



## **Predevelopment Loan Program**

### **Development Plan**

A.

**General Information**

Development Name	UDC Acquisition & Rehab Homeownership Program
Development Address	Scattered sites, Broward County
Developer Entity Name	United Development Communities, Inc.
Development Team	Priscilla H. Barker, Curtis John Mimna
Contact Person	Curtis John Mimna
Development Type	<input type="checkbox"/> Rental <input checked="" type="checkbox"/> Homeownership
Total Units	4 single family homes
Target Population (other than income set-asides)	<input type="checkbox"/> Farmworker <input type="checkbox"/> ALF <input type="checkbox"/> Elderly <input type="checkbox"/> Homeless <input checked="" type="checkbox"/> Other Low income
Construction Type	<input checked="" type="checkbox"/> Rehabilitation <input type="checkbox"/> New Construction <input type="checkbox"/> Combined
<b>Applicant comments and/or explanation:</b>	
<b><u>PROPOSED UDC ACQUISITION AND REHAB HOMEOWNERSHIP PROGRAM BROWARD COUNTY, FLORIDA</u></b>	
<p><u>Single Family Property Acquisition/Rehab Financing</u> Using Florida Housing Finance Corporation (FHFC) Predevelopment Loan Program (PLP) second mortgage acquisition/closing costs funding with private lender, first mortgage rehabilitation/soft costs financing, UDC, a 501(c) (3) non-profit community development corporation, will acquire and rehabilitate 4 scattered site, in-fill, 2-4 bedroom/1-2 bath single family detached HUD/bank REO and individually owned properties located in Broward County, Florida. UDC will resale these properties as affordable housing to qualified low-income homebuyers (\$33,950 - \$64,000). The pre-qualified low-income homebuyers will secure fixed rate, 30 year, 1<sup>st</sup> mortgage permanent bond or conventional market rate financing from the Broward County Housing Authority or participating Broward County lenders, which combined with the required 3-5% downpayment, will take out and repay the private lender rehab/soft costs financing and FHFC PLP acquisition/closing cost loan when the respective property closes.</p>	
<b>TAP comments:</b>	
United Development Communities has successfully used this model of financing with PLP funds for previous projects.	

**B.**

**Loan Information**

PLP Requested Amount	\$500,000
TAP Recommended Amount	\$500,000
Total Predevelopment Costs	\$500,000 (Acq. & Closing Costs)
Total Development Costs	\$720,000 (Including Rehab Costs)
Amount of Loan Requested for Acquisition	\$452,000 Plus Closing Costs of \$48,000 For 4 S.F. Detached Houses

<b>Applicant comments and/or explanation:</b>
Proposed acquisition and construction financing per house: <p>A. FHFC PLP \$ 500,000 second mortgage acquisition/closing cost financing @ 1% interest only during the construction period</p> <p>B. Private lender \$220,000 first mortgage rehab/soft costs financing at market rate, interest only, during the construction period based on total rehab and soft costs.</p>
<b>TAP comments:</b>

**C.**

**Development Team**

Team Member	Name	Status
Developer	United Development Communities, Inc	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Contractor	R & D Renovations, Inc.	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Architect	Victor Morales	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Engineer		<input type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Consultant	CJM Financing Inc. Curtis John Mimna	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Other	Ron Revaes, CPA	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
<b>Applicant comments and/or explanation:</b>		
To assist in UDC's affordable housing efforts, UDC has assembled a development team consisting of a professional housing consultant (30 years commercial/affordable residential housing construction/financing experience); a financial adviser (a CPA, MPA with 20 years non-profit 501 (c)(3) management and affordable housing development);		

a licensed and bonded Florida general contractor with 15 years of affordable housing construction projects; a real estate housing attorney/title company president and HUD closing agent; and a registered Florida architect with extensive affordable housing experience.
<b>TAP comments:</b>
United Development Communities has used this team for previous projects.

**D.**

**Market and Feasibility**

Type of Study	Name	Status
Formal Market Study		<input type="checkbox"/> Complete <input type="checkbox"/> Contracted <input checked="" type="checkbox"/> N/A
Informal Study	UDC Monitoring weekly HUD/Bank/Individually Owned Houses	<input checked="" type="checkbox"/> Complete <input type="checkbox"/> Planned
TAP Evaluation		Describe Below
<b>Applicant comments and/or explanation:</b>		
<p>The four scattered site in-fill HUD/Bank REO and individually owned, 2-4 bedroom single family detached houses will be located in north and central Broward County, Florida. During March 2006 the average existing home resale price in Broward County was \$368,100. UDC plans to sell the four, rehabilitated, scattered-site, single family homes located in existing neighborhoods to qualifying low income homebuyers for \$200,000, over \$168,000 below the current Broward County average acquisition cost for existing homes.</p>		
<b>TAP comments:</b>		
<p>Demand for affordable homeownership is high in south Florida. UDC has been able to sell their other existing, affordable houses within a short time period.</p>		

**E.**

**Site Control**

Evidence	
Warranty Deed	
Contract for Purchase	
Lease Agreement	
Not Under Contract	X
Not Identified	
<b>Applicant comments and/or explanation:</b>	
UDC is currently monitoring the daily HUD/bank REO housing inventory and Broward County MLS program for additional available and feasible single family detached houses located in Broward County for the proposed FHFC PLP acquisition of 4 single family detached houses. The four scattered site/in-fill 2-4 bedroom single family detached houses will be located in Broward County, Florida and all appropriate street locations, addresses and legal descriptions will be provided upon and with Seller's acceptance of respective UDC single family property sales contracts. Subject to FHFC PLP funding approval and commitment, UDC is prepared to acquire the 4 additional S.F. detached properties.	
<b>TAP comments:</b>	

**F.**

**Zoning**

	Status
Zoning on Property	Single Family Residential
Current Use	Single Family Residential
Future Land Use Plan	Single Family Residential
No Zoning Evidence	
Location map	See "E" above "Site Control"
Site Plan Approval	N/A
<b>Applicant comments and/or explanation:</b>	
All four single family detached houses are or were previously occupied and are located in existing and established residential neighborhoods and conform to existing Broward County residential zoning codes with residential use by right.	
<b>TAP comments:</b>	

**G.**

**Development Elements**

	<b>Status</b>
Survey	To be completed prior to acquisition
Soil Test	N/A
Building Permit	As required during rehab work
Other Permits	
Availability of Utilities	Public water & sewer
Availability of Water and Sewer	On-site hookup
Availability of Roads	At-site
Environmental Assessment	N/A
Appraisal	Will be ordered before property acquired
Financial Statements	N/A
Drawings, Plans and/or Specs	Rehab cost estimates from contractor
<b>Applicant comments and/or explanation:</b>	
<p>Average rehabilitation costs per unit are estimated at \$18,750 for a typical 2-4 bedroom, 1-2 bath, single family detached property located in central and north Broward County, Florida. The typical rehab work write-up includes monies for minor roof repair, walk/driveways, exterior/interior paint, caulking, windows, weather stripping, doors, plaster drywall, wood trim, closets, smoke detectors, carpet/flooring, ceramic tiles, bath accessories, plumbing, electrical, heating, insulation, security bars, cabinetry, kitchen appliances, basement/termite tenting, fencing and cleanup. Completion of the rehab work usually takes 30 days per house. UDC's rehab contractor is a licensed and properly bonded Florida general contractor who provides UDC with a set of rehab specifications, and a lump sum construction contract, outlining rehab improvements for UDC's approval prior to work commencement. The contractor will be required to post as required all necessary local jurisdiction permits and will complete all work in accordance with the UDC approved rehab specifications and the lump sum construction contract. Any change orders from the above will be at the contractors sole cost and expense and subject to UDC's prior approval in writing.</p>	
<b>TAP comments:</b>	
All properties will be existing single family homes.	

**H.**

**Marketing and Sales/Lease Up**

<b>Please Provide Narrative Describing Marketing and Sales/ Lease Up</b>
UDC's sales marketing program includes installing a for sale affordable housing sign with UDC sales brochures at the property; and placement of the listing in the Broward County Board of Realtors multiple listing services (Eastside Properties, Inc.) with a lock box key for resale of the respective completed houses, to qualifying low income homebuyers. Once a signed, and fully executed purchase contract is obtained, closing is scheduled for 30 days later.
<b>TAP comments:</b>
UDC has successfully used this marketing strategy on similar projects in the past.

**I.**

**Sources**

<b>Funding Source</b>	<b>Status</b>	<b>Amount</b>
1.Private Lender 1 <sup>st</sup> . mortgage rehab/soft costs loan	Wendy Walters Fort Lauderdale, Fl approved funding	\$220,000
2. FHFC PLP 2 <sup>nd</sup> mortgage Acq. & closing costs loan	Loan application submitted & funding subject to TAP and Board approval on 6/09/06	\$500,000
<b>Total</b>		\$720,000
<b>TAP comments:</b>		

**J.**

**Overall Uses**

Item	Paid To	Total Amount		PLP
		Total	Per Home	
S.F. detached acquisition	Property owners	\$452,000	\$113,000	\$ 452,000
Acquisition Closing costs	Title, Insurance, Legal Lender, Appraisal etc.	48,000	12,000	48,000
PLP interest	FHFC	15,000	3,750	
Rehab interest	Private lender	26,400	6,600	
Prop, Mgt, security, repairs	Mgt Services, vendors	16,000	4,000	
Utility Services, Deposits	Utility companies	6,000	1,500	
Signage/marketing	Private vendors	6,000	1,500	
Rehab costs	Contractors/subs	75,000	18,750	
Resale closing costs	Taxes, title, legal	27,600	6,900	
Real estate Comm. @ 6% Resale	R E Brokers	48,000	12,000	
<b>TOTAL</b>		<b>\$720,000</b>	<b>\$180,000</b>	<b>\$ 500,000</b>

**K.**

**PLP Budget**

Item	Paid To	Amount
Title Search, Exam, Binder, lender/owner	Lawyers Advantage	\$ 5,716
Legal Fees	Wm. McPharlin, PA	\$ 2,580
Boundary Survey	GT Surveying Serv.	\$ 1,280
Tax/Lien Search	Lawyers Advantage	\$ 608
Credit Underwriting Fees (Initial and Site Acq.)	Seltzer Management	\$ 4,566
Commitment Fees to Secure Financing	1 <sup>st</sup> Mgt. Walters	\$ 8,780
Appraisal	CSL Appraisals of Fl	\$ 1,200
Hazard/Flood Insurance	John Galt Insurance Co	\$ 16,699
Recording, State Tax, Intangible Tax (1 <sup>st</sup> Mgt)	Broward Co. State of Fl	\$ 6,271
Courier, Messenger	Lawyers Advantage	\$ 300
Acquisition 4 S.F. Detached Houses	Various property owners	\$ 452,000
<b>Total</b>		<b>\$ 500,000</b>



**L.**

**Narrative**

*Please describe any facts regarding this development that are not covered previously in this report*

In May, 2002, UDC was approved for \$415,300 in FHFC PLP 2<sup>nd</sup> mortgage acquisition/closing costs financing to be used with private lender 1<sup>st</sup> mortgage rehabilitation/soft costs financing to acquire and rehab 10 HUD REO single family detached residential properties for resale to qualifying low income homebuyers in Broward County, Florida (00-PLP 003, Acquisition and Rehab Homeownership Program). To-date, UDC has acquired rehabbed and sold five HUD REO single family detached residential properties to qualifying low income homebuyers. UDC was unable to draw down the remaining \$111,414 PLP-003 balance before the 3 year FHFC loan maturity date expired on 12/06/05 due to a combination of HUD's diverting all available HUD REO properties to FEMA/Hurricane Katrina's displaced persons housing; and Broward County's double digit residential price appreciation. Therefore on 12/28/05 UDC requested a release of the obligation for the remaining 00 PLP-003 funds for Broward County and UDC's program was completed.

Notwithstanding, however, recent south Florida housing studies indicated that the area's five year housing boom is slowing down, prices aren't appreciating at double digit rates, interest rates are rising and housing inventories listing homes for sale have increased dramatically, and prospective homebuyers are now finding prices reduced to more affordable levels. Therefore, UDC applied for an additional \$500,000 in 2006 for PLP acquisition/closing costs funding to acquire four additional single family residential properties in Broward County, Florida (UDC Acquisition and Rehab Homeownership Program). UDC was issued and accepted the PLP 05-093 invitation to participate on 4/01/06. UDC has already secured the required 1<sup>st</sup> mortgage rehab/soft costs funding commitments for the next 4 S.F. detached houses located in Broward County, Florida from the private lenders who previously have and are currently funding UDC's Miami-Dade County HUD REO houses rehab work (00 PLP-004).

M.

### Timeline

Timetable	Expected Date	Comments
PLP funding commitment approval	June 9, 2006	
1. UDC contracts to purchase 1 <sup>st</sup> property	July 1, 2006	
UDC closes on 1 <sup>st</sup> property and begins rehab work	August 1, 2006	
UDC completes rehab, marketing/sales program	August 30, 2006	
Signed purchase contract of first property	October 1, 2006	
Resale Closing of first property	November 1, 2006	
2. UDC contracts to purchase 2 <sup>nd</sup> property	August 1, 2006	
UDC closes on 2 <sup>nd</sup> property, begin rehab work	September 1, 2006	
UDC completes rehab, marketing/sales program	October 1, 2006	
Signed purchase contract of second property	November 1, 2006	
Resale Closing of second property	December 1, 2006	
3. UDC contracts to purchase 3 <sup>rd</sup> property	September 1, 2006	
UDC closes on 3 <sup>rd</sup> property and begins rehab work	October 1, 2006	
UDC completes rehab, marketing/sales program	November 1, 2006	
Signed purchase contract of third property	December 1, 2006	
Resale Closing of third property	January 2, 2007	
4. UDC contracts to purchase 4 <sup>th</sup> property	October 1, 2006	
UDC closes on 4 <sup>th</sup> property and begins rehab work	November 1, 2006	
UDC completes rehab, marketing/sales program	December 1, 2006	
Signed purchase contract of 4 <sup>th</sup> property	January 2, 2007	
Resale closing of fourth property	February 1, 2007	