

Application for Tax Exempt Financing for Taylor Pointe Apartments



May 3rd, 2018

Submitted by:



DOMINIUM

2905 Northwest Blvd., Suite 150
Plymouth, MN 55441
Telephone (763) 354-5500



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Patricia Lott
Escambia County Housing Finance Authority
700 South Palafox Street, Suite 310
Pensacola, FL 32502

Re: Taylor Pointe Apartments – Application for Tax-Exempt Bonds

Dear Ms. Lott,

Vero Beach Leased Housing Associates III, LLLP is pleased to submit our application for tax-exempt bonds for Taylor Pointe Apartments in Vero Beach, FL. The Tax-Exempt Bonds will be utilized along with 4% Low Income Housing Tax Credits to perform a \$4,200,000 renovation of Taylor Pointe Apartments.

If you have any questions or need clarification on our application, please feel free to contact me. We look forward to hearing from you.

Thank you,

Mark Sween
763-354-5559
msween@dominiuminc.com

SUMMARY OF PROPOSED DEVELOPMENT

GENERAL INFORMATION

NAME OF PROJECT	
Developer/Location	Vero Beach Leased Housing Development III, LLC / Minnesota
Development Location	4885 38th Cir, Vero Beach, FL 32967
Type NC/Rehab	Acquisition - Rehabilitation
Units	168
Bedrooms	390
Total Square Feet	187,826
Funds Requested Total and per unit	\$95,238
Total Cost	\$22,729,609
Land Cost	\$300,000
Acquisition of Building Cost if applicable	\$12,300,000
Hard Rehab Cost or Construction Cost	\$4,200,000
General Contractor	TBD
Credit Enhancement if utilizing Bonds	TBD
Set Aside Period	30 Years
Set Aside Levels	40% of Units at 60% Area Median Income - Section 42 Minimum Set Aside

Tax Exempt Bond Amount Requested: \$ 16,000,000

Taxable Bond Amount Requested: \$ 0

Total Bond Amount Requested: \$ 16,000,000

Total Project Cost: \$ \$22,729,609



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Social Services

In addition to the selection made under Public Policy Issues, as part of the existing Tax Credit Extended Use Agreements and Bond Land Use Restriction Agreements, the following Social Services are provided and will continue to be following the renovation:

1. Day Care
 - a. There is currently a day care run by Ms. Theresa Harriel-Clark on site, called "Ms. Theresa's Day Care."
2. On-Site Daily Lunch Program
 - a. The Owner currently provides an on-site daily lunch program in which residents can sign up to receive lunches daily through a third party program
 - b. This will continue through the Extended Use Period
3. Tenant Activities
 - a. The Owner currently provides tenant activities including:
 - i. Quarterly on-site health care visits
 - ii. Computer lab with one computer per 50 units
 - iii. Semi-annual first time home buyers seminars
 - iv. On-site literacy training
 - b. These will continue through the Extended Use Period
4. Home Ownership Opportunity Program
 - a. The Owner provides a homeownership opportunity program available to all residents in compliance with their current lease
 - b. The program is available to dedicate 5% of resident's gross rent towards a down payment for individual residents when they move into homeownership

Because of the many services that will continue to be provided under the term of the existing Use Agreements, the applicant elects the following from the Application:

1. Health Care
 - a. The Applicant will provide quarterly visits by health care professionals, such as nurses, doctors, and other licensed care providers.

2. Resident Activities
 - a. The applicant will hold regularly scheduled activities on site including parties, picnics, and cookouts.
3. Financial Counseling
 - a. The Applicant will provide quarterly financial counseling including tax preparation and workshops.
4. First Time Homebuyers Seminars
 - a. The Applicant will continue to arrange for and provide semiannual on-site seminars for residents who are interested in becoming homeowners.
5. Homeownership Opportunity Program
 - a. The Applicant will provide a homeownership opportunity program to all residents in compliance with their lease in which 5% of resident's gross rent can be set aside toward a down payment for when a resident moves into homeownership.



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Physical Amenities

As part of the rehabilitation, several items will be implemented to enhance the quality of life for residents:

1. Handicapped Accessibility:
 - a. Following completion of construction, the property will have 5% of all units (~9 units) be fully ADA compliant
 - b. The applicant has partnered ADA consultant to ensure all pathways and ramps meet ADA standards and guidelines
 - c. Following completion of construction, the clubhouse and common area amenities will have ADA accessibility
2. Security
 - a. As part of the acquisition, the applicant will enter into a contract with Watchtower Security to implement a security camera system throughout the site
 - b. The construction scope of work will include the replacing of all resident keys to Salto Fobs keys that allow for tight management on access throughout the property and the ability to document use
 - i. The Fob will work for both individual units and common area amenities
 - c. As part of construction, the front entry gate will undergo renovation to be fobbed to monitor and restrict those who can access the site
3. Energy Efficiency
 - a. As part of the construction process, the applicant is partnering with a water conservation consultant in which we will implement a program that includes retrofitting toilets with all new accessories, as well as installing new low flow accessories in the kitchen and bathroom.
 - b. While the scope of work is still being determined, the applicant make it a priority to implement energy efficiency throughout the rehab when able to. This includes lighting as well as mechanical items.



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Financing Plan

Taylor Pointe Apartments will be financed through an immediate first mortgage, low income housing tax credit equity, an equity bridge loan and seller note. The total tax exempt bond request will not exceed \$16,000,000.

Permanent 1st Mortgage

The applicant is anticipating using a utilizing the Fannie TEL (Tax-Exempt Loan) financing structure. The 1st mortgage is expected to be in the amount of approximately \$11,100,000. This loan will be fully funded at closing. The financing terms are as follows:

- Term – 15 years
- Amortization – 30 years
- Interest Rate – Fixed

Equity Bridge Loan

The equity bridge loan will be a taxable loan in the amount of \$3,800,000. It is expected to bear interest at a rate of LIBOR+ 2.50 %. The loan will bridge the financing gap during construction and will be paid off with tax credit equity.

Seller Note

The sellers of the two properties, Lindsey Gardens I, Ltd. and Lindsey Gardens II, Ltd. will take seller notes of \$1,920,000 and \$1,440,000, respectively, for the sale of the two properties. The term of these Seller Notes will not exceed 35 years and will incur interest of the Long-Term AFR at the time of closing. These will be backed with tax-exempt bonds that will be repaid from available cash flow.

Federal LIHTC Equity

In conjunction with our application for tax-exempt bonds, we will be applying for an allocation of 4% federal low-income tax credits from the Florida Housing Finance Corporation. The estimated amount of tax credit equity is \$7,158,568. Tax credit equity will be invested into the project in installments, some of which will occur after construction.