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Veda Ramirez
Director, Housing and Supportive Services
Hernando County Board of County Commissioners
621 West Jefferson Street
Brooksville, FL 34601

RE: Summit Villas Local Government Contribution


Dear Ms. Ramirez,

The Brooksville Housing Authority is kindly requesting a loan or grant in the amount of \$340,000.00 to act as a local government contribution for the redevelopment of Summit Villas. The local government contribution will increase the opportunity to be awarded a 9% Tax Credit through Florida Housing Finance Corporation (FHFC).

By granting a loan or grant toward the local government contribution the County Board of Commissioners will play a crucial role in supporting the development of this much-needed affordable housing project. This contribution demonstrates the county's commitment to addressing the affordable housing crisis and improving the lives of its residents.

We believe that collaboration between Brooksville Housing Authority, the County Board of Commissioners, and other key stakeholders will result in a successful and transformative affordable housing development that will benefit the residents of Hernando County for generations to come.

Thank you for your time and consideration. We look forward for the opportunity to work together to make a positive impact on the affordable housing landscape in Hernando County.


6/5/24

Terri M. Beverly
Executive Director
Brooksville Housing Authority



"We do business in accordance with the Fair Housing Act"

Fortis Development, LLC

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Delray Beach, FL 33444

Telephone (561) 859-8520

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June 5, 2024

Veda A. L. Ramirez
Director, Housing and Supportive Services
Hernando County Board of County Commissioners
621 West Jefferson Street
Brooksville, FL 34601

Re: Summit Villas Local Government Contribution

Dear Ms. Ramirez,

On behalf of the Brooksville Housing Authority (BHA) as its procured developer team I am providing this package regarding the BHA's Summit Villas housing development in response to your request for information regarding a local government funding contribution. We are requesting a contribution in the amount of \$340,000 to qualify for the "Local Government Area of Opportunity Funding Goal" ("the LGAO goal") in Florida Housing Finance Corporation's (FHFC) Request for Applications 2024-201, which is for 9% Low-Income Housing Tax Credits ("9% Tax Credits") for developments in medium and small counties.

The funding process for 9% Tax Credits is highly competitive. Over 200 applications are submitted annually and only 8-10 projects are selected each year. However, FHFC sets priorities for LGAO applicants which provides a better chance of being awarded 9% Tax Credits. Resubmissions of LGAO applications results in an even higher chance for an award. We have the opportunity to position Summit Villas so that it qualifies for a higher LGAO priority as a resubmitting applicant.

To qualify for the LGAO goal, an applicant must demonstrate a high level of local government support for the project through the provision of a local government contribution in the form of cash loans and/or cash grants. A development only qualifies for this goal if it is provided a commitment for a loan or a grant in an amount that is stipulated by FHFC, which is \$340,000 for a smaller medium county like Hernando County. A single jurisdiction (City or County) may only make one contribution to one applicant per year.

FHFC dictates that the "funding shall be used for the construction and/or rehabilitation of the proposed Development and shall be paid in full by the local jurisdiction." The local jurisdiction can use funds from a variety of sources to make the contribution. However, the following will not be considered LGAO goal funding: in-kind donations, waiver or deferral of fees, contributions from an applicant or developer principal, contribution from a Public Housing Authority ("PHA"), or donation of land.

The City of Brooksville committing \$340,000 to Summit Villas, will greatly increase the likelihood of the project obtaining the 9% Tax Credits in 2024.

Accompanying this letter is the project information which includes: developer information and experience, demographic and development information/characteristics, set-aside/AMI to be served, and the estimated sources and uses for the project.

Thank you for considering our request and please do not hesitate to reach out to me with any questions. Upon the City committing the \$340,000 contribution to the development, we will share any application related documents, such as the ground lease agreement.

Sincerely,



Darren Smith
Manager

Summit Fortis Development, LLC

Preliminary Project Description

Summit Villas is a proposed new construction, senior affordable housing development located in Brooksville, Hernando County, FL. The 68 one-bedroom units will be available to seniors ages 62 and older with annual incomes from 40% to 60% of the Area Median Income ("AMI").

The new development will be built partly on the old property that will be demolished and an additional vacant site will be included into the overall site plan for new development allowing for more units and additional needed parking and greenspace for amenities and water retention

The design of the proposed development will include two three-story Garden Style residential buildings with elevators. The residential buildings will be of concrete construction. A community center will be located on the first floor of the larger building. Unit features are anticipated to include Energy Star appliances (including dishwasher and full-size range), low-flow Water Sense fixtures, roll-in showers (minimum 20% of units), ceiling fans in bedrooms, bathrooms will meet or exceed 2010 ADA Standards for Accessible Design, ceramic tile in bathrooms, and LVT throughout remainder of unit. Ample surface parking will be provided for residents and guests. Resident programs may include Adult Literacy, Computer Training, and Daily Activities.

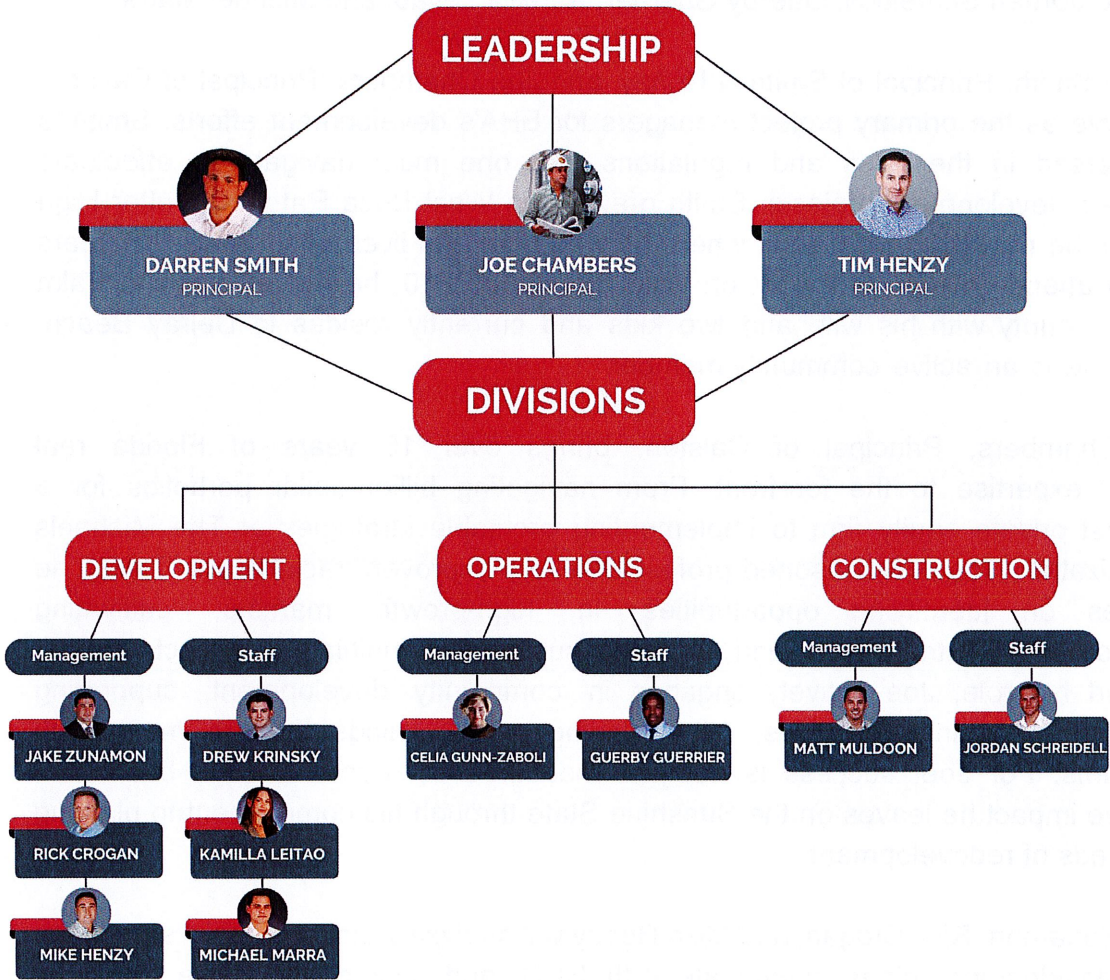
Respondent Qualifications

The Fortis team that will work with BHA is based in Delray Beach, FL and is staffed by eleven individuals: Darren Smith is the President of Smith & Henzy, Joe Chambers is the Principal of Calston; the remaining team members include Jake Zunamon, Rick Crogan, Celia Gunn-Zaboli, Matt Muldoon, Mike Henzy, Drew Krinsky, Jordan Schreidell, Guerby Guerrier, Kamilla Leitao, and Michael Marra.

Darren Smith, Principal of Smith & Henzy, and Joe Chambers, Principal of Calston, will serve as the primary project managers for BHA's development efforts. Smith is well versed in the rules and regulations that one must navigate to effectuate complex development projects. Smith grew up in West Boca Raton and after High School, he moved to New York, where he was born and lived until he was 10 years old, to attend college and work on Wall Street. In 2010, he moved back to Palm Beach County with his wife and two kids and currently resides in Delray Beach, where he is an active community member.

Joe Chambers, Principal of Calston, brings over 15 years of Florida real estate expertise to the forefront. From navigating billion-dollar portfolios for a Midwest private equity firm to implementing profitable strategies at The Michaels Organization, Joe is a seasoned professional with a proven track record. Today, he focuses on identifying opportunities in high-growth markets, cultivating collaborative partnerships, and bringing sustainable multifamily projects to life. Beyond his role, Joe actively engages in community development, supporting affordable housing initiatives, and guiding young minds through mentorship programs. For Joe, success is not just measured in square footage but in the positive impact he leaves on the Sunshine State through his commitment to planting the seeds of redevelopment.

Jake Zunamon, Rick Crogan, and Mike Henzy will analyze various financial structures, craft development plans, coordinate with HUD, and secure and close upon the necessary financing. Celia Gunn-Zaboli, Matt Muldoon, Drew Krinsky, Jordan Schreidell, Guerby Guerrier, Kamilla Leitao, and Michael Marra will oversee construction, process construction draws, manage project accounts, and coordinate lease-up, credit delivery, cost certification/8609s and stabilization/conversion to permanent financing. Please find an organizational chart for the Fortis team below:



Unit Mix & Stabilized Rental Revenue Assumptions:

	Total Units	Weighted Avg. Unit Size (SF)	Monthly Gross Rent per Unit	Utility Allowance	Monthly Net Rent per Unit	Total Annualized Rental Income
40% AMI:						
One Bedroom/One Bathroom	8	650	\$ 716	\$ 111	\$ 605	\$ 58,080
Total 33% AMI Rent	8	650	\$ 716	\$ 111	\$ 605	\$ 58,080

	Total Units	Weighted Avg. Unit Size (SF)	Monthly Gross Rent per Unit	Utility Allowance	Monthly Net Rent per Unit	Total Annualized Rental Income
60% AMI:						
One Bedroom/One Bathroom	67	650	\$ 1,074	\$ 111	\$ 963	\$ 774,252
Total 60% AMI Rent	67	650	\$ 1,074	\$ 111	\$ 963	\$ 774,252

	Total Units	Weighted Avg. Unit Size (SF)	Monthly Gross Rent per Unit	Utility Allowance	Monthly Net Rent per Unit	Total Annualized Rental Income
All Units:						
One Bedroom/One Bathroom	75	650	\$ 716	\$ 98	\$ 618	\$ 832,332
Total Rent	75	650	\$ 716	\$ 98	\$ 618	\$ 832,332

Sources & Uses:

Sources of Funds: Construction	Total	% of Total	Per Net	
			Buildable SF	Per Unit
Construction Loan	\$ 24,500,000	72%	\$ 351.79	\$ 326,667
Tax Credit Equity	\$ 4,223,578	12%	\$ 60.65	\$ 56,314
PHA Loan	\$ 1,500,000	4%	\$ 21.54	\$ 20,000
Couty Loan - LGAO	\$ 340,000	1%	\$ 4.88	\$ 4,533
Seller's Note	\$ 562,500	2%	\$ 8.08	\$ 7,500
Deferred Development Fee	\$ 2,754,382	8%	\$ 39.55	\$ 36,725
Total Sources of Funds	\$ 33,880,459	100%	\$ 486.49	\$ 451,739

Sources of Funds: Permanent	Total	% of Total	Per Net	
			Buildable SF	Per Unit
Permanent Loan	\$ 2,740,000	8%	\$ 39.34	\$ 36,533
Tax Credit Equity	\$ 28,157,184	83%	\$ 404.31	\$ 375,429
PHA Loan	\$ 1,500,000	4%	\$ 21.54	\$ 20,000
Couty Loan - LGAO	\$ 340,000	1%	\$ 4.88	\$ 4,533
Seller's Note	\$ 562,500	2%	\$ 8.08	\$ 7,500
Deferred Development Fee	\$ 580,775	2%	\$ 8.34	\$ 7,744
Total Sources of Funds	\$ 33,880,459	100%	\$ 486.49	\$ 451,739

Uses of Funds:	Total	% of Total	Per Net	
			Buildable SF	Per Unit
Land Acquisition	\$ 562,500	2%	\$ 8.08	\$ 7,500
Hard Cost	\$ 23,772,420	70%	\$ 341.35	\$ 316,966
Soft Cost	\$ 5,076,209	15%	\$ 72.89	\$ 67,683
Reserves	\$ 227,951	1%	\$ 3.27	\$ 3,039
Development Fee	\$ 4,241,379	13%	\$ 60.90	\$ 56,552
Total Uses of Funds	\$ 33,880,459	100%	\$ 486.49	\$ 451,739