



September 21, 2022

Ralph Stone
Broward County Housing Finance Authority
110 Northeast 3rd Street, #300
Fort Lauderdale, Florida 33301

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MIAMI, FLORIDA 33135

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EMAIL: INFO@CARRFOUR.ORG

RE: Southwest Hammocks

Dear Mr. Stone,

Carrfour Supportive Housing respectfully requests \$1 million to help cover the funding gap at Southwest Hammocks, an affordable housing community located in the City of Pembroke Pines.

The overarching goal of Southwest Hammocks is to provide residents with voluntary, self-directed and recovery-based services within a supportive community that promotes residential stability, self-sufficiency, wellness, and independence. Southwest Hammocks, which will be built on the City of Pembroke Pine's Howard Forman Health Campus, is a collaboration of Carrfour Supportive Housing (which will serve as the developer, operator and service coordinator), NAMI of Broward (which is an advocacy organization that provides support groups to adults living with mental illness), Broward Behavioral Health Coalition ("BBHC"), which is the Managing Entity of behavioral health services for Broward County), Foot Print to Success Clubhouse (an evidenced-based employment program for adults living with mental illness using the Clubhouse model), and South Florida Wellness Network (a peer run organization committed to behavioral health and holistic wellness for those living with mental illness). All partners, including Foot Print to Success which will have a new, state-of-the-art Clubhouse on the ground floor, will provide services on-site- making Southwest Hammocks a full-service wellness community where adults living with a severe and persistent mental illness, including schizophrenia, bipolar disorder, major depressive disorder, schizoaffective disorder, PTSD, and anxiety disorders, can live in a supportive community and access all necessary services on-site. In order to ensure that the most vulnerable are housed at Southwest Hammocks, BBHC will serve as the coordinated entry point and screen and prioritize all referrals using priorities developed by their Housing Initiatives Workgroup.

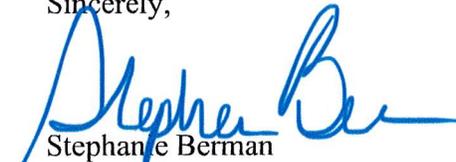
Of the 100 housing units, 50 will be reserved as permanent supportive housing for adults with severe mental illness and 50 will be traditional affordable housing for households earning less than 60% of the Area Media Income. In addition, 8 of the supportive housing units will be reserved for households who are homeless. All units will serve households earning below

60% of the Area Median Income and 15% of the units will be reserved for household earning less than 25% of the Area Median Income.

Southwest Hammocks was awarded Low Income Housing Tax Credits (\$26,226,200), SAIL (\$3,402,400) and SAIL ELI (\$597,600) from Florida Housing Finance Corporation ("FHFC") in 2021. From the time we submitted the tax credit application until we completed underwriting, there has been unprecedented cost escalations in all facets of development- including labor, materials/supplies, insurance, and interest costs. Due to these significant and unforeseen increases, Southwest Hammocks experienced an approximately 20% increase in development costs leaving a sizeable gap. Earlier this year, we submitted and received an additional award of \$4,300,000 in SAIL funding from FHFC through their Construction Housing Inflation Program. Even with this additional CHIRP funding, we still have a sizeable.

Please let us know if you need any additional information and thank you in advance for your consideration of this request.

Sincerely,



Stephanie Berman
President/CEO

**CITY PLACE APARTMENTS, LTD.
3050 Biscayne Boulevard, Suite 300
Miami, Florida 33137**

September 9, 2022

Via Electronic Mail

Mr. Ralph Stone
Executive Director
Broward County Housing Finance Authority
110 NW 3rd Street, Suite 300
Fort Lauderdale, Florida 33301

RE: City Place Apartments, Dania Beach, Florida – 99 Affordable Housing Units

Dear Mr. Stone:

Thank you for taking the time to talk earlier this week regarding the above referenced development. On January 24, 2022, Florida Housing Finance Corporation (FHFC) invited City Place into credit underwriting for highly competitive 9% Housing Credits (HC). On June 24, 2022, City Place Apartments, Ltd. (CPA) submitted an application to FHFC for additional 9% HC through the 2022 Construction Housing Inflation Response Program (CHIRP). Among other items, FHFC's CHIRP rules currently require developments to:

- 1) Have their credit underwriting reports completed on or prior to December 15, 2022; and
- 2) Close on the limited partnership agreement, and if applicable, FHFC funding and construction funding on or prior to January 31, 2022.

As I mentioned, City Place is facing significant construction cost increases, consistent with industry-wide conditions. City Place's challenges are further aggravated by the small size of the property (i.e., 1.24 acres), hence the development's 8-story design, with a 2-story parking structure. In order to partially address cost increases, we have asked staff at FHFC and the City of Dania Beach to consider permitting us to remove 11 market-rate units from the development. In addition, we have asked staff at the City of Dania Beach to consider allowing the removal of the ground floor retail space in the development. For your records, attached is the Rule Waiver request we submitted to FHFC on August 31 in connection with these requests, which should be considered at FHFC's board meeting of September 16. We have submitted the necessary requests to the City of Dania Beach for corresponding amendments/revisions to the project plans.

Aside from requesting CHIRP funding from FHFC, City Place has secured the following funding sources:

- 1) City of Dania Beach - \$1,000,000 construction and permanent loan (to be secured by a 2nd mortgage)
- 2) United Way of Broward County - \$2,000,000 construction and permanent loan (to be secured by a 3rd mortgage)
- 3) Neighborhood Lending Partners - \$1,000,000 construction and permanent loan (to be secured by a 4th mortgage)

Mr. Ralph Stone
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We will provide you with documentation regarding the above referenced loans and other due diligence items by way of a Dropbox link. In obtaining the above funding we have pursued all known options, other than Broward County, to ensure the financial viability of City Place. Given FHFC's CHIRP requirement to complete credit underwriting by December 15 and commence construction on or prior to January 31, 2023, we are requesting assistance from Broward County so that we can bring much needed affordable housing to Broward County in the very near future.

At this time, we are respectfully requesting \$3,000,000 in construction and permanent funding from Broward County. The County's loan would be funded during construction, as agreed between the County and CPA. In order to facilitate the financial viability of the development, we request that the County's loan to CPA be at a rate of 0% per annum, with principal payable at maturity, 30 years from the closing of the County loan. There would be no principal payments until maturity. The County's loan would be junior in lien priority to the above stated loans.

Attached is our development budget and operating projections. The attached budget reflects projected costs, based on our plan revisions (i.e., the removal of the 11 market rate units and the retail space), and is not based on an executed construction contract. We are submitting this request at this time, given the FHFC CHIRP time constraints referenced above.

Thank you in advance for your consideration of this request.

Sincerely,



City Place Apartments, Ltd.

Francisco Rojo
Vice President of its General Partner

Enclosures



September 16, 2022

Ralph Stone
Broward County Housing Finance Division
Executive Director

Via email

**Subject: Funding Request for Affordable Housing Project
University Station**
Applicant: University Station I, LLC
Affiliate: HTG Madison, LLC

University Station is a planned 216-unit, family (no demographic restriction) affordable housing development with an allocation (RFA 2020-205) from Florida Housing Finance Corporation ("FHFC") for State Bonds (around \$46M issuance), Federal 4% Low-Income Housing Tax Credits (approximately \$38MM in Tax Credit equity), State of Florida Sadowski Fund Loans (\$11,209,360 in SAIL/ELI/CHIRP), National Housing Trust Funds (\$1,544,509), \$5MM of City of Hollywood parking funds. In addition, HTG partners have committed to providing a cash loan to the transaction of \$3,154,680 and also committed to defer at least \$4.2MM in developer fees. This development will be a Public-Private Partnership initiative with the City of Hollywood, who is providing a 75-year ground lease at a discounted Capitalized Lease Payment.

Considering the unprecedented construction cost inflation and extraordinary increases in interest rates, insurance, and utilities prices, University Station now has a \$10MM+ financing gap to make the exceptional development financially feasible.

University Station I, LLC hereby respectfully requests funding from Broward County for a \$6,000,000 loan, at 0% interest, with maturity at year 30. As part of this loan, we will agree to subject the property to a 50-year affordability period. With this \$6MM Broward loan, this project will then be feasible, as City of Hollywood will agree to provide the balance of the gap with an additional allocation of \$2.4MM soft loan and waiver of impact fees for \$405,000.

Further, as you know, HTG Madison Park, Ltd., an affiliate of University Station I, LLC, previously accepted an allocation from Broward County Board of County Commissioners (BOCC) of Gap Funding for \$3,000,000, to assist in the development of a community which would have been known as Madison Park. This planned development, which also would have been located in the City of Hollywood, unfortunately was not able to obtain the balance of the equity required to be feasible. Therefore, since Madison Park is no longer moving forward, HTG Madison Park, Ltd. agrees to forgo this BOCC allocation, with the hope that University Station I, LLC can be allocated this equal amount



of funding.

HTG is working tirelessly to begin construction of University Station by the first quarter of 2023. In order to finalize these plans, and meet the FHFC deadlines, a BOCC Commitment is necessary by first half of October 2022 so that it can be included in FHFC's Credit Underwriting Report.

Thank you very much for your consideration.

If you have any questions regarding this request, please feel free to call Rodrigo Paredes at (305) 537-4704.

Sincerely,

Applicant:

UNIVERSITY STATION I, LLC,
a Florida limited liability company

By: 
Matthew Rieger, Manager

Affiliate:

HTG MADISON PARK, LTD.,
a Florida limited partnership

By: HTG MADISON PARK, LLC,
a Florida limited liability
company, its General Partner

By: 
Matthew Rieger, Manager



September 22, 2022

Ralph Stone, Director
Broward County Housing Finance and Community
Redevelopment Division
110 N.E. 3rd Street, 3rd Floor
Fort Lauderdale, Florida 33301

RE: Pinnacle 441 – Request for County Gap Financing

Dear Mr. Stone:

We are writing you to formally request assistance from the Board of County Commissioners in the form of a loan totaling \$1.8 million for our Pinnacle 441 affordable housing development.

Pinnacle 441 is a critically-needed strategic mixed use, transit-oriented development on the State Road 7 corridor in the City of Hollywood that will provide 113 total units of desperately needed attainable housing (110 income and rent-restricted affordable units for households at 60% of area median income or less, and 2 market-rate units) plus 6,760 square feet of service retail plus one live/work loft within the fast-growing, southern Broward County employment sector. Our development will provide quality amenities, a public plaza with art in public places at the intersection of Johnson Street and SR 7, bike racks, bike sharing and public bus shelters on both Johnson Street and State Road 7 which are all incentivized by the City of Hollywood's favorable land use and zoning designation. Pinnacle 441 received an allocation of competitive Housing Tax Credits from the Florida Housing Finance Corporation in 2021 and has diligently prosecuted the development process: closing on the land, demolishing the existing structures and securing debt and equity commitments from Bank of America and Neighborhood Lending Partners. Broward County also committed \$100,000 of SHIP funding, for which the BOCC approved the final loan agreement on August 25, 2022.



Pinnacle 441 is being developed by Pinnacle Communities, LLC and the ownership entity is controlled by the principals of Pinnacle. Established in 1997, Miami-based Pinnacle is a best-in-class real estate development company that develops, builds, leases and owns affordably priced and luxury-styled apartment homes. With a development portfolio surpassing 10,000 units concentrated in Florida, Mississippi, and Texas, the Pinnacle family of companies have grown into one of the most successful developers of quality rental housing in the United States, having completed nearly 1,700 units of quality multi-family housing in Broward County since 2003.

9400 S. Dadeland Blvd., Suite 100, Miami, FL 33156
Tel: 305.854.7100
www.pinnaclehousing.com

This development has been buffeted by the current headwinds in the development industry – rapidly escalating construction costs, supply chain issues, followed then by increasing interest rates. Pinnacle was among the first developers in the affordable housing industry to raise the alarm that costs were escalating beyond the capacity of affordable housing developments previously funded to remain viable. Florida Housing Finance Corporation immediately addressed the challenges and created the Construction Housing Inflation Response Program (CHIRP), taking the unprecedented action to allocate additional 9% Housing Tax Credits to developments experiencing cost escalations. Pinnacle 441 received an additional \$500,000 in CHIRP Housing Tax Credits, resulting in additional equity of \$4.7 million for the development.

Remarkably, the economic strain on this development was not completely solved by CHIRP alone. Our analysis, verified by Florida Housing’s independent credit underwriting report, indicated a nearly \$4 million funding gap remained, which is consistent with the experience other affordable developers in Broward County and elsewhere, even after receiving CHIRP relief. Before and after the CHIRP award, we engaged with County staff on the possibility that more relief would be needed.

Pinnacle made the tactical decision to take considerable risk, bridging this gap ourselves and proceeded to closing and construction in late July of 2022. We knew public stakeholders understood the magnitude of the challenges, and we could continue to engage in good faith with both the City and County on gap financing options. We risked further cost escalations if we did not start and “lock in” our final pricing with subcontractors and suppliers. Many who have opted to wait, hoping for a slackening in construction pricing, have only experienced the opposite, combined with the rapid escalation of interest rates which will not diminish in the foreseeable future. In any event, our risk-taking means the funding gap is quantifiable, and the development will be completed before the end of 2023, delivering much needed housing to fight the affordability crisis in Broward County.

Our request to the Board of County Commissioners for a \$1.8 million loan is concurrent with continuing dialogue with the City of Hollywood on a relief package (discussed initially at the September 21, 2022 City Commission meeting) to recoup impact and potentially other fees paid by the development. We expect final action on a request to do so within the next few months. Further, we have agreed in our discussions with County staff to condition the loan on terms which ensure the County’s investment is protected. These provisions include:

- Fifty (50) year affordability restriction on the 110 affordable units.
- “Resizing” of the \$1.8 million County loan based on actual verified costs via audited final cost certification process.
- Payment schedule of the \$1.8 million County loan tied to completion of the project (60% at issuance of a TCO, 20% upon auditor’s submission of final cost certification to Florida Housing and 20% at issuance of IRS Form 8609 by Florida Housing).
- No less than thirty-five percent (35%) of the developer fee will be deferred (determined at final cost certification).

We all recognize the unique economic conditions we are all operating within, and do not take lightly the significance of the request we are making. We appreciate your commitment and that of the Board of

County Commissioners and look forward to the approval of this request at the October 11, 2022 BOCC meeting. Please let us know if additional information is required.

Sincerely,



Timothy P. Wheat
Regional Vice President

cc: David O. Deutch
Louis Wolfson
Keith Poliakoff, Esq.