SANTA ROSA COUNTY
DEVELOPMENT SERVICES - HOUSING

6051 Old Bagdad Highway, Suite 201 | Milton, Florida 32583

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M E M O R A N D U M

TO: Board of County Commissioners

FROM: Erin Malbeck, Housing Program Coordinator

THROUGH: Beckie Cato, AICP, Planning Director

SUBJECT: County Contribution for a Proposed Senior Housing Development using SHIP Funds

DATE: October 26, 2016

DISCUSSION

Discussion of Board approval of a request from Matt Lipoff, Southport Financial Services Inc., for a $20,000 county contribution toward development of a senior housing project as recommended by the SHIP Affordable Housing Advisory Committee and authorize the chairman to sign all related documents. Approval should be contingent upon approval by Florida Housing Finance Corporation of the developers application for tax credit funding.

BACKGROUND

Enclosed is a request from Southport Financial Services for a $20,000 county contribution toward development of a senior housing project. The proposed project will include 85 low income senior apartment units and will be located on parcel #21-2S-26-0780-0AA00-0000, which is on the north side of highway 98, between Ortega Street and Elks Way. There is another request before the board from Southport Financial Services for the development of a low income family apartment complex (Navarre Orchard) to be located on the same parcel. Each development is being submitted separately.

Southport Financial Services will be submitting an application in November to Florida Housing Finance for their tax credit program. This is a competitive program, and applicants receive points for local government contribution.

Members from Southport Financial Services met with our SHIP AHAC Committee October 25, 2016 regarding the proposed development. This is the first request Southport Financial Services has submitted to this board.

A summary of the proposed development is attached.

SOUTHPORT DEVELOPMENT, INC.

Doing Business in Florida as Southport Development Services, Inc.

October 12, 2016

Erin Malbeck
SRC Housing Program Coordinator
Santa Rosa County Development Services Center
6051 Old Bagdad Hwy, Suite 201 | Milton, Florida 32583
P: 850.981.7092 | F: 850.981.7099
RE: Navarre Abbey– Local Money Contribution – RFA 2016-110

Dear Ms. Malbeck,

Navarre Abbey (the "Property") is a proposed 85-unit, new construction, affordable housing community that will target the elderly demographic in unincorporated Santa Rosa County. The Property will be located in a dynamic area of the County just off US 98, the major thoroughfare in Southern Santa Rosa County. The approximate 17.62 acre site is located approximately 800 feet West of the intersection of US 98 and Elks Way in Navarre, FL (Parcel ID# 21-2S-26-0780-0AA00-0000).

The Property will offer 51-1 bedroom, and 34-2 bedroom units in a four story midrise building with 100% of the units rented as affordable housing, and will commit to doing so for the next 50 years. Please see attached rent schedule with unit break down and rents. Specifically, 90% of the units will be rented to households with incomes at or below 60% of the Area Median Income for Santa Rosa County, with the remaining 10% of the units set aside for households with incomes at or below 40% of the Area Median Income for Santa Rosa County. The result is an average gross rent per unit of $850 for new construction market-rate type product versus the average Market Rent in Santa Rosa County of almost $1,222, which represents a significant rent advantage for the Property.

Navarre Abbey will offer numerous amenities and services to its residents and will also provide a host of "green" features to further reduce costs to its residents. Some of these amenities will include the following: high efficiency HVAC, Energy Star rated windows and appliances, ceiling fans, high rated wall and attic insulation, on-site laundry facilities, adequate parking, a community room/clubhouse, shuffle board court, fitness center, low flow toilets, other water saving devices, etc.

Through an affiliated entity, Southport Development, Inc. (doing business in Florida as Southport Development Services, Inc, hereinafter referred to as "Southport") will be the developer for this project. Founded in 1995, Southport is a national multi-family housing developer based in Tampa, Florida, with additional offices in Tacoma, Washington, and Washington, D.C. Southport is a highly experienced developer of affordable housing units in numerous States, with a primary emphasis in Florida. Through its principles, Southport owns and has developed over 160 projects of this type around the Country, comprising over 16,000 units. Currently, 54 of those projects comprised of almost 7,000 units are located in the State of Florida. Enclosed, you will find a complete resume and property list for Southport.

Southport intends to apply to the Florida Housing Finance Corporation ("FHFC") for an allocation of 9% Low-Income Housing Tax Credits which will provide the primary source of financing for the Property, upwards in value of $10 million. In order to successfully compete in this extremely competitive process,

FHFC requires that developments of this type receive a Local Government Contribution in the present value amount of $20,000 for Santa Rosa County. To accomplish this, FHFC allows this Local Contribution to come in the form of a Loan, Grant, or Fee Waiver if desired by the municipality. Please note that while the form and commitment are required for the application, we do not anticipate funds for this project being allocated by the County until late 2018. As such, Southport respectfully requests that Santa Rosa County commit $20,000 for this Property pursuant to the local contribution form of your choice. All three are attached for your convenience.

We greatly appreciate the consideration of North Shore Townhomes and look forward to working with the County in the future. If there are any questions, please do not hesitate to contact me at the number below.

Sincerely,

Michael Molinari
Vice President

Enclosures: FHFC Local Contribution Forms
Proposed Rent Schedule
Proposed Site Plan
Location Map

Navarre Abbey

RENT SCHEDULE

BR Type	# Units	AMI %	Est Unit SF	Gross LIHTC Rent 2016	Net LIHTC Rent	FMR's	UW Rents	% of FMR	Rent/SF	Monthly Rev	Annual Rev
1BR	46	60%	700	$671	$601	$900	$601	66.78%	$1.29	$27,646	$331,752
1BR	5	40%	700	$447	$377	$900	$377	41.89%	$1.29	$1,885	$22,620
2BR	30	60%	900	$805	$720	$1,225	$720	58.78%	$1.36	$21,600	$259,200
2BR	4	40%	900	$537	$452	$1,225	$452	36.90%	$1.36	$1,808	$21,696
	85									$52,939	$635,268

Southport Development, Inc.

Background:

Southport Development, Inc. is a Florida corporation formed in December 2012. Southport Development, Inc., has the same principals as Southport Financial Services, Inc., formed in 1995, and operates in a similar capacity as Southport Financial Services, Inc.

Southport Development, Inc. Officers and Responsible Personnel:

President: J. David Page graduated Cum Laude from Harvard University with a degree in economics and did graduate work at the University of Washington. Mr. Page started as a Real Estate Sales Associate and later became a Broker in Tacoma, Washington in 1974. In 1979 Mr. Page started developing single family subdivisions and apartment properties, located primarily in Washington State. Mr. Page built, developed and managed about 5000 conventional apartments. In 1995 Mr. Page founded Southport Financial Services, Inc. Southport expanded Mr. Page's apartment development and acquisition activities focusing primarily on the states of Washington, California, Hawaii, Arizona, New Jersey, New York, Kansas, Missouri, Virginia, Florida, Illinois and the District of Columbia. To date Southport and its affiliates have developed or acquired over 16,000 units of apartments comprising over One billion dollars of development cost. Over 13,000 of these units have involved tax credits and/or tax-exempt bond financing.

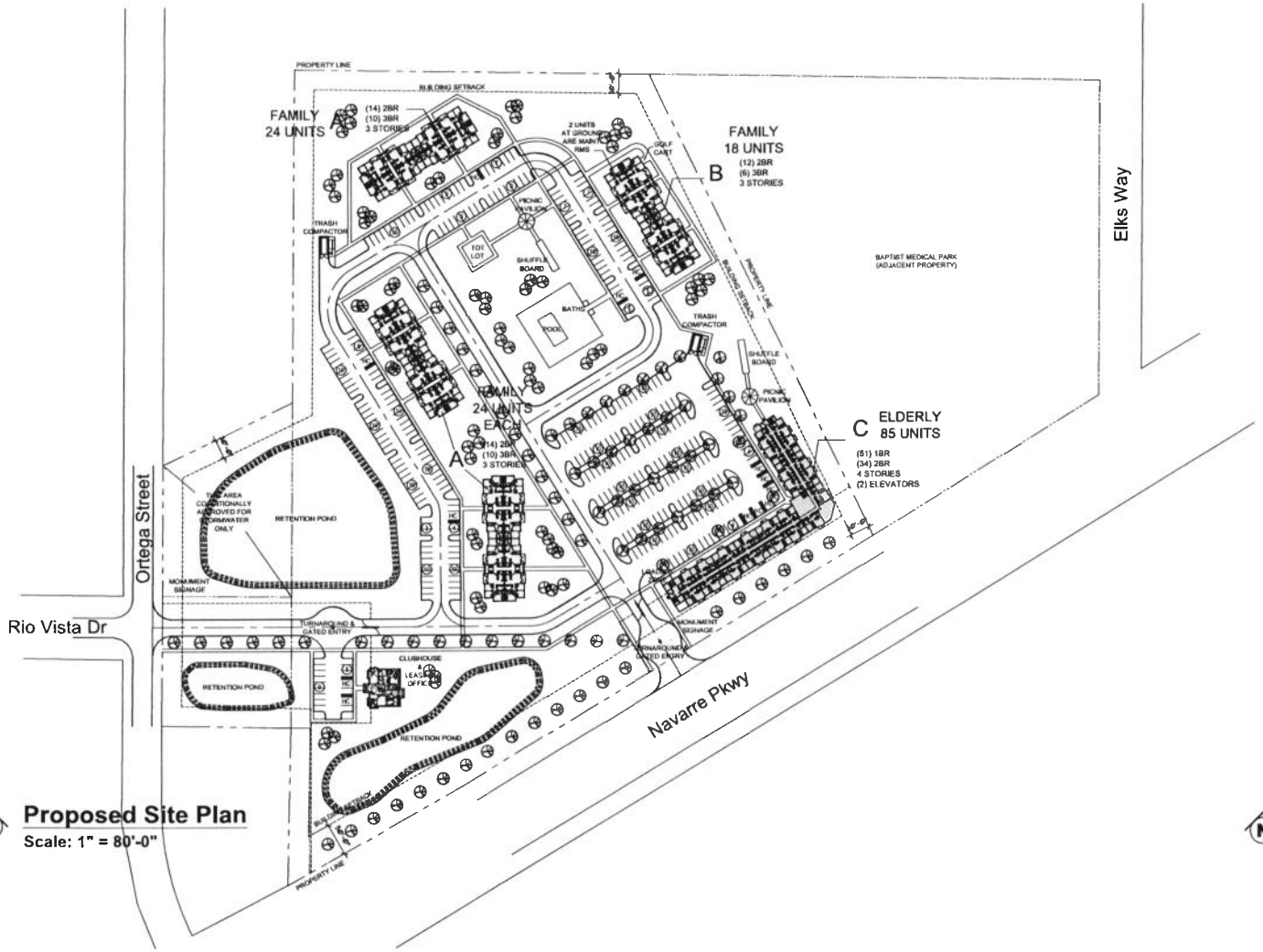
Vice President, Secretary, & Treasurer: Stephen W. Page majored in Business Administration at Washington State University. In 1992 Mr. Page opened his own real estate office, Waterford Properties, Inc. At this time he also helped open and was an associate with Vaughn Bay Construction, Inc. Vaughn Bay Construction, Inc. is involved in single family and multi-family construction, primarily in the state of Washington. As an associate with Vaughn Bay Construction Mr. Page is involved in the development and financial planning for both the single family and multi-family projects, including marketing and rental strategies. He is involved in all phases of development - site development, processing (often including rezoning), financing, land development and construction. Since 1995 he has received tax credit allocations for 10 projects in the state of Washington.

Vice President: Peter Leach graduated from the University of Washington Law School and was approved to the Washington State Bar in 1968. As an attorney in Seattle at Schweppe, Doolittle, Krug, Tausend, Beezer & Beirle, he was counsel to the largest HUD Developer and Manager in the Northwest, Conifer Developments. He later joined that firm as its President in 1971. In 1973 he was one of the three founders of Security Pacific, Inc., now known as Security Properties, acting as its General Counsel until 1975 when he took over the development division and was responsible for developing and closing the first three 11(b) financed elderly projects in the United States as well as closing nine 221(d) 4 GNMA Tandem transactions representing over 2,500 units in four states until he retired from Security Pacific in 1978. From 1982 through 1984 he was a Vice President of Eastdil Realty where he originated and closed over $40 million of Historic Tax Credit Equity, primarily for Cornerstone Development Company, a subsidiary of the Weyerhaeuser Company.

Vice President: Scott Seckinger graduated Magna Cum Laude from the Florida State University with degrees in finance and real estate. He is involved in all aspects of the acquisition process for Southport's east coast properties from site identification, design, permitting, and financing to project stabilization. Before joining Southport, Scott worked for a nationally recognized tax credit syndicator responsible for generating new business in real estate tax credit investments, managing client relationships, and overseeing project closings. Since joining Southport in 2006, Scott has been responsible for the development of 34 affordable housing communities comprising nearly 4,000 units.

Vice President: Michael Molinari holds a Bachelor of Arts from the University of Colorado-Boulder. He is involved in all aspects of the acquisition process for Southport's east coast division from site identification, design, permitting, and financing, closing coordination, construction oversight and project stabilization. Since joining Southport in 2007, Michael has been responsible for the development of 30 affordable developments consisting of more than 3,500 units in Florida and New York. Prior to joining Southport, Michael was an MBA student and Florida Atlantic University.

Vice President: Paul Fortino graduated from the University Of Notre Dame with a degree in American Studies. He later graduated from the University Of Notre Dame with a Master in Business Administration. He has been the Senior Vice President of Development for Southport Financial Services, Inc. in Tacoma, WA since 2003. His primary focus is Southport's west coast division including WA, OR, and HI. He directs Acquisitions, Rehabilitation Development and New Construction in Western United States. He has negotiated the Syndication of more than $100 Million in Tax Credit Equity. Closed Transactions in excess of $200 Million with various financings including Federal and State LIHTCs, Tax-Exempt Bonds for Private Placements, Rated or Credit Enhanced Public Offerings. Leveraged 4% and 9% LIHTCs to Rehabilitate HUD Financed/Subsidized housing, including initial feasibility and coordinating complicated closing procedures required with Chapter 15 rent increases for Section 8 Rental Contracts, LIHPRA, ELIHPRA, Sections 236, 221(d)3 BMIR and Rent Supplement, 223(f) and 221(d)4. Negotiated and Financed Buyouts and Re-syndications on LIHTC Properties before Year 15. Experienced Financing Housing with Traditional Equity, Public and Private, including REITs. Testified and Presented to Federal, State and Local Government Officials in open and closed sessions regarding housing needs, policy, risks, community support, zoning issues, and HUD participation. Expertly manage entire development from Land Identification through Stabilization and Asset Management. Interviewed and selected general contractors, architects, engineers, and surveyors and awarded numerous contracts in excess of $100 Million. He is partner in 8 properties providing 600+ units of Low Income Housing.



Proposed Site Plan

Scale: 1" = 80'-0"

SITE

Total Area =	19.84 ACRES
Zoning =	HCD (Conditional Use Multi Family)
Density =	10 Units / Acre 198 Units Max Allowed
Proposed=	90 Units Affordable Family (Bdgs A & B) 85 Units Affordable Elderly (Bldg C)
Parking=	2.0 space 350 spaces minimum (Incl. 8 Accessible)
Proposed=	2.13 space 372 spaces minimum (Incl. 12 Accessible)
Setbacks=	50 ft along Navarre Parkway 30 ft typical all other sides

Aerial Photo

SK-1

Project No.
2016-285c
Date:
October 24, 2016

Navarre Crossing Apartments

Proposed Affordable Elderly & Family Housing Communities

8846 Navarre Pkwy
Navarre, FL 32566

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Navarre Abbey and Navarre Orchard Project Location

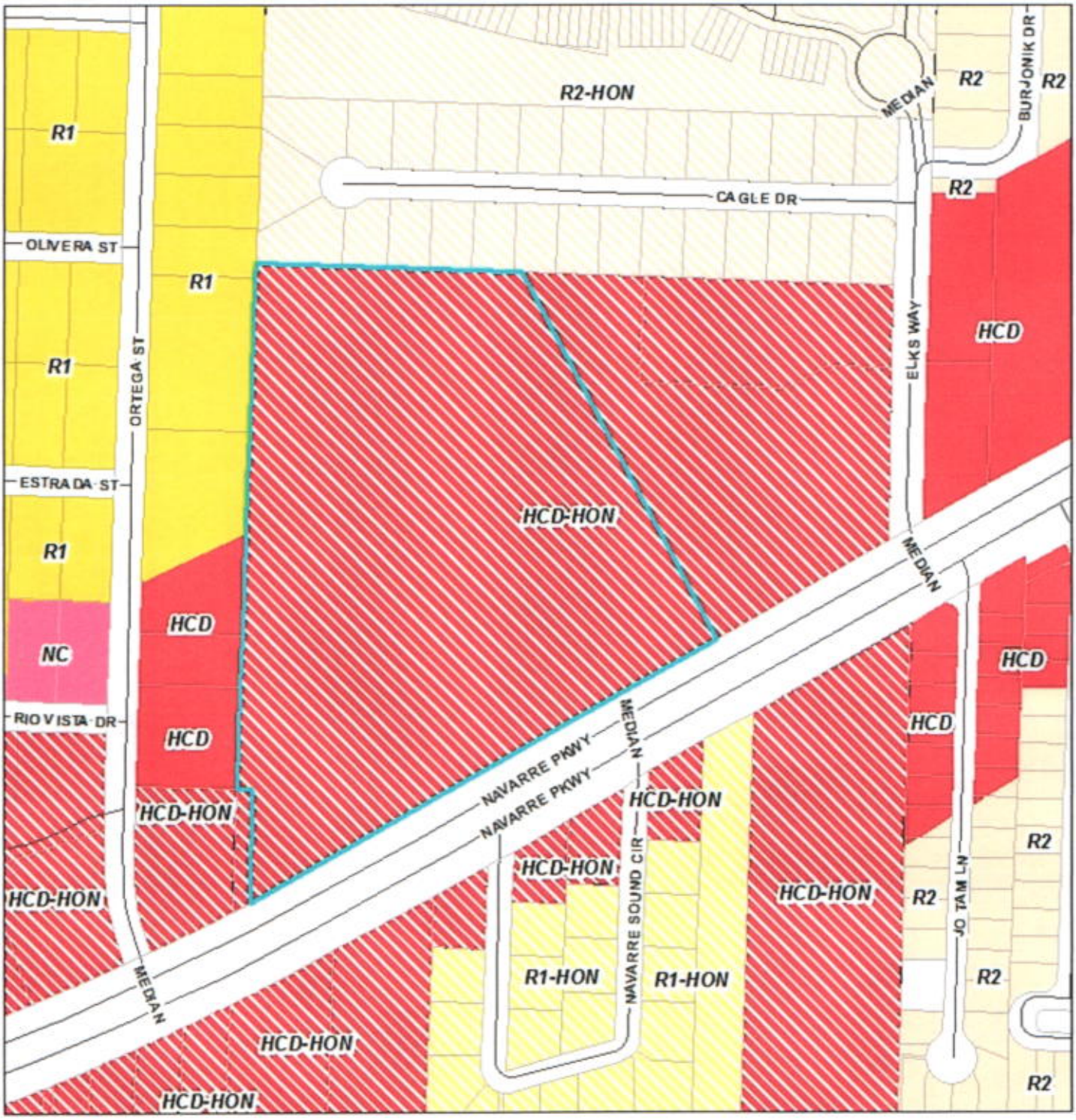
Zoning: HCD-Highway Commercial with Heart of Navarre Overlay

Conditioal Use approval required for residential use

Parcel Size: 17.6 acres

N

Navarre Abbey and Navarre Orchard Project Location



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