



October 6, 2014

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: Development Plan Approval for Davis Landings West (2014-007P-09)

Dear Mr. Dearduff:

This letter provides notice that this project has my approval to go forward for consideration of FHFC approval of the loan amount of \$500,000 and execution of loan documents. The applicant has expressed a desire to have the FHFC Board consider this request at their October 30, 2014 meeting.

I have provided a Development Plan which provides information on the project, the project timeline, and a budget which details how PLP funds will be spent. After reviewing all documents pertaining to this project, and meeting with the applicant to discuss the project specifics, I believe that 500,000 is sufficient to complete the proposed predevelopment activities.

Should you need anything further, or have any other questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Stan Fitterman".

Stan Fitterman
Technical Assistance Director/Chief Operating Officer

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Stan Fitterman



Predevelopment Loan Program Development Plan

Development Name: Davis Landings West

Development Number: 2014-007P-09

A.

General Information	
Applicant Name	Community Land Trust of Palm Beach County, Inc.
Development Name	Davis Landings West
Development Address	4938 Davis Road, Lake Worth FL 33461
Developer Entity Name	Community Land Trust of Palm Beach County, Inc.
Development Team	Community Land Trust of Palm Beach County, Inc.
Contact Person	Cindee LaCourse Blum
Development Type	Homeownership
Total Number of Buildings	18
Total Number of Units	24
PLP Requested Loan Amount	\$ 500,000
Target Population	Other
Construction Type	New
Applicant comments and/or explanation:	
The property is being developed as a Community Land Trust. Due to the Palm Beach County code, the development must be structured as a condominium in order to sell the vertical improvements separate from the land.	
TAP comments:	

B.

Loan Information	
TAP Recommended Amount	500,000
Total Predevelopment Costs	500,000
Amount of Loan Requested for Acquisition	-
Total Development Costs	5,011,550
Applicant comments and/or explanation:	
The land was purchased with NSP2 funds provided by Palm Beach County.	
TAP comments:	

C.

Development Team		
Team Member	Name	Status
Developer	Community Land Trust of Palm Beach County, Inc.	
Contractor	Royal Construction	Under Negotiation
Architect	Colome & Associates	Under Negotiation
Engineer	Colome & Associates	Under Negotiation
Consultant		
Other		
Applicant comments and/or explanation:		
TAP comments:		

D.

Market and Feasibility		
Type of Study	Name	Status
Formal	Land Research Management	Completed
Applicant comments and/or explanation:		
Study confirmed demand for the units at the proposed price which will be \$40-50,000 less than market rate homes in the area. The CLT of Palm Beach County has developed 28 homes, 17 of which have been sold, 5 within the last year. Ten of these have been sold to moderate income buyers (incomes between 50-80 percent of median) with prices ranging from \$85,000 to \$143,000.		
TAP comments:		

E.

Site Control	
Type of Evidence	Warranty Deed
Is the deed or will the deed be listed in the name of the Applicant?	Yes
Are there current liens on the site? If yes, list amount of lien and position of lien holder.	Palm Beach County has an NSP2 lien on the property.
Applicant comments and/or explanation:	
The proposed site is a vacant portion of a larger development that includes 25 units of rental housing. The acquisition and the rental development was financed entirely with NSP2 funds. At the time of the original development there was only one legal description for the site. As a result, the \$5.7 million NSP2 covers the entire site. The county has expressed a willingness to restructure the lien so it only covers the portion of the site that has been developed.	
TAP comments:	

F.

Zoning	
	Status
Zoning on Property	Residential Medium Density
Current Use	Vacant
Future Land Use Plan	MR5 (Medium Density Residential 5 units per acre)
No Zoning Evidence	
Location map	In application
Site Plan Approval	Completed
Applicant comments and/or explanation:	
Applicant received a density bonus for the site, allowing it to be developed at 6 units per acre.	
TAP comments:	

G.

Development Elements		
Item	Status	Date
Survey	Completed	April 2012
Soil Test	To be ordered	
Building Permit	To be obtained	
Other Permits	SFWMD, Lake Worth Drainage District, FL DEP	To be obtained
Availability of Utilities	To the site - Lake Worth Electric	
Availability of Water and Sewer	Lines must be extended from across the street. Lift station must be installed	
Availability of Roads	To the site	
Environmental Assessment		To be obtained
Appraisal		To be obtained
Financial Statements		Audited Annually
Drawings, Plans and/or Specs		To be obtained
Applicant comments and/or explanation:		
TAP comments:		

H.

Marketing and Sales/Lease Up
Please Provide Narrative Describing Marketing and Sales/ Lease Up:
Applicant will develop marketing materials and a marketing plan. All units will be listed on MLS via a Realtor on the applicant's board. Applicant anticipates first mortgage amounts of \$140,000 - about 1/2 the cost of comparably sized market rate units in the area.
TAP comments:

I.

Sources		
Funding Source	Amount	Status
Construction Loan	3,438,034	To be applied for
PBC Impact Fee Grant	133,516	Committed
Palm Beach County HOME	1,440,000	Committed
TOTAL	5,011,550	
TAP comments:		
PNC bank is offering the construction financing. They have provided the applicant with a letter outlining the proposed terms of the construction loan. The applicant also has a meeting on 10/17/14 with the Palm Beach County HFA who have expressed interest in providing the construction financing. The HFA provided a bridge loan for Davis Landings East – the completed and occupied rental development adjacent to the proposed deal.		

J.

Narrative
<i>Please describe facts regarding this development that are not covered previously in this report</i>
As a condition of development approval, the county is requiring several off-site improvements, including curb, gutter and sidewalks on approximately 1/4 mile of the public road leading to the development. The applicant must also design and construct a drainage system that will direct the stormwater to a site approximately 1/4 mile away. These design costs are included in the architectural and engineering line item. Applicant has \$1,140,000 in HOME funds from Palm Beach County that will be used for construction as well as purchase assistance.

K.

Overall Uses	
Item	Amount
Acquisition Costs	
Land	-
Sub-Total	-
Hard Costs	
Site Work	1,125,000
Building Construction	2,519,988
Contingency	88,080
Builder's Risk Insurance	25,000
Sub-Total	3,758,068
Financing Costs	
Construction Period Interest	22,147
Title & Recording-Construction	25,000
Sub-Total	47,147
Soft Costs	
Appraisal	7,000
Market Study	4,000
Environmental/Soils	20,000
Architectural	275,000
Survey	2,000
Legal	75,000
Accounting	-
Marketing	10,000
Permit Fees	150,000
Impact Fees	150,000
Utility Connection Fees	125,000
Project Management Fees	125,000
Parks Recreation	25,000
Soft Cost Contingency	38,335
Sub-Total	1,006,335
Developer Fees/Overhead	200,000
TOTAL USES	5,011,550

