*	Citrus Gardens Apartments, LLC
Developer/Location	Archway Partners Orlando, Florida
Street Address	2120 Mahan Drive
Type	New Construction
Demographic	Family
County Commission District	District 5, Kristin Dozier
Units	66
Bedrooms	96
# of Buildings	3 residential buildings (garden)
# of Stories	3
Credit Underwriter	TBD
Estimated Closing Date	December 2023
SAIL & ELI Funding & NHTF	\$9,800,000
Housing Credit Investor	TBD
Housing Credits	\$22,130,422
City//County/HFA Funding	\$460,000
Total Cost	\$22,130,422
Total Cost Per Unit	\$335,309
Land Cost	\$1,050,000
Hard Construction Cost	\$13,770,205 \$208,639/unit
General Contractor	TBD
Set-Aside Period	Perpetuity
Set-Aside Levels	15.2% (10 units) <30% AMI 39.4% (26 units) < 60% AMI 45.5% (30 units) <70% AMI

Note: Applicant is applying for City of Tallahassee Density Bonus, which provides a 25% increase in allowable units. Applicant plans to use only 6 additional units, increasing to total of 72 units if approved.

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2. **Threshold Criteria & Analysis:** All Applicant meets threshold requirements.

	Lakeside Flats
Project must be located within the city limits of the City of Tallahassee, Florida, or urban services areas of Leon County, Florida	Yes Located in City of Tallahassee
Site Control	Yes Site control via Contract for Purchase & Sale
Set- aside equal to or greater than the standards for low-income Housing Tax Credits	Meets FHFC Standards 15.2% (10 units) <30% AMI 39.4% (26 units) < 60% AMI 45.5% (30 units) <70% AMI
Applicant must establish an affordable period in perpetuity for set-aside rental units	Yes
Evidence authorizing the use of the property for the proposed use	Yes OR-3 Letter from City confirming up to 67 units can be developed on the site

3. **Summary of Loan Request:**

	Lakeside Flats
LOAN REQUEST	\$460,000
LOAN TERM	30 years No amortization Balloon at maturity
LOAN RATE	0.0%
COMMENTS	This is a request, and the County may counteroffer. See recommendation for proposed counteroffer on loan terms

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4. Project Selection Criteria

- Project feasibility as determined by:
 - ✓ Applicant’s development and construction experience;
 - ✓ Applicant’s management experience; and
 - ✓ Financial feasibility to complete and operate the project (including, but not limited to, cost estimates, cash flows, debt service, coverage ratios, the percentage of public monies requested compared to project cost; leveraging)
- Applicant’s performance and/or compliance (including any prior defaults) of any prior loans or contracts with the the Authority, City, and/or County including timeliness of closing on financing from the Authority, City, and/or County and duration of construction;
- The extent to which social services and assistance is offered to occupants (including, but not limited to job training, computer training, home purchase assistance, and health-related support);
- The extent to which there is temporary (for any rehabilitation projects) or permanent displacement of existing tenants (then in which event either shall be scored as a negative factor); and,
- The Authority, in coordination with the City and County established the following funding priorities for Applicants applying for the Local Contribution in conjunction with FHFC RFA 2022-201:
 - ✓ Maximum Economic Impact
 - ✓ Overall quality of the site
 - ✓ Proximity to public transportation
 - ✓ Proximity to Employment
 - ✓ Leveraging of the Authority, City and/or County funds with other resources that could be used to meet the FHFC required contribution level, and leveraging of the Authority funds with other funds to achieve greater impact on the community/neighborhood
 - ✓ Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term, and maximum interest rate
 - ✓ Developments which commit to an affordability period in perpetuity
 - ✓ Innovative Aspects of the Development
 - ✓ Resident programs and unit and development amenities
 - ✓ Partnership with the Community Land Trust of Tallahassee-Leon County on resident programming and unit and development amenities
 - ✓ Establish a percentage of units for households that do not exceed 30% of the Area Median Income (AMI)
 - ✓ Establish a percentage of units dedicated to low-barrier housing. Low barrier housing is housing that does not require a security deposit, a minimum credit score, and does not prohibit individuals with criminal records. Low barrier housing shall not apply to convicted and/or registered sex offenders.
 - ✓ Provision of needed affordable housing as described in the 2022 Rental Market Study by the Shimberg Center for Housing Studies

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5. Analysis of Developments Using Project Selection Criteria:

	Lakeside Flats
Applicant's development and construction experience	Extensive
Applicant's management experience, or experience and quality of management company	Extensive SPM (owned by Applicant)
Financial feasibility to complete and operate the project (including, but not limited to, cost estimates, cash flows, debt service coverage ratios, the percentage of public monies requested compared to project cost; leveraging of public resources, including the requested local government loan)	Appears Feasible \$335,309 TDC/unit 1.20-1.31 DSC Local government loan 2.1% of TDC \$2.85 million private 1 st mortgage (12.9% of TDC) \$18.36 million equity investment from Housing Credits (83.0% of TDC)
Applicant's performance and/or compliance (including any prior defaults) of any prior loans or contracts with the the Authority, City, and/or County including timeliness of closing on financing from the Authority, City, and/or County and duration of construction	No loans
The extent to which social services and assistance is offered to occupants (including, but not limited to job training, computer training, home purchase assistance, and health-related support)	Extensive Include, resident activities, on-site voter registration, financial counseling, computer training, life safety training, health and nutrition classes, smoking cessation classes, first-time homebuyer seminars, and job training classes
Maximum Economic Impact Note: Estimates of Job and Total Economic Impact Utilizes REC Group Methodology and Applied to Each Development	\$22.1 million TDC 350 jobs \$40.9 million total economic impact \$53,961 annual Property Taxes
Overall Quality of the Site	Excellent See below for specifics on proximity to public transportation and employment. Site is 1 mile from Publix, 0.3 miles from medical facility (and near a massive number of medical offices) and is 0.3 miles from a pharmacy. School Zones Kate Sullivan Elementary Cobb Middle School Leon High School Avoids concentration of affordable housing in low-income areas

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	Lakeside Flats
Proximity to Public Transportation	Excellent Three bus stops (0.17 miles, 0.18 miles & 0.38 miles)
Proximity to Employment	Excellent Near multiple medical facilities Near medical, office parks, downtown and FSU employment
Leveraging of the Authority, City and/or County funds with other resources that could be used to meet the FHFC required contribution level, and leveraging of the Authority funds with other funds to achieve greater impact on the community/neighborhood	Typical tax credit development Tax credits, bank loan and deferred developer fee pay for 97.9% of development costs.
Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term, and maximum interest rate	Meets FHFC requirements However, a more aggressive loan repayment schedule would also be feasible and would also meet FHFC requirements
Innovative Aspects of the Development	Will obtain a green building certification Will include fitness center, multi-purpose community room, library, coworking space and tech lab. Developer has “several MBE and WBE Businesses” on their development team, and expects “to procure many others throughout the bidding and subcontracting process”.
Resident Programs & Units and Development Amenities	Resident activities On-site voter registration Financial counseling Computer training Life safety training Health and nutrition classes Smoking cessation classes First-time homebuyer seminars Job Training Granite countertops Energy efficient appliances In-unit washer and dryer hookups Fitness Center Multi-purpose community room for resident programs Library Co-working space Tech lab
Partnership with the Community Land Trust of Tallahassee-Leon County on resident programming and unit and development amenities	Applicant states that it will “aim to partner” with the CLT on resident programming and unit and development amenities
Establish a percentage of units for households that do not exceed 30% of the Area Median Income (AMI)	15.2% (10 units) at 30% AMI

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Establish a percentage of units dedicated to low-barrier housing. Low barrier housing is housing that does not require a security deposit, a minimum credit score, and does not prohibit individuals with criminal records. Low barrier housing shall not apply to convicted and/or registered sex offenders	Lakeside Flats 5% of the units (“Link” units) will be low barrier housing. The remaining ELI units will have a more lenient application approval process.
Provision of needed affordable housing as described in the 2022 Rental Market Study by the Shimberg Center for Housing Studies	Shimberg Study shows need for units in Leon County

6. Commentary on the Application:

In general, the purpose of the HFA’s application process is to provide a **preference for a housing credit application that provides more benefits to the residents, neighborhood, and community than would otherwise be obtained with the FHFC application system.** This would be accomplished in multiple ways, including affordability in perpetuity, excellent site location, and resident programs. The Applicant met all threshold criteria and addressed all selection criteria in a positive manner.

7. Recommendations:

- Recommend that County designate Lakeside Flats as a Local Government Area of Opportunity Funding development;
- Recommend loan of \$460,000, with a 1% interest rate and amortization over 30 years (beginning after construction). Require loan repayment in full when development is sold or refinanced;
- Require loan to be serviced by compliance monitoring agent/loan servicer designated by FHFC;
- Request the appropriate County official to sign the FHFC form required to verify the local government contribution;
- Loan to be evidenced by Promissory Note and Mortgage, with anticipated second mortgage position (subject to all loan documents and due diligence necessary to evidence and complete the transaction). Loan documents to include a Land Use Restriction Agreement with all Applicant commitments (HFA programs, length of set-aside, income restrictions);
- Loan commitment expiration date of December 31, 2023; and,
- Consider providing 50% of required local funds from the HFA, subject to the development receiving 9% Housing Credits from FHFC.