



020107

June 17, 2002

Wayne Bowers
City Manager
City of Gainesville
P.O. Box 490
Gainesville, FL 32602

Dear Mr. Bowers:

Jennings Development Group, Inc. and HKW Enterprises, Inc., in partnership with The Carlisle Group, are pursuing the development of Tiger Bay Court, a mixed-use project located at Hawthorne Road and SE 24th Street in the city of Gainesville. This project will be comprised of 96 units of multi-family affordable housing and approximately 34,000 square feet of commercial and retail space. We were gratified by the Commission's vote of confidence for Tiger Bay in amending the East Gainesville moratorium language, and by the community's support of our vision for economic development in East Gainesville.

Tiger Bay will be marketed to families earning up to 80% of the area median income. This new development will provide outstanding amenities and programming for the residents, with the aim of improving the daily quality of life for the families who will choose to make this their community. As with our previous multi-family affordable housing development, Lewis Place at Ironwood, we will be building to Energy Star standards and participating in GRU energy efficiency programs, thus providing another way for these families to save on their monthly expenses.

In connection with the affordable housing portion of this project, we have applied for tax credits from the Florida Housing Finance Corporation ("FHFC"), which requires \$100,000 in local government contribution. We respectfully request the City of Gainesville support the Tiger Bay Court project by providing the \$100,000 required by FHFC. We anticipate total development costs for Tiger Bay Court of \$8-10 million, which means the City's contribution would be leveraged at a ratio of over 80 to 1. Furthermore, this development will be a significant addition to the City of Gainesville tax rolls.

As you know, the FHFC application process is highly competitive and despite being well placed in the initial scoring process, Tiger Bay Court will need the competitive edge of the full local government contribution to be selected for funding.

June 17, 2002

The final deadline for "curing" incomplete application items is June 26th, 2002 and without the full local government contribution, Tiger Bay Court will not receive funding this year and we will not be able to move forward with the project.

Thank you for your time. We look forward to having the City as our partner in another East Gainesville development project.

Sincerely,

A handwritten signature in cursive script, reading "Odetta MacLeish-White".

Odetta MacLeish-White
Vice President

Cc: Tom Saunders, City of Gainesville Community Development
Lloyd Boggio, The Carlisle Group
Priscilla Howard, The Carlisle Group
Howard K. Wallace, Jr., HKW Enterprises, Inc.
Ed Jennings, Jr., Jennings Development Group, Inc.

VIA FACSIMILE

#020107
6/24/02

2. NEW RENTAL CONSTRUCTION PROGRAM

- a) **Description of Activities.** The purpose of the New Rental Construction Program is to provide a local government contribution to qualified developers to stimulate the construction of new rental housing units for very-low and low-income households. Eligible expenses include construction costs only. The rental projects must be located in neighborhoods within the City that have no and/or a shortage of affordable rental units available for very low and low-income households. Eligible applicants may include individuals, non-profit corporations, partnerships, for-profit corporations or limited liability companies. Proposed projects must be ready to begin construction upon approval of funds.
- b) **State Fiscal Year.** 2003-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Availability of funds will be advertised by the City. SHIP funds are available to qualified developers on a competitive basis. Projects are selected according to the procedures and selection criteria shown in **Attachment 5**. To qualify, applicants must be income eligible under SHIP guidelines and select housing offered by a qualified funded developer, and the housing must meet SHIP criteria.
- e) **Maximum Award.** The maximum award available is \$100,000 per project.
- f) **Recapture Provisions.** All rental housing must be rented at affordable rates (i.e., rents will not exceed those limits adjusted for number of bedrooms established by HUD and adopted by the State of Florida for use in the SHIP Program) to qualified occupants for a period of 15 years. SHIP funds will be provided as a low interest loan repayable over a 20-year period, at an interest rate of 3%. Funds will be disbursed to approved borrowers only on a draw basis for work actually completed. If the property is transferred before the 15-year affordability period, the full amount of the loan will be due and payable to the City SHIP Trust Fund. If the new buyer is eligible for the program, the loan may be assumed, as long as, all other SHIP requirements are met. All SHIP assisted rental properties offered for sale prior to the 15-year term of affordability must be subject to a right of first refusal for purchases at the current market value, less the amount of the SHIP subsidy, by eligible nonprofit organizations who would provide continued occupancy by eligible persons. Rental units constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund must be monitored at least annually for 15 years or the term of assistance, whichever is longer, for compliance with tenant income and affordability requirements. In determining the maximum allowable rents, 30 percent of the applicable income category divided by 12 months shall be used based on the number of bedrooms. A one-person household shall be used for an efficiency unit, and for units with separate bedrooms, one and one-half persons per bedroom shall be used. The Corporation will provide a rental limit chart based on the above calculation adjusted for bedroom size to the local governments annually.
- g) **Other Funds Leveraged.** New Construction Rental funds may be leveraged with a variety of funds, including HOME, CDBG, SAIL, Tax Credits, and other private/public resources.