



Housing Authority of the City of Key West, Florida

1400 Kennedy Drive, Key West, FL 33040
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Board of Commissioners

Frank Toppino
Bob Dean
Juanita Mingo
John G. Parks, Jr.
Roosevelt Sands, Jr.

Executive Director

J. Manuel Castillo, Sr.

June 23, 2009

VIA EMAIL

Mr. Steve Auger
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

Dear Mr. Auger:

The Housing Authority of the City of Key West, Florida regretfully must withdraw its Community Workforce Housing Initiative Program (CWHIP) application and return the \$5,000,000 preliminary commitment to the Florida Housing Finance Corporation.

The reason for this action is that the bids for the construction of the planned improvements were much lower than anticipated. This reduced costs so much that the CWHIP program rule regarding the 1.60 debt service coverage would require the Housing Authority to borrow \$3,500,000 utilizing CWHIP versus \$2,900,000 at a lower interest rate utilizing our local contribution. As you can see, the best course of action for the Housing Authority is to take advantage of a reduced loan amount and interest rate.

I would like to take this opportunity to thank you, your staff and Seltzer Management for all of the time, consideration and courtesies extended regarding the Roosevelt C. Sands, Jr. Housing Complex.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Manuel Castillo, Sr.', is written over the typed name.

J. Manuel Castillo, Sr.
Executive Director

pc: Representative Ron Saunders
Morgan McPherson, Mayor City of Key West
Jim Scholl, City Manager of Key West
David Wescott, Florida Housing Finance Corp.
Ben Johnson, Seltzer Management