



August 29, 2014

Mr. Ken Reecy, Director of Multifamily Programs  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32301

RE: The Goodson Home 2014-389G (RFA 2014-105)  
Financing to Build or Rehabilitate Smaller Permanent Supportive Housing  
Properties for Persons with Developmental Disabilities

Dear Mr. Reecy:

At the request of the Florida Housing Finance Corporation (“Florida Housing” or “FHFC”), First Housing reviewed the response to Request for Application 2014-105 for the proposed Goodson Home development. The Arc Sunrise of Central Florida (“Applicant”) has applied for \$224,469 in grant funding for the new construction of a single family Community Residential Home designed to house four (4) tenants at 2022 Meadowside Drive Eustis, Lake County, Florida 32736. The Group Home is a proposed four bedroom, 2 ½ bath 2,850 square foot concrete block home.

The Goodson Home will serve people with a primary diagnosis of Intellectual/Developmental Disability (“I/DD”) that are eligible for Intensive Behavior Residential Services through Florida’s Agency for Persons with Disabilities (“APD”) who are at significant and immediate risk of becoming institutionalized related to circumstances directly attributed to the developmental disability placing them in severe life crisis. The residents will be transitioned out of locked crisis centers, dangerous family situations, Florida State-operated and private locked facilities, as well as from unstable community placements that have failed making institutionalization eminent.

At this time there are over 17,000 people with I/DD on the wait list for services thru the Agency for Persons with Disabilities in Florida. People with Intensive Behavioral Challenges are particularly difficult to place to the community-based homes due to a lack of Providers capable of the rigors of operating a successful Intensive Behavior Home. This situation further increases the risk of people with I/DD with Intensive Behavior of becoming institutionalized. Unfortunately, institutions have become a "dumping ground" for people with I/DD and Intensive Behavior. The Goodson Home will be designed as a model community-based program to help guide the reverse this unfortunate trend.

Founded in 1964 with a mission of service to those with I/DD, The Arc Sunrise of Central Florida, Inc. is one of the largest charitable organizations devoted to this cause throughout Central Florida.

The Arc Sunrise of Central Florida provides person-centered services to meet the needs of individual clients, and is a recognized leader in services for People with I/DD and Intensive Behavior.

**DEVELOPMENT & SET-ASIDES**

Development Name: The Goodson Home

Program Numbers: RFA 2014-105 2014-389G

Address: 2022 Meadowside Drive City: Eustis Zip Code: 32736

County: Lake

Development Category: New Construction Development Type: Single Family

Construction Type: Concrete Block / Slab on-grade

Demographic Commitment: Elderly: No Homeless: No ELI: 2 Units @ 40% AMI  
Developmental Disabilities: Yes Family: No

Buildings: Residential - 1 Non-Residential - 0  
Parking: Parking Spaces - 2 Accessible Spaces - N/A

Set Asides:

Program	# of Residents	% AMI	Term (Years)
RFA 2014-105	2	40%	10
RFA 2014-105	2	60%	10

Site Acreage: 0.26 Density: N/A Flood Zone Designation: X  
Zoning: Suburban Residential Flood Insurance Required?: No

**DEVELOPMENT TEAM**

Applicant:	<u>The Arc Sunrise of Central Florida</u>
Developer:	<u>The Arc Sunrise of Central Florida</u>
General Contractor:	<u>Kevco Builders, Inc.</u>
Management Company:	<u>The Arc Sunrise of Central Florida</u>

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**Source of Funds**

Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
RFA 2014-105 Grant	FHFC	\$224,469	\$224,469	\$224,469	N/A	N/A	N/A	N/A
Equity	ARC Sunrise	\$0	\$2,179	\$2,179	N/A	N/A	N/A	N/A
Total		\$224,469	\$226,648	\$226,648				\$0

**FHFC Grant**

The Applicant has requested funding in the amount of \$224,469 via the FHFC RFA 2014-105 to construct a new single family Community Residential Home. Based on the budget submitted during underwriting, the Applicant will be required to inject \$2,179 in equity to balance the sources and uses of funds.

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**Uses of Funds**

<b>CONSTRUCTION COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Underwriters Total Costs Per Unit - CUR</b>
New Construction Units	\$136,320	\$174,720	\$174,720	\$43,680
Overhead & Profit	\$0	\$24,460	\$24,460	\$6,115
Upgrade Flooring	\$14,000	\$0	\$0	\$0
Landscaping	\$2,000	\$0	\$0	\$0
Furniture, Fixture, & Equipment	\$5,000	\$0	\$0	\$0
Total Construction Contract/Costs	\$157,320	\$199,180	\$199,180	\$49,795
Hard Cost Contingency	\$0	\$0	\$0	\$0
<b>Total Construction Costs:</b>	<b>\$157,320</b>	<b>\$199,180</b>	<b>\$199,180</b>	<b>\$49,795</b>

First Housing reviewed a draft, unexecuted Residential Construction Contract between The ARC Sunrise of Central Florida (“Owner”) and Kevco Builders, Inc. (“Contractor”) in the amount of \$199,180 for the new construction of a custom home.

The general contractor’s fee (general conditions, overhead and profit) is in the amount of \$24,460 which is 14% of the contract amount less the fee, which is within the maximum of 14%.

<b>GENERAL DEVELOPMENT COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Underwriters Total Costs Per Unit - CUR</b>
Accounting Fees	\$2,000	\$0	\$0	\$0
Architect's Fee - Site/Building Design	\$26,200	\$0	\$0	\$0
Building Permits	\$660	\$0	\$0	\$0
Environmental Report (TSP)	\$1,350	\$1,350	\$1,350	\$338
FHFC Credit Underwriting Fee	\$2,500	\$2,500	\$2,500	\$625
FHFC Compliance Fee	\$1,000	\$1,000	\$1,000	\$250
FHFC Construction Inspection Fee(s)	\$2,220	\$2,220	\$2,220	\$555
Impact Fee	\$7,800	\$0	\$0	\$0
Insurance	\$1,000	\$0	\$0	\$0
Legal Fees	\$1,000	\$500	\$500	\$125
Survey	\$250	\$475	\$475	\$119
Taxes	\$338	\$338	\$338	\$85
Title Insurance and Recording Fees	\$225	\$2,481	\$2,481	\$620
Utility Connection Fees	\$200	\$0	\$0	\$0
Soft Cost Contingency	\$0	\$0	\$0	\$0
<b>Total General Development Costs:</b>	<b>\$46,743</b>	<b>\$10,864</b>	<b>\$10,864</b>	<b>\$2,716</b>

First Housing verified that the architect’s fee, building permits, impact fees and insurance line items, which are not in the Developer’s general development costs, are included in the Schedule of Values contained within the construction contract.

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<b>OTHER DEVELOPMENT COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Underwriters Total Costs Per Unit - CUR</b>
<b>Development Cost Before Developer Fee</b>	<b>\$204,063</b>	<b>\$210,044</b>	<b>\$210,044</b>	<b>\$52,511</b>
Developer Overhead	\$20,406	\$16,604	\$16,604	\$4,151
<b>Total Other Development Costs:</b>	<b>\$20,406</b>	<b>\$16,604</b>	<b>\$16,604</b>	<b>\$4,151</b>

<b>LAND ACQUISITION COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Underwriters Total Costs Per Unit - CUR</b>
Land	\$0	\$0	\$0	\$0
<b>Total Acquisition Costs:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$224,469</b>	<b>\$226,648</b>	<b>\$226,648</b>	<b>\$56,662</b>

First Housing reviewed a Quit-Claim Deed dated July 22, 2010. The vacant lot was gifted to the Applicant. For informational purposes only, First Housing reviewed a previously completed appraisal dated February 10, 2014. The appraisal indicated the sales comparison value of the vacant lot at that time was \$14,000.

A separate Description of Features and Amenities is attached to this report as Exhibit A.

**Third Party Reports**

Per an email from Bill Aldinger dated June 11, 2014, FHFC has approved the submitted Resident Community Services Coordination Plan for The Goodson Home.

First Housing reviewed a Transaction Screen Process (“TSP”) Report dated May 26, 2014, prepared by JK Environmental Services, LLC in accordance with ASTM Standard E 1528-06. No Potential or Recognized Environmental Concerns were identified at the subject site. The Report indicated that no further assessment was warranted.

**Development Team**

Applicant/Developer

First Housing reviewed a list of six group homes currently owned and operated by the Applicant. All homes are licensed by the Florida Agency for Persons with Disabilities.

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The Applicant provided September 30, 2013 audited financials for Sunriscarc, Inc., the parent entity. A recap follows:

Sunriscarc, Inc. Audited Financial Statements Year Ended September 30, 2013	
Cash and Equivalents	\$ [REDACTED]
Total Assets	\$ [REDACTED]
Total Liabilities	\$ [REDACTED]
Total Net Assets	\$ [REDACTED]

First Housing has not reviewed satisfactory bank and trade references for the Applicant/Developer of this Development. Satisfactory receipt and review prior to the closing of the grant funding is a condition of this report.

First Housing has not reviewed a satisfactory D&B Report for the Applicant/Developer of this Development. Satisfactory receipt and review prior to the closing of the grant funding is a condition of this report.

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### **Recommendation:**

First Housing recommends grant funding in the amount of \$224,469 be awarded to this development for the new construction of The Goodson Home.

### **Conditions:**

1. Review and approval of all grant documents by FHFC and its legal counsel.
2. Satisfactory receipt and review of bank, trade and credit references for the Applicant/Developer prior to the closing of the grant funding is a condition of this report.
3. Payment of all costs and fees to FHFC, its legal counsel, and servicer.
4. Payment of the Grant Commitment Fee to FHFC at closing.
5. Prepayment of the required Compliance Monitoring Fees at closing.
6. Satisfactory resolution of any outstanding past due and non-compliance items, if applicable.
7. Payment of any outstanding arrearages to FHFC, its legal counsel, servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant, or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
8. The Applicant will provide a Construction Completion Guaranty to be released at 100% lien free completion of construction.
9. Receipt of evidence of adequate insurance on the Development as determined by Florida Housing, or First Housing, but which shall, in any case, include fire, hazard and other insurance sufficient to meet the standards established in Part IIIB, Chapter 9, Section 911 of the Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS) Guide, effective April 29, 2011.
10. Confirmation that all features and amenities are provided during construction by the construction inspector, David Sanchez, with On Solid Ground.
11. Termite prevention and pest control must be provided throughout the entire affordability period.
12. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete. Retainage will not be released until successful completion of the rehabilitation.
13. Funding of the Grant is conditioned upon satisfactory review of all ADA and Fair Housing

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requirements.

- 14.** Any other due diligence required by FHFC, its legal counsel or servicer.



Scott M. Eberhard  
Senior Credit Underwriter  
First Housing Development Corporation



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### EXHIBIT “A”

RFA 2014-105 Financing to Build or Rehabilitate Smaller Permanent Supportive Housing  
Properties for Persons with Developmental Disabilities  
(THE GOODSON HOME / #2014-389G)  
DESCRIPTION OF FEATURES AND AMENITIES

- A.** The Development will consist of 4 bedrooms and 2.5 bathrooms

Developments that are Adding to the Supply of Units that Serve Persons with Developmental Disabilities, whether through new construction and/or Rehabilitation must meet the following requirements:

- (1) Each resident living in a Shared Housing Unit shall have a private Bedroom with non-exclusive access to shared living facilities, consisting of a kitchen and a living/dining area. For every two residents in a Shared Housing Unit, there must be at least one full bathroom with a locking door;
- (2) Community Residential Homes must not have more than one (1) resident per Bedroom, and no more than six (6) residents per Unit.

- B.** The Development is to be constructed and will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act as implemented by 24 CFR 100, the 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., and Titles II and III of the Americans with Disabilities Act (“ADA”) of 1990 as implemented by 28 CFR 30, incorporating the most recent amendments, regulations, and rules, as applicable.

If the proposed Development meets the definition of Scattered Sites, all features and amenities committed to and proposed by the Applicant that are not Unit-specific shall be located on each of the Scattered Sites.

- C.** The Development must provide the following Green Building, Accessibility, Adaptability, Universal Design and Visitability Features:

1. Termite prevention and pest control throughout the entire affordability period; and
2. A full-size range and oven in all Units.

All new construction Developments must include the green building features listed below, as appropriate:

1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
  - o Toilets: 1.6 gallons/flush or less;

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- o Faucets: 1.5 gallons/minute or less;
  - o Showerheads: 2.2 gallons/minute or less;
3. Energy Star qualified refrigerator;
  4. Energy Star qualified dishwasher;
  5. Energy Star qualified washing machine, if provided;
  6. Energy Star qualified exhaust fans in all bathrooms; and
  7. Minimum SEER of 14 for air conditioners.
- D.** All New Construction units must provide the following Accessibility, Adaptability, Universal Design and Visitability Features listed below and all rehabilitation and/or renovation developments are strongly encourage to incorporate as many of the features listed below as are structurally and financially feasible within the scope of work. If the proposed Development serves persons with physical disabilities it must include all accessibility, adaptability, universal design and Visitability features listed below.
1. A minimum of 50 percent of the total Units shall be fully accessible in accordance with the 2010 ADA Standards for Accessible Design. These fully accessible Units shall provide mobility features that comply with the residential dwelling Units provision of the 2010 ADA Standards for Accessible Design. At least one of the total Units shall be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design. The Unit(s) that is accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design.
  2. Primary entrance door shall have a threshold with no more than a ½-inch rise;
  3. All door handles on primary entrance door and interior doors must have lever handles;
  4. Lever handles on all bathroom faucets and kitchen sink faucets;
  5. Toilets must be 17 inches to 19 inches in height as measured from the finished floor to the top of the toilet seat;
  6. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level
- E.** The Development must provide the following optional accessibility, Adaptability, Universal Design and Visitability features and amenities as described in their response to Request for Application 2013-005:

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1. Gardens/landscaping wheelchair accessible
2. Accessible picnic tables
3. Adaptive computers
4. Grab bars for showers, tubs, & toilets
5. Movement-Activated Exterior Lighting for security and safety