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April 8, 2015

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301-1329

Re: Development Plan Approval for Neff Lake Estate III (2014-011P-09)

Dear Mr. Dearduff:

This letter provides notice that the above-referenced project has my approval to go forward for consideration of Florida Housing Finance Corporation approval of the Predevelopment Loan Program loan amount of \$41,282 and execution of loan documents. The applicant has expressed a desire to have the FHFC Board consider this request at their May 8, 2015 meeting.

I have attached a Development Plan which provides information on the project, the project timeline, and a budget which details how the PLP funds will be utilized. After reviewing all documents pertaining to this project, and meeting with the applicant to discuss the project specifics, I believe that \$41,282 is sufficient to complete the proposed predevelopment activities.

Should you need anything further, or have any questions, please do not hesitate to contact me.

Very truly yours,

*David A. Klimut*

David A. Klimut  
Technical Advisor



## Predevelopment Loan Program Development Plan

Development Name: Neff Lake Estate III

Development Number: 2014-011P-09

**A.**

<b>General Information</b>
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<b>Applicant Name</b>	The Arc Nature Coast, Inc.
<b>Development Name</b>	Neff Lake Estate II
<b>Development Address</b>	5259 Neff Lake Road, Brooksville, FL 34601
<b>Developer Entity Name</b>	The Arc Nature Coast, Inc.
<b>Development Team</b>	Mark Barry, Executive Director
<b>Contact Person</b>	Mark Barry
<b>Development Type</b>	Rental
<b>Total Number of Buildings</b>	1
<b>Total Number of Units</b>	6
<b>Target Population</b>	Developmental Disabilities
<b>Construction Type</b>	New
<b>PLP Requested Loan Amount</b>	\$41,282
<b>Applicant comments and/or explanation:</b>	
<p><b>TAP comments:</b> The Applicant is requesting Predevelopment Loan Program financing for a 3,858 square foot, six-bedroom, four bathroom Community Residential Home to serve persons with developmental disabilities. The development will be constructed on a 30 acre site in Hernando County, co-located with Applicant's adult training center and administrative offices, and with Neff Lake Estate I, currently under construction with financing provided under FHFC RFA 2013-005 (Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities).</p> <p>The Applicant submitted an application for this development in response to FHFC RFA 2014-112 (Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities) The \$350,000 in funding that the Board authorized at its January 30, 2015 meeting is currently in the credit underwriting process.</p>	

<b>Loan Information</b>
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<b>TAP Recommended Amount</b>	\$41,282
<b>Total Predevelopment Costs</b>	\$41,282
<b>Amount of Loan Requested for Acquisition</b>	\$0
<b>Total Development Costs</b>	\$387,500
<b>Applicant comments and/or explanation:</b>	
<b>TAP comments:</b>	

**C.**

<b>Development Team</b>		
<b>Team Member</b>	<b>Name</b>	<b>Status</b>
<b>Developer</b>	The Arc Nature Coast, Inc.	
<b>Contractor</b>	The contractor currently constructing Neff Lake Estate I may be selected, subject to pricing for Neff Lake Estate III and to continued acceptable performance of the existing contract.	pending
<b>Designer/Draftsman</b>	Construction drawings created by Parr Drafting for Neff Lake Estate I will be used in this phase.	completed
<b>Engineer</b>		
<b>Consultant</b>	None	
<b>Other</b>		
<b>Applicant comments and/or explanation:</b>		
<p><b>TAP comments:</b> Drafting, engineering, and construction activities will be performed under a single contract supervised by a licensed general contractor.</p>		

**D.**

<b>Market and Feasibility</b>		
<b>Type of Study</b>	<b>Name</b>	<b>Status</b>
None		
<b>Applicant comments and/or explanation:</b>		
<p><b>TAP comments:</b> Because Neff Lake Estate III will be licensed as a Community Residential Home as required by FHC RFA 2015-112 (Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities), referrals will come from the local office (Area 13) of the Florida Agency for Persons with Disabilities. The Area 13 office has a substantial wait list of eligible persons seeking housing. The Area 13 office will pay Applicant for resident room and board and for residential habilitation training, and will provide for a personal allowance for the benefit of each resident.</p>		

E.

<b>Site Control</b>	
<b>Type of Evidence</b>	Warranty Deed
<b>Is the deed or will the deed be listed in the name of the Applicant?</b>	Property is currently owned by Applicant.
<b>Are there current liens on the site? If yes, list amount of lien and position of lien holder.</b>	Centerstate Bank West Florida holds an amortizing 30 year mortgage dated 8/30/2005 in the original amount of \$190,000. Construction of Neff Lake Estate I is currently underway on the site, creating the potential for mechanics liens.
<b>Applicant comments and/or explanation:</b>	
<b>TAP comments:</b> The warranty deed to Hernando County Association for Retarded Citizens is dated 9/9/1974. The Florida Secretary of State shows the Applicant's name was changed from Hernando County Association for Retarded Citizens to Arc of Nature Coast, Inc. on 11/15/1999. The Hernando County Property Appraiser indicates that the market value of property is \$722,868. This provides an adequate security interest to protect the Florida Housing Finance Corporation PLP loan of \$41,282.	

F.

<b>Zoning</b>	
	<b>Status</b>
<b>Zoning on Property</b>	Agriculture, subject to Special Exemption Use Permit for Congregate Care and Educational Facility
<b>Current Use</b>	Education Facility
<b>Future Land Use Plan</b>	Not Applicable
<b>No Zoning Evidence</b>	
<b>Location map</b>	
<b>Site Plan Approval</b>	Pending approval of Tree Plan, clearance of undergrowth, and soil borings to determine location of building on site.
<b>Applicant comments and/or explanation:</b>	
<b>TAP comments:</b> Current zoning allows for Applicant's proposed use.	

**G.**

<b>Development Elements</b>	
<b>Item</b>	<b>Status</b>
<b>Survey</b>	Site plans for Neff Lake Estate II and III to be completed in May 2015.
<b>Soil Test</b>	Work to be completed in May, after Tree Survey is approved.
<b>Building Permit</b>	Pending, planned for June 2015
<b>Other Permits</b>	Due to the presence on site of 27 specimen and majestic live oak trees protected under the Hernando County Tree Ordinance, Applicant will be required to submit a Tree Location Survey for approval before soil borings are made and location of building is determined.
<b>Availability of Utilities</b>	Electrical service is installed underground from right of way to site. An electrical transformer adequate to serve Neff Lakes Estate I, II, and III is in place and in service.
<b>Availability of Water and Sewer</b>	An individual potable water well and individual septic system will be installed for this development, and is included in construction cost.
<b>Availability of Roads</b>	The existing access to Neff Lakes Estate I will be extended to this development.
<b>Environmental Assessment</b>	Completed, no issues identified
<b>Appraisal</b>	Not required
<b>Financial Statements</b>	Under review by Amerinational.
<b>Drawings, Plans and/or Specs</b>	Drawing, plans, and specifications for the building are completed. The actual site plan and location of the building on the site will be determined based on the Tree Survey and soil borings.
<b>Applicant comments and/or explanation:</b>	
<p><b>TAP comments:</b> The site is previously undeveloped with substantial undergrowth in addition to protected trees. The time and the costs associated with creating the site plan and determining the location of the building can be substantially reduced by preliminary clearing of undergrowth for access. In order to meet both Hernando County SHIP funding requirements (a building permit is required prior to funding, and occupancy must occur no later than June 30, 2016) and Agency for Persons with Disabilities licensing requirements (no residents without a license, and no licensing visit until building is completed and furnished) it is imperative that the building permit be obtained no later than June 30, 2015.</p>	

**H.**

<b>Marketing and Sales/Lease Up</b>
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<b>Please Provide Narrative Describing Marketing and Sales/ Lease Up</b>
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<p><b>TAP comments:</b> Because Neff Lake Estate III will be licensed as a Community Residential Home as required by FHC RFA 2015-112 (Financing to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities), referrals will come from the local office (Area 13) of the Florida Agency for Persons with Disabilities. The Area 13 office has a substantial wait list of eligible persons seeking housing.</p>

**I.**

<b>Sources</b>
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Funding Source	Amount	Status
Florida Housing Finance Corporation (RFA 2014-112)	350,000	in underwriting
Hernando County Housing SHIP	37,500	approved
The Arc Nature Coast, Inc	In-Kind Land	
<b>TOTAL</b>	387,500	
<b>TAP comments:</b>		

**J.**

<b>Narrative</b>
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*Please describe any facts regarding this development that are not covered previously in this report*

<p>Due to the Hernando County SHIP requirement that residents be in place no later than June 30, 2016, and the FHFC requirement that the SHIP loan close in advance of the Small DD funds being released, Arc Nature Coast, Inc. requests approval from FHFC of the proposed clearance costs as an eligible predevelopment expense in order to conduct soil testing, surveying, etc.</p>
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**K.**

<b>Overall Uses</b>
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Item	Amount
New Construction Costs	290,000
New Construction Contingency	22,318
Plans & Engineering	4,750
Survey (trees, drives, pads)	1,000
Building Permit	1,400
Health Dept. Permit (septic)	350
Residential Impact Fee	1,332
Soil Boring Tests & Report	3,000
ADA Review Fee	1,350
Clearance Costs for Locating Building	24,000
Developer Fee	38,000
Land	-
<b>TOTAL</b>	<b>387,500</b>

**L.**

<b>PLP Budget</b>
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Item	Amount From PLP Loan
Plans & Engineering	4,750
Survey (trees, drives, pads)	1,000
Building Permit	1,400
Health Dept. Permit (septic)	350
Residential Impact Fee	1,332
Soil Boring Tests & Report	3,000
Clearance Costs for Locating Building	24,000
ADA Review Fee	1,350
Contingency	4,100
<b>TOTAL</b>	<b>41,282</b>

**M.**

<b>Timeline</b>
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Timetable	Comments	Date
Clearance for Locating Building		May-15
Soil Borings		May-15
Determine Building Location		May-15
Obtain Building Permit		June-15
Close on SHIP Loan		July-15
Close on FHFC Small DD Loan		July-15
Start Construction		July-15
Certificate of Occupancy		June-16