



Hernando County Housing Authority

621 West Jefferson Street
Brooksville, FL 34601

MEMORANDUM

DATE: July 18, 2023

Telephone: (352) 754-4160
Fax: (352) 754-4168

TO: The Honorable Chairman and
Members of the Board of County Commissioners

VIA: Jeffery Rogers
County Administrator

FROM: Terri M. Beverly, Executive Director
Hernando County Housing Authority

SUBJECT: State Housing Initiative Partnership Program (SHIP) Funding
Request

Overview:

The Housing Authority has received a SHIP funding request from Summit Villas Senior, LLLP a partnership comprised of Summit Fortis Development, LLC, and BHA Summit Villas Senior Incorporated, a Florida not-for profit Corporation (an arm of the Brooksville Housing Authority). The funding request would qualify as a Local Government Funding Contribution to qualify the development for funding thru the Florida Housing Finance Corporation's 9% Low Income Housing Tax Credit Program (LIHTC).

The proposal is to redevelop the aging Brooksville Housing Authority's Summit Villa's Apartments located on the northwest corner of Dr. Martin Luther King, Jr. Blvd., and Hale Avenue in Brooksville. These apartments were built in the late 1960's or earlier 1970's and have several issues including lead-based paint, asbestos, and lack of fire walls in the attics. The proposal is to demolish the existing three buildings containing 36 apartments and replace those with 80 units consisting of 64 one and 16 two-bedroom units in a garden style three story building. Five of the new apartments will be set-a-side for households meeting the state's definition for "special needs", ten units will be set aside for residents earning 33% of the area median income (AMI) and 70 units will be set aside for residents earning 60% AMI. The affordability period for the development is 50 years.

Should the Board agree to the funding request, the funding would be secured by a subordinate recorded note and mortgage. The loan term would be a zero-interest deferred for fifteen years and forgiven at the end of the term.

The Brooksville Housing Authority (BHA) is providing a ground lease to the development. The value of the ground lease from BHA is determined by the current assessed land value and the term of the ground lease. Based on the minimum term of 55 years the value is \$164,000.00, based on the most likely term of 75 years the value is \$171,500.00 and based on the maximum term of 99 years the value is \$174,600.00. The bank determines the term of the lease. At this time, the City of Brooksville is not providing any assistance to the development.

BUDGET IMPACT: The request is for \$340,000.00 in SHIP funding. There are SHIP funds available to fund the request.

LEGAL IMPACT:

The Board may act per Florida Statutes

RECOMMENDED ACTION: Staff recommends that the Board approve the funding request from Summit Villas Senior, LLLP in the amount of \$340,000.00 and authorize the Chairman or his designee to sign the Florida Housing Finance Corporation Local Government Verification of Contribution-Loan Form.

Attachments:

Funding request

FHFC Local Government Verification of Contribution-Loan Form

Project Information

Special Needs definition per Florida Statutes 420.0004(13)