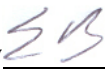




**To:** Robert Dearduff  
Florida Housing Finance Corporation

**From:** Edward Busansky 

**Date:** September 28, 2004

**Subject:** Farmworker Housing - Everglades Community Association, Inc.  
Casa Cesar Chavez - Reference Number – RFP 2001/06 FW

The Applicant, The Everglades Community Association (“ECA”) has requested Florida Housing Finance Corporation to accept an USDA subordination of their debt related to the sub parcel of which the Casa Cesar Chavez project will be constructed upon. The Applicant had requested and is approved pursuant to the Credit Underwriting Report dated August 1, 2003 for a \$1,250,000 construction/permanent mortgage (“the 1st Mortgage”) from Florida Housing Finance Corporation, through the Demonstration Loan Program, at an interest rate of 0%. However, the Credit Underwriting report did not discuss the requested subordination.

In the approved Credit Underwriting Report, it was assumed ECA would donate the land (approximately 2.43 acres of an overall site of approximately 60.2 acres) to the project by securing a full release from USDA RD. However, USDA has decided not to release their mortgage without some type of release payment, but is willing to subordinate their interest in the sub parcel to FHFC. First Housing is recommending the Applicant’s request as further describe below as it will have negligible affect on the previous recommendation.

The subject is a proposed, affordable rental apartment community located at the southwest corner of S.W. 193<sup>rd</sup> Avenue and S.W. 380<sup>th</sup> Terrace in unincorporated Miami-Dade County, Florida to be known as Casa Cesar Chavez. The subject development will be located within Everglades Farm Worker Village, a planned, affordable housing development. The proposed development will consist of four dwelling buildings and an auxiliary entrance building with mail services and key-carded entrance. Each townhouse-style building will consist of two 4-bedroom and five 2-bedroom units for a total of 28 units. Each unit will provide shared accommodations for two adults per bedroom or 144 total beds. The subject development will target adult, “unaccompanied” farm workers.

## **Exhibit A**

The overall site (60.2 acres) currently includes 143 rental apartments consisting of a combination of single family, duplex and townhomes, 160-child child care center, 8,000 sf neighborhood retail and 10-acre park and playfields. The sole indebtedness on the overall site is \$1,450,000 with USDA Rural Development 514-516 Farm Labor Housing. The balance was built using grant money. The term of the \$1,450,000 loan is 33 years @ 1% interest. The initial 2 years (construction) were interest only; the principal is amortized over the remaining 31 years. The date of final installment is March 26, 2029. The loan amount is due in December each year and totals \$54,629.81. Current balance is \$1,189,022.49.

The 143 units are supported by Rental Assistance issued by Rural Development. Therefore, the Owner and USDA annually negotiate a break-even annual budget including debt service which helps determine a contract rent for each size unit. Tenants are charged the contract rent and are obligated to pay 30% of AMI towards rent and utilities. The shortfall between tenant contribution and contract rent is drawn from USDA Rental Assistance and paid to the Owner on a monthly basis. Total potential rent for the 143 units for FY 2004 equals \$792,060. The 143 units are running at 98% occupancy. There is a waiting list for each size unit.

Therefore, the existing 143 units should always be able to carry the USDA loan and, as previously mentioned, First Housing recommends the subordination of the USDA on the subject's 2.43 acres.