



Real Estate Developer  
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August 2, 2021

City of Gainesville  
 Office of the City Manager  
 200 East University Avenue  
 Gainesville, FL 32601

RE: *Term Sheet*

Dear Mr. Feldman,

Since the May 6, 2021 City Commission meeting, and after each of the two meetings with you and your staff, the team at AMJ Group Inc. (AMJ), has been singularly focused on being able to respond to the City Commission approved motion, along with other matters discussed with City Staff.

**Motion:** 1) Direct the City Manager to negotiate with AMJ and ask to come back with more information about what 25% subsidized and 50% subsidized housing looks like with very clear definitions around workforce, low-income, very low income, as well as the opportunity to include housing for seniors and people with disabilities; and 2) Come back with a term sheet, see that information and understand how the conversation are going, as we go throughout this process. Due back in August.

**Design Process:** AMJ hired its project architect Fitzgerald Collaborative, lead architect Donald Gray, in order to begin initial design, space planning, grocery store layout, parking - including ADA spaces and accessibility, ramp location, office gross square feet and net square feet, floor plate efficiency and residential space planning including unit type, unit size, floorplate gross and net square feet and floor plate efficiency.

All of the above items, and other not described herein, has served many functions including jumpstarting the design process prior to closing, modelling the cost to build and ultimately having more accurate costs for the residential for sale units, subsidies needed to attain affordability and if units beyond the initial 15% of the 72 units mentioned by Mike Warren at the City Commission meeting, approximately 10 units, would/could be affordable at one or more of the income levels defined in the City Commission motion. (More on this in the affordable housing section below.)

**Subject Site:** 104 Southwest First Avenue, Gainesville, FL 32601

**Buyer Entity:** A legal entity that is formed by the buyer, AMJ Group, Inc., owned in whole or in part, and/or under or controlled by buyer.

**Purchase Price** (U.S. Currency): \$2,045,000 (Two Million and Forty-Five Thousand Dollars)



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**Payment:** At closing, to occur not later than 90 days after City Commission approved contract.  
(A) Close by cash, subject to adjustments or pro rations.

**Use of Funds from Sale:** Post closing development agreement will detail each.

- \$350,000\*- site improvements (enhanced street parking, roadwork, ADA)
- \$0.00\*\*- footbridge (no funding request, \$150,000 was included in original proposal) - connects parking garage to development
- \$1,000,000\*\*\*- on-site affordable housing units

**Site Improvements\*:** Currently the right of way surrounding the subject site needs on street parking, very few presently exists or are able to be used, which would be open to the public, right of way enhancements are needed such as drainage, full ADA accessibility surrounding the site and connecting to the parking garage on the ground level with enhanced ramps and crosswalks etc.

**Footbridge\*\*:** The vast majority of those living and/or working in the proposed project will park in the adjacent City of Gainesville parking garage. The intended use has many additional benefits including access for those with disabilities ensuring the easiest path to their home/office and is as accessible as possible. This bridge will be convenient for ADA, and others certainly, as this is a reasonable accommodation for wheelchairs at all access points. Additionally, we request that GRU grant the easements needed for this and for the general government to agree this connection.

**Housing\*\*\*:** Total units have increased from 72 to 104, approximately 45%.

Unit Mix: Studio, One Bedroom, Two Bedroom

The project architect, the Fitzgerald Collaborative, is deeply engaged with initial design as previously discussed. This was an intense effort, in a very short time frame, 3 weeks, which in a project of this type would have easily taken 3 months. We hope this shows our commitment to seeing this project to completion and our large effort to fully understand how design and cost will determine ways to find creative solutions for more affordable housing.

To that end, through many days, hours, discussions and cost, the “pre-design” and “programming” phase we are now finishing, there are some very positive conclusions:

First, as requested, the City Commission moved, “...very clear definitions around workforce, low-income, very low income”. The US Department of Housing and Urban Development (HUD) Income limits for Gainesville MSA 2021 – Very Low (50%) Median Family Income (AMI), Low Income (80%) AMI and Workforce (140%) AMI. See attached spreadsheet defining each further.

Secondly, to ensure we understood this deeply we consulted with all levels of government up to the State and met with, and spoke to, multiple local, regional, and state agencies and non-profits. Additionally, we set up spreadsheets to compute what each of the HUD income categories would allow each person(s) to afford for a mortgage payment spending not more than 30% of income on housing costs, including the estimated real taxes and modest condo fee. (see attached)



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## Affordability:

- 100% of the units will be fully affordable, with all unit sizes, at one HUD category, workforce (140% AMI), and for nearly all in the moderate income (120% AMI) category, without the need for any subsidy or assistance, depending upon the family size. (Assuming present costs and prevailing interest rates).
- We therefore suggest that any needed subsidy is directed towards those person(s) with a greater need than those above, 80% AMI or below - categories that include low and very low-income person(s). Additionally, many of the affordable for sale units we have researched across the country seems to be aligned with 80% AMI and up to 100% AMI depending upon jurisdiction. In only a few cases were there units in the 60% AMI category, and to date we have yet to find any in the 50% AMI. All of that to say the City Commission may wish to consider what income categories it seeks to serve.
- The buyer has requested that \$1,000,000 of the purchase price assist with down payment assistance and/or subsidy. To assist in the effort, we have attached a spreadsheet showing the range of sales price(s) for the proposed project's three different unit types and the subsidy needed to make it affordable depending upon family size and HUD income categories between 50% & 140% AMI.
- Rather than give a total cost for 25% or 50% of the units to be subsidized, the attached spreadsheet will allow the City to view the funds required, per unit type, and per family size, then simply multiply it by the number of units desired up to the \$1,000,000 set aside for said purpose.

## New Source For Down Payment Assistance:

- AMJ has identified an additional resource which may fund up to \$25,000 for those who qualify based upon income below 80% AMI. These are new funds and can be used along with the purchase price set aside of \$1,000,000.

Disabilities – person(s) who qualify may receive up to \$35,000 in total down payment assistance. Additionally, there will be several units that will comply with Universal Design, defined by Ron Mace as “design that’s usable by all people, to the greatest extent possible, without the need for adaptation or specialized design.”

Veterans – person(s) who qualify may receive up to \$35,000 in total down payment assistance.

**Parking:** The proposed development currently has approximately 90 parking spaces, pending tenant and any requested changes. Additional parking is anticipated to be in the so-called SW Downtown Garage.

**City of Gainesville Parking Garage Retail Space:** This space, either in whole or in part, will be needed to assist with the project. It will be used as an office, a model unit will be constructed by Elevated Design and Construction, Michael Beard, and as a venue for home ownership / homebuyer education courses, which includes face-to-face homebuyer education. Additionally, every affordable housing agency we spoke with confirmed that providing services adjacent to the project site is the most beneficial location possible.



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**fhba**  
Florida Home Builders Association

Member of  
International Council  
of Shopping Centers

Terms: Price per foot - \$12.50 for the first 36 months and an option for 36 additional months at \$14.00 per square foot.

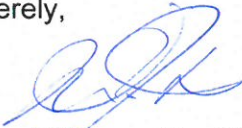
**Structure Overview:** The proposed development is currently designed to contain up to 10 stories and ~314,000 square feet, but 7 floors are guaranteed in the structure. The multiuse building will include a grocery store, on-site parking, office space, and residential condominiums.

**Time Frame:** Construction to begin approximately 12 months after closing, and could be sooner. Buyer agrees to a "claw back" provision should a building permit not be issued within 24 months to Buyer. By mutual agreement time period may be extended.

We look forward to working with you and your staff on the successful completion of this transformative project.

Please contact us with any comments or questions regarding any of the above.

Sincerely,



Michael Warren, President  
AMJ Group, Inc.



Anthony Lyons, Vice President  
AMJ Group, Inc.



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